Stock Code: 1464

DE LICACY INDUSTRIAL CO., LTD.

DE LICACY INDUSTRIAL CO., LTD.

2024 Annual Report

MaR.31, 2025

Website for inquiry of annual report: http://mops.twse.com.tw

http://www.delicacy.com.tw/zh-tw/Investor/Shareholders/Stockholders' Meeting

1. Spokesman, Acting Spokesman

   Name of the Spokesman: YU, I-NENG
   Title: General Manager
   Tel.: (06) 5992866 #210
   Email: yuyineng@delicacy.com.tw

   Name of the Acting Spokesman: CHU, YING-CHU
   Title: Associates
   Tel.: (06) 5992866 #201
   Email: chuchu5811@delicacy.com.tw

2. Company Address:

Name	Address	Tel.
Headquarter	No. 820, Fuxing Road, Sanshe Village, Xinshi District, Tainan City	(06)5992866-9
Factory	No. 820, Fuxing Road, Sanshe Village, Xinshi District, Tainan City	(06)5992866-9
Taipei Office	10F, No. 188, Section 5, Nanjing East Road, Taipei City	(02)27639088 (representative)
Shanghai Representative Office	Lansheng Building, 29th Floor, 2-8 Huaihai Middle Road, Luwan District, Shanghai	86-21-63191199 #602

3. The Stock Transfer Agency

   Name：Stock Agency Department, MasterLink Securities Corporation
   Address：B1, No. 35, Lane 11, Guangfu North Road, Songshan District, Taipei City
   Tel：(02)2768-6668
   Website：http://www.masterlink.com.tw

4. Accountant Certified the Recent Annual Financial Statement

   Name：Deloitte & Touche
   Name of Accountant：LIAO HUNG-JU, WANG TENG-WEI
   Address：13F, No. 189, Section 1, Yongfu Road, Tainan City (70051)
   Tel：(06)2139988
   Website：http://www.deloitte.com.tw

5. Name of the exchange of trading listed overseas securities and methods to inquire about the listed overseas securities: None.

6. Company's Website

   http://www.delicacy.com.tw

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I. Letter to Shareholders

Ladies and gentlemen of the shareholders：Good day to you all!

Thank you to all shareholders for taking the time to attend the shareholders' meeting. We sincerely welcome and thank you for your interest and support.

In 2024, the company benefited from an economic recovery and strong order momentum from international brands, resulting in annual revenue approaching NT$12 billion—the second highest in the company's history. Additionally, due to the depreciation of the New Taiwan Dollar and an increase in shipments to high-end brand customers with higher gross margins, the annual net profit reached NT$516 million, with earnings per share (EPS) of NT$1.04.

1. Production and Sales Overview:

(1) Production: The production of spun fabric in 2024is 15,707 thousand yards, which was a growth of 69.82% compared to 2023's 9,249 thousand yards.Filament fabric is 118,786 thousand yards, which was a growth of 6.08% compared to 2023's 111,982 thousand yards.

(2) Sales: In 2024, sales of staple fabrics were 15,863 thousand yards, a growth of 51.55% Compared to 2023, which was 10,467 thousand yards; sales of long fibers were 130,536 thousand yards, a growth of 21.76% compared to 2023, which was 107,204 thousand yards.

2. Operating situation:

Consolidated net operating revenues of NT$11,994,022 thousand for fiscal 2024 compared to NT$9,830,034 thousand for fiscal 2023, a growth of 22.01%. The consolidated net income of NT$515.650 thousand for 2024 growth of 344.87% than the consolidated net income of NT$115,910 thousand for 2023.

Looking ahead to the operational outlook for 2025, in addition to striving to enhance growth momentum in the fabric business, the company has expanded into garment manufacturing through the acquisition of LUCKY UNIQUE ENTERPRISE CO., LTD. This move aims to strengthen order flexibility and supply chain synergy. However, attention must still be paid to the economic impact caused by former America President Trump's tariff policies.

Future Company Development Strategy

(1)Deepen cooperation with brand customers to enhance business stability.

Strengthen interactions with brand customers and actively establish direct cooperative relationships with final buyers/brand customers to increase sales volume and order stability. Fully grasp core and potential markets, including GOLF products, UNIFORM products, CASUAL products, sports functional products, special wear-resistant products, and environmentally sustainable products (such as fabrics related to environmental and marine protection).

(2)Strengthen the promotion of core products and the integration of the supply chain.

Long fiber products: elastic sports cloth, soluble yarn, brushed fabric.

Short-fiber products: elastic shirt fabric, flannel fabric, interwoven and post-dyed fabric.

(3)Develop functional fabrics and expand the global market.

Deeply develop functional home textile fabrics, apparel fabrics, SPORT, and OUTDOOR fabrics.

Home textiles: Focus on mainland China, Northern Europe, and Italy, with BVB yarn and woolen yarn as the main products.

Apparel market: Focus on expanding North American and European brands, with sports, casual, fashion, yoga, and outerwear as the main application areas.

(4)Expand sales channels and strengthen market coverage.

Consolidate existing distributors and actively develop new distributors (such as e-commerce brands) to increase overall order volume.

Establish a rapid response mechanism to meet immediate market demands.

(5)Enhance research and development capabilities and product innovation.

Strengthen product planning and quality management to accelerate the development of differentiated products.

In response to the ASEAN seven countries' zero-tariff policy on garments, improve product competitiveness.

(6)Develop sports and leisure products to enhance adaptability to all environments.

Research and develop the latest materials such as:

Imitation knitted elastic fabric, Tencel cotton feel processed yarn, High elasticity and high recovery elastic processed yarn, as well as Brushed blended elastic fabric. Actively develop multifunctional comfortable fabrics that are suitable for work, leisure, and sports.

(7)Promote environmental sustainability to align with global environmental trends.

Comply with environmental regulations and implement sustainable development strategies.

In response to market changes, enhance the environmental sustainability of sports products to meet consumers' high concern for environmental functionality.

(8)Strengthen the competitiveness of the Vietnam production base.

Deepen cooperation with Vietnamese garment factories to meet local garment production needs through the local supply chain, shorten delivery times, and enhance competitiveness.

Technical cooperation: Collaborate with Japanese trading companies by dispatching technical teams to Vietnam's De Licacy factory to strengthen technology and quality control, ensuring compliance with Japanese customer standards and increasing product added value.

Influences from the external competitive environment, regulatory environment and general business environment

The Company's business is conducted in compliance with the relevant laws and regulations of domestic and overseas transfer countries, and the management team will continue to pay close attention to any changes in policies and laws that may affect the Company's financial and business operations. We will continue to promote our products and quality systems to meet the requirements of international regulations and obtain certifications to enhance the positive effects on our operations.

As we welcome the new year, we are confident that we will be able to emerge in the face of various difficult circumstances. We ask for the continued support and guidance of our shareholders and directors, and our management team will strive to move towards stable growth and create better performance.

Lastly, we wish all shareholders
good health and all the best

Chairman YEH,CHIA-MING

I. Business Report of the Previous Year (2024)

(1) Business Plan Implementation Results:

Unit:; NT$1,000

Items \ Year	2024	2023	Increase (decrease) Amount	Changes ratio %
Net sales revenue	11,856,797	9,742,159	2,114,638	21.71
Other operating revenue	137,225	87,875	49,350	56.16
Total operating revenue	11,994,022	9,830,034	2,163,988	22.01
Operating costs	9,727,851	8,280,635	1,447,216	17.48
Gross profit	2,266,171	1,549,399	716,772	46.26
Realized operating margin	2,266,171	1,549,399	716.772	46.26
Sales and marketing	791,469	549,580	241,889	44.01
General and administrative	934,813	840,689	94,124	11.20
Research and development	220,441	201,169	19,272	9.58
The expected credit loss impairment	11,746	41,723	(29,977)	(71.85)
Total operating expenses	1,958,469	1,633,161	325,308	19.92
Other income and expenses	284,438	(30,669)	315,107	1,027.44
Operating net profit(net loss)	592,140	(114,431)	706,571	617.46
Total non-operating income and expenses	94,070	304,922	(210,852)	(69.15)
Net income (loss) before income tax	682,210	190,491	495,719	260.23
Total income tax expense (income)	170,560	74,581	95,979	128.69
Current net income (loss)	515,650	115,910	399,740	344.87
Other comprehensive income (Income after tax)	221,089	(40,575)	261,664	644.89
Current total comprehensive income	736,739	75,335	661,404	877.95

Production and sales:

(1) Production：The production of spun fabric in 2024is 15,707 thousand yards, which was a growth of 69.82% compared to 2023's 9,249 thousand yards. Filament fabric is 118,786 thousand yards, which was a growth of 6.08% compared to 2023's 111,982 thousand yards.

(2) Sales: In 2024, sales of staple fabrics were 15,863 thousand yards, a growth of 51.55% compared to 2023, which was 10,467 thousand yards; sales of long fibers were 130,536 thousand yards, a growth of 21.76% compared to 2023, which was 107,204 thousand yards.

(2) Status of implementation of budgets: not applicable.

(3) Financial Revenue and Expenditure and Analysis of Profitability

CUnit: %

Item		2024	2023
Financial structure	Debt to asset ratio (%)	63.23	63.18
	Long-term capital to fixed assets ratio (%)	153.50	166.83
Solvency	Current ratio	132.65	145.88
	Quick ratio	61.73	69.99
	Interest coverage ratio	4.21	1.81
Profitability	Return on assets (%)	4.41	1.85

	Shareholders Return on equity (%)		8.95	2.06
	Percentage of paid-in capital (%)	Operating profit	14.53	(2.81)
		Net profit before tax	16.83	4.67
	Net profit ratio (%)		4.30	1.18
	Earnings per share (NT$)		1.04	0.13

(4) Research and Development Status: See Page 58～64.

II. Overview of Business Plan of the Current Year (2025)

In the year 2025, we will focus on the development of environmentally friendly, functional and fashionable products that meet the needs of the environment. We are actively working with upstream material manufacturers to develop new recycled materials and additives, and integrate our innovative technologies in false-twin, weaving, dyeing and finishing, and post-processing lamination and coating equipment to improve product quality and added value. We are making efforts to transform our production technology, and in the area of short-fiber fabrics, we 1. Produce long fiber YD fabric. 2. Fine count cotton fabric. 3. Produce new long and short fiber interwoven fabrics. Functional products that combine fashion, leisure and comfort. In the area of long-fiber fabrics, we focus on high-tech innovation to produce functional products that are thinner, more flexible, comfortable and environmentally friendly.

(1) Management policy and important production and marketing policies:

1.Deepen cooperation with brand customers to enhance business stability.
Strengthen interactions with brand customers and actively establish direct cooperative relationships with final buyers/brand customers to increase sales volume and order stability. Fully grasp core and potential markets, including GOLF products, UNIFORM products, CASUAL products, sports functional products, special wear-resistant products, and environmentally sustainable products (such as fabrics related to environmental and marine protection).

2.Strengthen the promotion of core products and the integration of the supply chain.
Filament product：elastic sports cloth, soluble yarn, fleece。
Spun product：Elastic shirt cloth,flannel,Interlacing dyed cloth。

3.Develop functional fabrics and expand the global market.
Deeply develop functional home textile fabrics, apparel fabrics, SPORT, and OUTDOOR fabrics.
Home textiles: Focus on mainland China, Northern Europe, and Italy, with BVB yarn and woolen yarn as the main products.
Apparel market: Focus on expanding North American and European brands, with sports, casual, fashion, yoga, and outerwear as the main application areas.

4.Expand sales channels and strengthen market coverage.
Consolidate existing distributors and actively develop new distributors (such as e-commerce brands) to increase overall order volume.
Establish a rapid response mechanism to meet immediate market demands.

5.Enhance research and development capabilities and product innovation.
Strengthen product planning and quality management to accelerate the development of differentiated products.
In response to the ASEAN seven countries' zero-tariff policy on garments, improve product competitiveness.

6.Develop sports and leisure products to enhance adaptability to all environments.
Research and develop the latest materials such as:
mitation knitted elastic fabric, Tencel cotton feel processed yarn, High elasticity and high recovery elastic processed yarn, as well as Brushed blended elastic fabric. Actively develop multifunctional comfortable fabrics that are suitable for work, leisure, and sports.

7.Promote environmental sustainability to align with global environmental trends.
Comply with environmental regulations and implement sustainable development strategies.

In response to market changes, enhance the environmental sustainability of sports products to meet consumers' high concern for environmental functionality.

8.Strengthen the competitiveness of the Vietnam production base.
Deepen cooperation with Vietnamese garment factories to meet local garment production needs through the local supply chain, shorten delivery times, and enhance competitiveness.
Technical cooperation: Collaborate with Japanese trading companies by dispatching technical teams to Vietnam's De Licacy factory to strengthen technology and quality control, ensuring compliance with Japanese customer standards and increasing product added value.

(2)Expected sales volume and its basis (The following expected sales volume is estimated by the sales department based on the current economic conditions):

Main Products	Long-fiber fabrics	Staple Fiber Fabric
Expected sales volume for the year	143,590thousand yards	17,449housand yards

Responsible Person: YEH,CHIA-MING. Manager: Yu Yi-Neng. Accounting Supervisor: Huang Hsiu-Fen

II.Corporate Governance Report

(I) Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

1. Directors' Information (1)

April. 09, 2025

Title (Note 1)	Name	Nationality/ Registration Place	Gender, Age (Note 2)	Date First Elected (Note 3)	Date first elected (assumed office)	Term (Years)	Shareholding when Elected		Own Shareholdings		Shares held by spouse, minor children		Shareholding by Nominee Arrangement		Experience (Education) (Note 4)	Other Position in the Company and other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	YEH,CHIA-MING	R.O.C.	Male 40~50 years old	2008.06.06	2023.06.14	3	3,288,181	0.86	3,485,471	0.86	--	--	--	--	Graduate Institute, University of Southern California Associates, De Licacy Industrial Co., Ltd.	Note 6	Directors Directors	YEH,WEI-LI YEH,CHIA-HAO	Brothers Brothers	
Director	YEH,CHIA-HAO	R.O.C.	Male 40~50 years old	2006.06.14	2023.06.14	3	2,779,445	0.72	2,946,211	0.72	--	--	--	--	Graduate Institute, New York University De Licacy Industrial Co., Ltd. Vice Chairman	Note 7	Chairman Directors	YEH,CHIA-MING YEH,WEI-LI	Brothers Brothers	
Institutional Director	Fuhua Investment Co., Ltd. Representative: YU,I-NENG	R.O.C.	Male 40~50 years old	2021.08.31	2023.06.14	3	30,000,994	7.80	31,801,053	7.80	--	--	--	--	Bachelor of Accountancy, Tamkang University DE LICACY INDUSTRIAL CO., LTD General Manager	Note 8	None	None	None	
Independent Director	HUANG,CHUN-JEN	R.O.C.	Male 60~70 years old	2017.06.08	2023.06.14	3	66,000	0.02	69,960	0.02	597	--	--	--	Department of Chemical Engineering, Hwa Hsia University of Technology General Manager, Fuwen Industrial Co.,Ltd. Chairman, Hanpin International Co., Ltd.	Note 9	None	None	None	
Independent Director	SU,PO-CHENG	R.O.C.	Male 40~50 years old	2017.06.08	2023.06.14	3	12,762	--	13,527	--	--	--	--	--	Department of Applied Chemistry, Tamkang University General Manager, HONE-STRONG INDUSTRIAL CO., LTD.	Note10	None	None	None	
Independent Director	HUANG,SHIH-YING	R.O.C.	Female 40~50 years old	2019.12.16	2023.06.14	3	--	--	--	--	--	--	--	--	BA, Accounting, Tamkang University MA, Accounting, NCKU Deloitte Touche Tohmatsu, Inc. Manager, Audit Dept CPA, YING-ZHENG Accounting Firm	Note 11	None	None	None	
Independent Director	TSAI,LI-JU	R.O.C.	Female 50~60 years old	2023.06.14	2023.06.14	3	--	--	--	--	--	--	--	--	BA, Law,NCHU Partner Lawyer, RUEISHIN Accounting Firm	Note 12	None	None	None	

Note 1: Corporate shareholders should list the name of the corporate shareholder and the representative separately (for those who are representatives of the corporate shareholder, the name of the corporate shareholder should be indicated), and should fill in Table 1 below.

Note 2: Please list the actual age and express it in intervals, such as 41-50 years or 51-60 years.

Note 3: Enter the time when you first became a director or supervisor of the Company. If there is any interruption, please provide a note to explain.

Note 4: For experience related to the current position, if you have worked for a certified public accountant firm or a related company during the previous reporting period, you should specify the title and responsibilities of your position.

Note 5: If the chairman of the board of directors and the president or equivalent (top manager) are the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and relevant information on the measures to be taken shall be stated.
：In order to improve operating efficiency and decision-making power, the President of the Company takes position of General Manager concurrently and the count of director concurs employee and manager does not account for a majority. For purposes Of reinforcing the overseeing functionality of the Board of Directors, the Company will organize re-election upon expiry of the office of Directors on June 10, 2023, and increase the number of Directors from 3 to 4 for compliance with the regulations of competent authorities.

Note 6: Chairman, YEH, CHIA-MING takes the concurrent position as the chairman of Fu-Fa International Investment Co. Ltd., WELL UNIQUE ENTERPRISE CO., LTD.., Yongyi Investment Co., Ltd. and Huarong Trade Co., Limited; a representative of institutional director and the chairman of DNE ENERGY INC; a representative of institutional director and of APEX TEXTILE CO.,LTD, Deyang Co., Ltd., SHENG-BO TECHNOLOGY CORP., HANGZHOU DE LICACY TEXTILE CO.,LTD., De Kao Trading Co., Ltd., Deri company, Dexing company, APEX (NANTONG) TEXTILE CO.,LTD and Well & David Corp. ; a representative of the institutional director and the responsible person of De Licacy (Anguilla) Holdings Limited、NEW LAKE LIMITED., VIEW BEST GLOBAL LIMITE、BEAUTY PLUS VENTURES LIMITED.; NEW LAKE (SAMOA) LIMITED; a director of Fuhua Investment Co., Ltd., FUSON INTERNATIONAL CO., LTD., LUCKY UNIQUE ENTERPRISE CO., LTD., Juheng Trading Co., Ltd. .,Gain Faith Investments Ltd and Fortune Star International Trading Limited; a responsible

person of DE SHEN (Cayman) Holdings Limited、DE LICACY HOLDINGS CO., LTD and DE HONG HOLDINGS CO.,LTD; a supervisor of TUNG MING TEXTILE CO., LTD.

Note7: Director, YEH,CHIA-HAO takes the concurrent position as the vice chairman ;a chairman of Fuson International Co., Ltd.; a representative of institutional director and the chairman of APEX TEXTILE CO.,LTD.;; a representative of institutional director of HANGZHOU DE LICACY TEXTILE CO.,LTD., DNE ENERGY INC.,; APEX (NANTONG) TEXTILE CO.,LTD；a representative of legal person supervisor of Fuhua Investment Co., Ltd., Fufa International Investment Co., Ltd., WELL UNIQUE ENTERPRISE CO., LTD., BEAUTY PLUS VENTURES LIMITED; a representative of institutional supervisor of Doyo Enterprise Co., Ltd., Sheng Bo Tech nology Corp., Deri company, Dexing company.

Note8 : The representative of the institutional director of Fuhua Investment Co., Ltd Mr. YU,I-NENG takes the concurrent position as the general manager of the Company ; a director of Delight Industrial CO., LTD. (SAMOA); a representative of institutional director of Hangzhou DE LICACY Texile CO., LTD.，a supervisor of Fuhua Investment Co., Ltd ，Fufa International Investment Co., Ltd., FUSON INTERNATIONAL CO., LTD., Huarong Trade Co., Limited, LUCKY UNIQUE ENT. CO., LTD., Rights Industry Equity (Stock) Co., Ltd., and Delight Industrial CO., LTD.; a responsible person of Future Tycoon Holdings Co., Ltd. and Future Tycoon Enterprise Co., Ltd.,.

Note 9: Mr. HUANG,CHUN-JEN, an independent director, is currently the general manager of WELL UNIQUE ENTERPRISE CO., LTD.

Note 10: Mr. SU,PO-CHENG, an independent director, is currently the directorandgeneral manager of HONE-STRONG INDUSTRIAL CO., LTD.; Director of BEAUTY-STRONG DYEING & FINISHING CO., LTD.; chairman of Tianhe Investment Co., Ltd.

Note 11: Ms. HUANG,SHIH-YING, an independent director, is currently CPA, YING-ZHENG Accounting Firm ; Independent Director, TM Technology, LI KANG BIOMEDICAL CO.,LTD .,a

Note 12: Ms. TSAI,LI-JU, an independent director, is currently Partner Lawyer, RUEISHIN Accounting Firm.

Table 1: Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major shareholders of the juristic persons
Fuhua Investment Co., Ltd.	YEH,WEI-LI (11.77%), Chenxi International Investment Co., Ltd. (88.23%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2:Enter the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholding ratios. If the major shareholder is a corporation, the following table 2 should be completed.

Note 3:If a corporate shareholder is not a corporate organization, the name of the shareholder and the percentage of shareholding should be disclosed in the preceding paragraph.The name of the shareholder and the percentage of shareholding disclosed in the preceding paragraph are the name of the contributor or donor and the percentage of contribution or contribution. (Please refer to the announcement of the Judicial Yuan for more information.) The name of the donor and the rate of his or her contribution/donation should be stated; also, it should be added with "deceased" if the donor has passed away.

Table 2: Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major shareholders of the juristic persons
Chenxi International Investment Co., Ltd.	YEH,WEI-LI(94%)、HUNG,SHEN-I(3.1%)、YEH-CHEN-RUI(2.9%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: Enter the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholding ratios.

Note 3: If a corporate shareholder is not a corporate organization, the name of the shareholder and the percentage of shareholding should be disclosed in the preceding paragraph.The name of the shareholder and the percentage of shareholding disclosed in the preceding paragraph are the name of the contributor or donor and the percentage of contribution or contribution. (Please refer to the announcement of the Judicial Yuan for more information.) The name of the donor and the rate of his or her contribution/donation should be stated; also, it should be added with "deceased" if the donor has passed away.

Directors' Information (2)

1.Disclosure of Professional Qualifications of Directors and Independence of Independent Directors：

Criteria / Name (Note 1)	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note 2)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company 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 been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
YEH,CHIA-MING			✓							✓		✓		✓	✓	None
YEH,CHIA-HAO			✓							✓		✓		✓	✓	None
Fuhua Investment Co., Ltd. Representative: YU,I-NENG			✓			✓				✓	✓	✓	✓	✓		None
HUANG,CHUN-JEN			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
SU,PO-CHENG			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
HUANG,SHIH-YING		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
TSAI,LI-JU		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None

Note 1: The number of columns is adjusted according to the actual number.

Note 2: Please tick the corresponding boxes with "✓" that apply to a member during the two years prior to being elected or during the term(s) of office.

（1）Not an employee of the Company or any of its affiliates.

（2）Not a Director or Supervisor of the Company or its affiliates(except in the case where the independent directors of the Company or its parent company, subsidiaries or subsidiaries of the same parent company are appointed by the Act or the local laws and regulations of the country in which they are located, in addition to each other)

（3）Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

（4）Not a spouse, second-degree relative or third-degree relative of the managers in (1) or persons in (2) or (3).

（5）Not a director, supervisor, or employees of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings or is the representative being assigned as the director or supervisor of the Company by in accordance with Article 27, Paragraph 1 or 2 of the Company Act, (However, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（6）Not a director, supervisor or employee of other company which has over half of the number of directors' seats or shares with voting rights of the Company and is controlled by the same person (however, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（7）Not a director, supervisor or employee of other companies or institution which concurrently works as or in a spouse relationship to the chairman, general manager or personnel of relative duties of the Company (however, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（8）Not a director, supervisor, manager or a shareholder holing five percent or more of the shares of a company or institution that has a business or financial relationship with the Company, (however, this does not apply, in case where the specific company or institution holds over 20% but less than 50% of the total number of issued shares of the Company and the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（9）Not a professional who provides auditing, nor a professional who provides commercial legal, financial, accounting, or consulting services to the Company or its affiliates with the cumulated remuneration within the last two years less than NT$500,000, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such service to the Company or its affiliates, However, this does not apply for members of compensation committee, public acquisition audit committee or special committee for merger who exercise power in accordance with relevant laws and regulations in Securities and Exchange Act or Business Mergers and Acquisitions Act.

（10）Not a spouse or relative of second degree or closer to any other directors.

（11）Not a person of any conditions defined in Article 30 of the Company Act

（12）Not elected as a governmental, juridical person or its representative defined in Article 27 of the Compan Act

2. Board diversity and independence:

(1) Board diversity:

In accordance with the Company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the Company adopts a candidate nomination system for the nomination of director candidates in accordance with the Company's Articles of Incorporation. The candidates' academic (experience) qualifications, professional background, integrity or relevant professional qualifications are evaluated and approved by the Board of Directors before being submitted to the shareholders' meeting for election. The Board of Directors shall establish an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs, which include, without being limited to, the following:

(I) Basic requirements and values: gender, age, nationality, and culture.

(II)Professional knowledge and skills: ability to make judgments about operations, ability to perform accounting and financial analysis, business management ability, crisis management ability, expert knowledge of futures and financial derivatives, knowledge of international markets, leadership ability, ability to make policy decisions.

The current Board of the Company consists of seven directors. The specific management objectives of the Board diversity policy and the achievement thereof are as follows:

Management objective	Achievement status
Number of seats of independent directors are more than one half of the Board	Achieved
Independent directors did not assumed office for more than 3 terms	Achieved
Adequate diversity of expertise and skills	Achieved

The implementation of the Board diversity policy is as follows:

Diversity core / Name		Basic composition							Professional background			Expertise and skills					
					Age												
		Nationality	Gender	Employee identity	41-50 years old	51-60 years old	61-70 years old	Years served as an independent director (under 3 years)	law	Industry	Accounting and Finance	Ability to make operational judgments	Ability to conduct management administration	Ability to lead	Ability to conduct crisis management	Knowledge of the industry	An international market perspective
Director	YEH,CHIA-MING	ROC	Male	✓	✓					✓		✓	✓	✓	✓	✓	✓
	YEH,CHIA-HAO		Male		✓					✓		✓	✓	✓	✓	✓	✓
	YU,I-NENG		Male	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓
Independent director	HUANG, CHUN-JEN		Male				✓	✓		✓		✓	✓	✓	✓	✓	✓
	SU,PO-CHENG		Male		✓			✓		✓		✓	✓	✓	✓	✓	✓
	HUANG, SHIH-YING		Female		✓			✓			✓	✓	✓	✓	✓	✓	✓
	TSAI,LI-JU		Female			✓		✓	✓			✓	✓	✓	✓	✓	✓

(2) Board diversity: The Company's current Board of Directors is composed of 7 members, including 4 independent directors (of whom 2 are female), with independent directors accounting for more than half of the total number of board members. As of the end of 2024, the independent directors are in compliance with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and there are no cases of items 3 and 4 under Article 26-3 of the Securities and Exchange Act between each of the directors and the independent

directors. The Company's Board of Directors is independent (please refer to page 9-10 of this annual report - Disclosure of Directors' Professional Qualifications and Independence), and each of the Directors has academic qualifications, gender and work experience (please refer to pages 7-8 of this annual report - Directors' Information).

2. General Manager, Deputy General Manager, Associates, Departments and Branches Officer:

April. 09, 2025

Title (Note 1)	Nationality	Name	Date first elected (assumed office)	Gender	Shareholdings		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Other Position in other Companies	Managers who are spouses or within two degrees of kinship			Remark (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
General Manage	R.O.C.	You Yineng	2023.06.14	Male	--	--	--	--	--	--	Accounting, Tamkang University Manager, Hangzhou Delicacy Textile Co.,Ltd. Manager, DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	Supervisor, Fufa International Investment Co., Ltd. Supervisor Fuhua Investment Co., Ltd Supervisor, Fusheng International Trade Co., Ltd. Supervisor, Huarong Trade Co., Limited Representative of Institutional Supervisor, Hangzhou Delicacy Textile Co.,Ltd. Supervisor, FUTURE TYCOON TRADING CO., Ltd. Supervisor, Rights Industry Equity (Stock) Co., Ltd. Responsible Person, Future Tycoon Holdings Co., Ltd. Responsible Person, Future Tycoon Enterprise Co., Ltd. Supervisor, Delight Industrial CO., LTD. Director, Delight Industrial CO., LTD. (Samoa)	None	None	None	
Deputy General Manager, Production Department	R.O.C.	TSAI, CHI-HSIU	2017.06.26	Male	665	--	53	--	--	--	Chemical Engineering Department, Vanung University Supervisor, EVEREST Manager, De Licacy Industrial Co., Ltd.	Representative of Institutional Director and Chairman, CHADTEX INDUSTRIAL CO., LTD.	None	None	None	
Associates	R.O.C.	CHU, YING-CHU	2022.05.10	Female	689	--	10,600	--	--	--	Econimics, Tunghai University Department of Economics De Licacy Industrial Co., Ltd. Associate	None	None	None	None	

Note 1: The information of general manager, vice president, assistant manager, department and branch office heads should be included, and any position equivalent to general manager,vice president or assistant manager, regardless of title, should also be disclosed.
Note 2: For experience related to the current position, if you have worked for a certified public accountant firm or a related company during the previous reporting period, you should specify the title and responsibilities of your position.
Note 3: If the chairman of the board of directors and the president or equivalent (top manager) are the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and relevant information on the measures to be taken shall be stated.

3.Remuneration of Directors, Supervisors, General Manager, and Deputy General Manager in recent years:

(1) Remuneration of General Directors and Independent Directors

NT$1,000

Title	Name	Directors' Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income(Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income(Note 10)		Compensation Paid to Directors from an Invested Company Other than the Subsidiaries or Parent Company (Note 11)
		Base Compensation (A)(Note 2)		Severance Pay (B)		Bonus to Directors (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G) (Note 6)						
																The Company		Companies in the consolidated financial				
		The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	Companies in the consolidated financial statements	
Chairman	YEH,CHIA-MING	0	0	0	0	2,570	7,738	190	750	0.66%	2.01%	2,739	11,535	0	0	0	0	0	0	1.30%	4.74%	None
Director	YEH,CHIA-HAO	0	0	0	0	2,569	7,737	190	590	0.65%	1.97%	0	6,616	0	0	0	0	0	0	0.65%	3.54%	None
Institutional Director	Fuhua Investment Co., Ltd. Representative: YU,I-NENG	0	0	0	0	2,569	7,737	210	250	0.65%	1.89%	2,434	7,485	0	477	0	0	0	0	1.24%	3.78%	None
Independent Director	HUANG,CHUN-JEN	0	0	0	0	250	250	360	360	0.15%	0.15%	0	0	0	0	0	0	0	0	0.15%	0.15%	None
Independent Director	SU,PO-CHENG	0	0	0	0	250	250	360	360	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Independent Director	HUANG,SHIH-YING	0	0	0	0	250	250	250	250	0.12%	0.12%	0	0	0	0	0	0	0	0	0.12%	0.12%	None
Independent Director	TSAI,LI-JU	0	0	0	0	250	250	250	250	0.12%	0.12%	0	0	0	0	0	0	0	0	0.12%	0.12%	None
Total		0	0	0	0	8,708	24,212	1,810	2,810	2.49%	6.40%	5,173	25,636	0	477	0	0	0	0	3.72%	12.59%	None

1.Please describe the policy, system, criteria and structure for the compensation of independent directors, and the relevance to the amount of compensation paid based on the responsibilities, risks, time commitment, etc.The compensation of the Company's independent directors is determined by the Compensation Committee with reference to the industry or related industry payout and the Company's operating performance. The compensation of our independent directors is determined by the Compensation Committee with reference to the industry or related industry payout and the Company's operating performance, taking into account the directors' participation in the Company' The compensation of our independent directors is determined by the Compensation Committee with reference to the industry or related industry payout and the Company's operating performance, taking into account the directors' participation in the Company's operations and their individual performance contributions.The remuneration is set at NT$250,000 per year for each director, regardless of profit or loss, and ispayable in the event of a loss.

2. Except as disclosed in the table above, the remuneration received by the directors of the Company for services rendered in the most recent year (e.g. as consultants to non-employees of the parent company/all companies in the financial reports/re-investment business, etc.): None

Range of Remuneration

Range of remuneration paid to each of the Company's directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) I
Under NT$ 1,000,000	HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU	HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU	HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU	HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)				

NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	YEH,CHIA-MING YEH,CHIA-HAO Representative of Fuhua Investment Co., Ltd.: YU,I-NENG		YEH,CHIA-HAO	
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)		YEH,CHIA-MING YEH,CHIA-HAO Representative of Fuhua Investment Co., Ltd.: YU,I-NENG	YEH,CHIA-MING Representative of Fuhua Investment Co., Ltd.: YU,I-NENG	
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)				YEH,CHIA-HAO
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				YEH,CHIA-MING Representative of Fuhua Investment Co., Ltd.: YU,I-NENG
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
NT$100,000,000 or over				
Total	7 people	7 people	7people	7 people

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and their representatives separately).The names of directors and independent directors should be listed separately.The amount of each payment should be disclosed in aggregate. If the director works concurrently as the General Manager or Deputy General Manager, he/she shall fill out the table (3-1) or (3-2) below

Note 2: This refers to the most recent annual compensation of directors (including directors' salaries, bonuses, severance pay, various bonuses and incentive payments, etc.).

Note 3: The amount of directors' remuneration approved by the board of directors in the most recent year is included.

Note 4: This refers to the latest year's directors' related business execution expenses (including travel expenses, special expenses, various allowances, dormitory, provision of cars, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If a driver is assigned to the director, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration.

Note 5: This refers to the salary, salary increment, severance pay, various bonuses, incentive payments, transportation expenses, special expenses, various allowances, dormitory, provision of cars, etc., received by the directors and employees (including concurrent general manager, vice president, other managers and employees) in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If the director have a driver, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 6: The amount of employee compensation (including stock and cash) received by a director who is also an employee (including also a general manager, vice president, other managers and employees) in the most recent year should be disclosed as approved by the board of directors in the most recent year, and if the amount cannot be estimated, the proposed distribution amount for this year should be calculated in proportion to the actual distribution amount last year, and should also be listed in Table 1 ter.

Note 7: The total amount of each remuneration paid to the Company's directors by all companies in the consolidated report (including the Company) should be disclosed.

Note 8: The total amount of each remuneration paid by the Company to each director is disclosed in the name of the director at the level of vesting.

Note 9: The total amount of each remuneration paid to each director of the Company by all companies in the consolidated report (including the Company) should be disclosed, and the names of the directors should be disclosed at the level to which they belong.

Note 10: The net income after tax refers to the net income after tax of the most recent year for individual or separate financial reports.

Note 11:a. This column should clearly indicate the amount of remuneration received by the directors of the Company from reinvestment businesses other than subsidiaries or the parent company (if none, please enter "none")

b. If a director of the Company receives remuneration from a subsidiary or a parent company, the remuneration received by the director of the Company from a subsidiary or a parent company should be included in column I of the remuneration
scale, and the name of the column should be changed to "Parent Company and All Re-investment Businesses".

c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses of the Company's directors in their capacity as directors, supervisors or managers of a business other than a subsidiary or a parent company.
Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses related to the director's role as a director, supervisor or manager of a business other than a subsidiary or a parent company of the Company.

*The compensation disclosed in this table is different from the concept of income under the Income Tax Act, therefore, the purpose of this table is for information disclosure and not for tax purposes.

(2) Remuneration of General Manager, and Deputy General Manager in recent years:

NT$1,000

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and special allowance, etc. (C) (Note 3)		Employee bonus (D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (Note 8)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	YU,I-NENG	2,088	3,376	0	477	346	4,109	0	0	0	0	0.57%	1.89%	None
Deputy General Manager, Production Department	TSAI,CHI-HSIU	1,533	2,200	0	360	269	2,863	0	0	0	0	0.43%	1.28%	None
Total		3,621	5,576	0	837	615	6,972	0	0	0	0	1.00%	3.17%	

*** Regardless of title, any position equivalent to general manager or vice president(For example: President, CEO, Director...etc.etc.)All of these should be disclosed.**

Range of Remuneration

Range of remuneration paid to each of the Company's General Manager Deputy General Manager	Name of the General Manager and Deputy General Manager	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Under NT$ 1,000,000		
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	TSAI,CHI-HSIU	
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	YU,I-NENG	
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)		YU,I-NENG TSAI,CHI-HSIU
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)		
NT$100,000,000 or over		
Total	2 people3	2 people

Note 1: The names of the general manager and vice president should be listed separately to disclose the amount of each benefit in a summary manner. If a director is also a general manager or vice president, he/she should fill in this table and the Table (1-1) and (1-2-1) and (1-2-2).

Note 2: The most recent annual salary, duty increment and severance pay of the president and vice president are included.

Note 3: The amount of bonuses, incentives, transportation expenses, special expenses, allowances, dormitories, provision of cars for the president and vice presidents for the most recent year are included. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If the director have a driver, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 4: The amount of employee compensation (including stock and cash) for the president and vice president approved by the board of directors in the most recent year is included. If the amount cannot be estimated, the proposed distribution for this year

is calculated in proportion to the actual distribution last year, and the following table should also be included. Net income after tax refers to the net income after tax of the most recent year.If IFRSs have been adopted, net income after tax is the net income after tax of the most recent year for individual or separate financial statements.

Note 5: The total amount of each remuneration paid to the Company's General Manager Deputy General Manager by all companies in the consolidated report (including the Company) should be disclosed.

Note 6: The total amount of each remuneration paid by the Company to each director is disclosed in the name of the General Manager Deputy General Manager at the level of vesting.

Note 7: The total amount of each remuneration paid to each General Manager Deputy General Manager of the Company by all companies in the consolidated report (including the Company) should be disclosed, and the names of the General Manager Deputy General Manager should be disclosed at the level to which they belong.

Note 8: The net income after tax refers to the net income after tax of the most recent year for individual or separate financial reports.

Note 9: a. This column should clearly indicate the amount of remuneration received by the general managers and deputy general managers of the Company from reinvestment businesses other than subsidiaries or the parent company (if none, please enter "none")

b. If the general manager and deputy general manager of the Company receive remuneration from a subsidiary other than the re-investment businesses or a parent company, the remuneration received by the general manager and deputy general manager of the Company from a subsidiary other than the re-investment businesses or a parent company should be included in column E of the remuneration scale and the name of the column should be changed to "Parent Company and All Re-investment Businesses".

c. Remuneration refers to the compensation, remuneration (including employee, director's and supervisor's remuneration) and business execution expenses related to the General Manager's and Deputy General Manager's role as a director, supervisor or manager of a business other than a subsidiary transferring to an investee company or a parent company.

*The compensation disclosed in this table is different from the concept of income under the Income Tax Act, therefore, the purpose of this table is for information disclosure and not for tax purposes.

(3) Name of manager for employee bonus distribution and the circumstances of distribution: None

(4) The remuneration of the top five highest paid senior managers in the listed companies are disclosed separately if:None

(I) The remuneration of individual directors and supervisors should be disclosed if the parent only or individual financial report has a loss after tax for the last three years.However, except for the most recent year when the parent only or individual financial reports have generated net income after tax and are sufficient to cover the accumulated losses.

(II) Listed companies that have been evaluated in the last tier of corporate governance in the most recent year, or have been subject to a change in trading practices, suspension of trading, termination of listing, or other actions that have been approved by the Corporate Governance Evaluation Committee as being unacceptable as of the printing date of the annual report.

4.An analysis of the total compensation paid to the Company's directors, supervisors, general manager and deputy general manager percentage of net income after tax for the most recent two-year period for the Company and all consolidated companies, respectively, and a description of the policy, standard and combination of compensation payments, the process for setting compensation, and the relationship to operating performance and future risks:

(1).The Company Total remuneration paid to The Company directors, supervisors, general manager and deputy general manager as a percentage of net income after tax for the last two years:

	2023 Ratio of total remuneration to net income after tax (%)		2024 Ratio of total remuneration to net income after tax (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors	16.17	64.01	3.72	12.59
General Manager and Deputy General Manager	10.99	37.82	1.00	3.17

(2).The Company's policy, criteria and composition of compensation payments, procedures for setting compensation, and the correlation with operating performance and future risks

The Company may pay remuneration to its directors and supervisors for the performance of their duties, regardless of the Company's operating profit or loss. The remuneration shall be determined by the extent of their participation in the Company's operations and the value of their contributions, and shall not exceed 15% of the maximum salary stipulated in the Company's salary plan. The remuneration of

directors and supervisors shall not exceed three percent of the available earnings. The salaries of the President and Vice President are determined in accordance with the "Salary Management Regulations" and are based on the content of the positions held and on industry standards; employee bonuses are paid in accordance with the annual audited earnings, Article 26 of the Company's Articles of Incorporation and employee performance. The Company's remuneration policy and amount are disclosed annually in the annual report in accordance with laws and regulations, and the appropriation of earnings is approved by the board of directors with limited future risk.

II. Implementation of Corporate Governance

1.Information on the operation of Board of Directors

(I). In recent years (2024.01.01~2025.03.31), there are 8 Board of Directors Meeting (A). The attendance of directors was as follows:

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark
Chairman	YEH,CHIA-MING	8	0	100.00	
Directors	YEH,CHIA-HAO	8	0	100.00	
Directors	Fuhua Investment Co., Ltd. Representative: YU,I-NENG	8	0	100.00	
Independent Director	HUANG,CHUN-JEN	8	0	100.00	
Independent Director	SU,PO-CHENG	8	0	100.00	
Independent Director	HUANG,SHIH-YING	8	0	100.00	
Independent Director	TSAI,LI-JU	8	0	100.00	

Other mentionable items:

1. If the Board of Directors' meeting is held under any of the following circumstances, the date and date of the meeting, the content of the motion, the opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated.
   (I) The matters listed in Article14-3 of the Securities and Exchange Act.：Please refer to pages 44-46 for important resolutions of the Board of Directors.
   (II) Other than the foregoing, other resolutions of the Board of Directors that were opposed or qualified by the independent directors and for which records or written statements are available: The independent directors of the Company concurred with the significant resolutions of the Board of Directors and did not have any opposing or qualified opinions.
2. In the case of recusal of a director from the implementation of an interest motion, the name of the director, the content of the motion, the reasons for recusal and the circumstances of participation in voting should be stated:

Date and session of Board Meeting	Name of director	Content of motion	Reason for conflict of interest avoidance	participation in voting
2024/01/22 18th Board 5th Meeting	Chairman YEH, CHIA-MING Vice Chairman YEH, CHIA-HAO	Case 4 Discussion on the distribution of 2023 annual bonus for the chairman, YEH, CHIA-MING.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.	The Chairman of the Board of Directors, YEH, CHIA-MING, and the vice chairman, YEH, CHIA-HAO, are the managers of the Company and are brothers, so they recused themselves from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.
	Representative of institutional director and general manager YU, I-NENG	Case 5 Discussion on the distribution of 2023 annual bonus for the general manager,YU,I-NENG.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.	The representative of the institutional director, YU, I-NENG, is the manager of the Company, so he recused himself from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.
	Chairman YEH, CHIA-MING Vice Chairman YEH, CHIA-HAO	Case 7 Discussion on salary adjustment for the chairman, YEH, CHIA-MING.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.	The Chairman of the Board of Directors, YEH, CHIA-MING, and the vice chairman, YEH, CHIA-HAO, are the managers of the Company and are brothers, so they recused themselves from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.
	Representative of institutional director and general manager YU, I-NENG	Case 8 Discussion on salary adjustment for the general manager, YU, I-NENG.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.	The representative of the institutional director, YU, I-NENG, is the manager of the Company, so he recused himself from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark
2024/12/26 18th Board 11th Meeting	Chairman YEH, CHIA-MING Vice Chairman YEH, CHIA-HAO	Case 4 Discussion on the distribution of 2024 annual bonus for the chairman, YEH, CHIA-MING.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.		The Chairman of the Board of Directors, YEH, CHIA-MING, and the vice chairman, YEH, CHIA-HAO, are the managers of the Company and are brothers, so they recused themselves from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.
	Representative of institutional director and general manager YU, I-NENG	Case 5 Discussion on the distribution of 2024 annual bonus for the general manager,YU,I-NENG.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.		The representative of the institutional director, YU, I-NENG, is the manager of the Company, so he recused himself from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.
	Chairman YEH, CHIA-MING Vice Chairman YEH, CHIA-HAO	Case 7 Discussion on salary adjustment for the chairman, YEH, CHIA-MING.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.		The Chairman of the Board of Directors, YEH, CHIA-MING, and the vice chairman, YEH, CHIA-HAO, are the managers of the Company and are brothers, so they recused themselves from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.
	Representative of institutional director and general manager YU, I-NENG	Case 8 Discussion on salary adjustment for the general manager, YU, I-NENG.	If the motion involves an individual's own interests, such individual shall avoid conflict of interests in accordance with the law and shall not participate in the discussion and voting.		The representative of the institutional director, YU, I-NENG, is the manager of the Company, so he recused himself from the discussion and voting in accordance with the law. The remaining directors present did not object and the resolution was approved.

3. The listed company shall disclose the periodicity and duration, scope, manner and content of the evaluation of the self- (or peer) evaluation by the board of directors, and fill out Appendix 2(2) on the implementation of the evaluation by the board of directors.
Status of implementation on the evaluation of the Board of Directors:

Evaluation cycle(Note 1)	Evaluation period(Note 2)	Evaluation scope(Note 3)	Evaluation methods(Note 4)
Executed once a year	2024.01. 01～2024.12. 31	The Board of Directors Individual Board Members Audit Committee and Compensation Committee	Self-evaluation by the members Self-evaluation by the members of the Board of Directors

Evaluation content (Note 5)

(1) Evaluation on the performance of the Board of Directors: Participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control.

(2) Evaluation on the performance of individual members of the Board: The company's objectives and tasks, the directors' awareness of their responsibilities, their involvement in the company's operations, internal relations and communication, the directors' professional and continuing education, and internal control.

(3) Evaluation on the Performance of the Functional Committee: Participation in the company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.

Note 1: This represents the execution cycle of the Board of Directors' evaluation.

Note 2: The period covered by the Board of Directors' evaluation is included.

Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual board members and functional committees.

Note 4: The methods of evaluation include internal self-evaluation by the board of directors, self-evaluation by board members, peer evaluation, appointment of external professional organizations, experts or other appropriate methods for performance evaluation.

Note 5: The evaluation includes at least the following items according to the scope of the evaluation.

(1) Evaluation on the performance of the Board of Directors: Participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control.

(2) Evaluation on the performance of individual members of the Board: The company's objectives and tasks, the directors' awareness of their responsibilities, their involvement in the company's operations, internal relations and communication, the directors' professional and continuing education, and internal control.

(3) Evaluation on the Performance of the Functional Committee: Participation in the company's operations, awareness of functional

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark

committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.

Note 6: Please refer to the Company's website for the self-assessment results of the Board of Directors' performance evaluation for 2024.

4. Assessment of the current and most recent year's goals for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation:

(1).The Company continues to implement the immediate announcement of significant resolutions of the Board of Directors on the Company's website and the reporting of financial and business information on the Market Observation Post System (MOPS) in accordance with the regulations, and to take out liability insurance for directors and supervisors in order to enhance the transparency of information on the Company's operations and to protect the interests of shareholders.

(2).To enhance the fair determination of director remuneration and strengthen the independence of the Remuneration Committee, the majority of members of the committee will be appointed from Independent Directors.

(3).The Company has established an audit committee to strengthen the functions of the board of directors and to implement corporate governance.

(4).For 2024 and up to the printing date of the annual report, the motions listed in accordance with the Company Act and Article 14-3 and Article 14-5 of the Securities and Exchange Act that should be submitted to the Audit Committee for approval or that must be submitted to the Board of Directors for resolution are submitted to the Board of Directors for resolution and execution after the Audit Committee has approved them.

(5).In accordance with the amendment regulation by Financial Supervisory Commission, the Company has approved the amended "Internal Control System" on the 18th-10th Board Meeting held at November 6, 2024.

Note 1: If a director or supervisor is a corporation, the name of the corporation's shareholdder and the name of its representative shall be disclosed.

Note 2: (1) If a director or supervisor vacates his or her position prior to the end of the year, the date of vacancy should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his or her employment.

(2) If there is a change of director and supervisor before the end of the year, the new and old director and supervisor should be listed, and The date of change should be indicated in the Remarks column as the old, new or re-elected director and supervisor. The actual Attendance rate (%) is calculated based on the number of meetings held by the Board of Directors and the actual number of attendance during the term of his employment.

(2) Attendance of Members at Audit Committee Meetings:

In recent years (2024.01.01~2024.03.31), there are 7 Audit Committee Meeting (A).

The attendance of independent directors was as follows:

Title	Name	Attendance B	Attend by proxy	Attendance Rate (%) (B/A)(Note)	Remark
Independent Director	HUANG,CHUN-JEN	7	0	100.00	
Independent Director	SU,PO-CHENG	7	0	100.00	
Independent Director	HUANG,SHIH-YING	7	0	100.00	
Independent Director	TSAI,LI-JU	7	0	100.00	

Other mentionable items:

1. The operation of the Audit Committee shall be described, the date of the Audit Committee meeting, the content of the motion, the content of the objections, reservations or material recommendations of the independent directors, the results of the Audit Committee resolution, and the Company's handling of the Audit Committee's opinion if any of the following circumstances apply:

(1) The matters listed in Article14-5 of the Securities and Exchange Act：

1. January 22, 2024 (3nd Committee 4th Meeting) Audit Committee:
   (1) Discussion on the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd.
   (2) Discussion on the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD.
   The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
   The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.
2. March 13, 2024 (3nd Committee 5th Meeting) Audit Committee:
   (1) Discussion on the Company's 2023 business report and financial statements.
   (2) Discussion on the Company's 2023 Internal Control System Statement.
   (3) Discussion on the endorsement and guarantee for DE SHEN (CAYMAN) HOLDINGS CO.,LTD.
   (4) Discussion on the endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED(Place of registration: Hong Kong).
   (5) Discussion on the endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD.
   (6) Discussion on the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD.
   (7) Discussion on the renewal insurance for board members by CATHAY insurance
   (8) Discussion on the non-repatriation of earnings before 2023 by overseas reinvestment companies.

(9) Discussion on the adopt the Proposal for Distribution of 2023 Profits.
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

3. May 07.2024 (3nd Committee 6th Meeting) Audit Committee:
(1) Discussions on 2024 Q1 consolidated financial statements.
(2) Discussion on loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD.
(3) Discussion on the endorsement/guarantee for Vietnam DE LICACY INDUSTRIAL CO., LTD.
(4) Discussion on the endorsement/guarantee for EDEN ROAD INTERNATIONAL LIMITED(Place of registration: Hong Kong).
(5) Discussion on the investment of Deli Samoa Holdings (Stock) Co., Ltd. to establish Xinhu Co., Ltd. (Registered Place: SAMOA).
(6) Discussion on the Delicacy donate TWD 2 million to Delicacy foundation.
(7) Discussion on amending the company's "internal control system"
(8) Discussion on capital reduction of Deli (Shanghai) Textile Co., Ltd.
(9) Discussion APEX TEXTILE CO.,LTD can suspended dispose Shanghai Representative Office (Lansheng Building).
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

4. August 06.2024 (3nd Committee 7th Meeting) Audit Committee
(1) Discussion on the Company's second quarter of 2024consolidated financial statements.
(2) Discussion on the endorsement and guarantee for CHADTEX INDUSTRIAL CO.,LTD.
(3) Discussion on the endorsement and guarantee for EDEN ROAD INTERNATIONAL LTD(HK).
(4) Discussion on the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd.
(5) Discussion on the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD.d.
(6) Discussion on the company's 2023 corporate sustainability report
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

5. November 6, 2024 (3nd Committee 8th Meeting) Audit Committee:
(1) Discussion on the Company's third quarter of 2024 consolidated financial statements.
(2) Discussion on the budget proposal of 2025.
(3) Discussion on the audit proposal of 2025.
(4) Discussion on loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD.
(5) Discussion on the endorsement and guarantee for CHADTEX INDUSTRIAL CO.,LTD.
(6) Discussion on the endorsement and guarantee for VIETNAM DE LICACY INDUSTRIAL CO., LTD.
(7) Discussion on the endorsement and guarantee for BEST ALLIANCE INTERNATIONAL LIMITED.
(8) Discussion on the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD.
(9) Discussion on the Delicacy donate TWD 2 million to Delicacy foundation.
(10) Discussion on hiring accountant and evaluate independent of accountant in 2025.
(11) Discussion on the procedure of accountant offer uncertain service needs to be approved.
(12) Discussion on amending the company's "internal control system"
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

6. December 26, 2024 (3nd Committee 9th Meeting) Audit Committee:
(1) Discussion on the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd.
(2) Discussion on the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD.
(3) The company obtained the stock discussion plan of LUCKY UNIQUE ENTERPRISE CO., LTD.
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

7. March 10, 2025 (3nd Committee 10th Meeting) Audit Committee:
(1) Discussion on the Company's 2024 business report and financial statements.
(2) Discussion on the Company's 2024 Internal Control System Statement.
(3) Discussion on loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD.
(4) Discussion on the endorsement and guarantee for DE SHEN (CAYMAN) HOLDINGS CO.,LTD.
(5) Discussion on the endorsement and guarantee for VIETNAM DE LICACY INDUSTRIAL CO., LTD
(6) Discussion on the endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD.
(7) Discussion on the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD.
(8) Discussion on the renewal insurance for board members by CATHAY insurance
(9) Disposal of all shares of CHADTEX INDUSTRIAL CO.,LTD.
(10) Discussion on the proposal to amend the company's Articles of Association.
(11) Discussion on the definition and scope of the company's grassroots employees.
(12) Discussion on the non-repatriation of earnings before 2024 by overseas reinvestment companies.
(13) Discussion on the adopt the Proposal for Distribution of 2024 Profits.
(14) Discussion on the discussion on issuing new shares through capitalization of earnings.
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

(2) Except for the preceding matters, other matters not approved by the Audit Committee and approved by two-thirds of all directors: None.

2. In the case of recusal of an independent director from the implementation of an interest motion, the name of the independent director, the content of the motion, the reasons for recusal and the circumstances of participation in voting should be stated: None.

3. Communication between the independent directors and the internal auditors and accountants (including the material matters, manner and results of communication regarding the Company's financial and business conditions).

(1) The independent directors and the head of internal audit communicate with each other through quarterly meetings of the board of directors, and the head of internal audit regularly reports on audit operations to the independent directors at these meetings. There were no such special circumstances in the year 2024 and up to the date of the annual report. The independent directors of the Company have good communication with the head of internal audit.

Communications among independent directors and internal audit supervisors:

Date of the meetings	Communication with Chief Internal Auditor
Mar. 13, 2024	2023 Season 4 Implementation Report on Internal Audit Business
	2023 “Statement of Internal Control System”
May. 07, 2024	2024 Season 1 Implementation Report on Internal Audit Business
Aug. 06, 2024	2024 Season 2 Implementation Report on Internal Audit Business
Nov. 06, 2024	2024 Season 3 Implementation Report on Internal Audit Business
	2025 Audit Plan
Mar. 10, 2025	2024 Season 4 Implementation Report on Internal Audit Business
	2024 “Statement of Internal Control System”

(2) The independent directors and the certifying accountant communicate with each other through post-audit or post-review meetings. The certifying accountant communicates with the independent directors and the chief financial officer on a quarterly basis regarding the results of the audit or review of the financial statements and whether there is any impact on the adjustment of the financial statements or other related statutory amendments. There were no such special circumstances in the year 2024 dand as of the date of this annual report. The independent directors of the Company have good communication with the certified accountants.
Communications among independent directors and the CPAs:

Date of the meetings	Communication with the external auditor
Feb. 23, 2024	To discuss the audit of the financial statements for the year 2023, including the problems encountered in the audit process and the explanations for adjusting the financial statements.
Dec. 23, 2024	1.The audit status of the 2023 financial statements, including issues encountered during the audit process and explanations of adjusting entries. 2.Descriptions of significant accounting policies, significant accounting estimates, and major events or transactions. 3.Review of the certifying CPA's qualifications, independence, and suitability (AQI - Audit Quality Indicators). 4.Education and advocacy on corporate and securities regulations.

Note: (1) If an independent director vacates his or her position prior to the end of the year, the date of vacancy should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Audit Committee and the actual number of attendance during his or her employment.

(2) If there is a change of independent directors before the end of the year, the new and old independent directors should be listed, and the date of change should be indicated in the Remarks column as the old, new or re-elected independent directors. The actual attendance rate (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of attendance during the term of his employment

(3) If a company has a compensation committee, it should disclose its composition, duties and operation:

The Compensation Committee is responsible for assisting the Board of Directors in formulating policies and related measures for the evaluation of performance and compensation of directors, supervisors and managers of the Company based on a combination of factors such as the Company's operating performance, individual performance, industry standards and future risks, and evaluating them on a regular basis.

1. Information on Remuneration Committee Members

Title (Note 1)	Criteria / Name	Professional qualifications and experience (Note 2)	Independence Criteria (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (convener)	HUANG, CHUN-JEN	(Note 5)	(Note 5)	None
Independent Director	SU,PO-CHENG	(Note 5)	(Note 5)	None
Others	CHIANG, SHU-CHING	Taiwan Plastic Products Industry Association - Administrative (Accounting, General Affairs) Team Leader	Among the members of the Remuneration Committee of the Company, none of the members of the Remuneration Committee, Mr. Jiang, Shu-Qing and his spouse and relatives within the second degree are directors, supervisors or employees of the Company and its related companies, and they hold less than 1% of the issued shares of the Company, confirming the independence of Mr. Jiang, Shu-Qing and his spouse and relatives within the second degree vis-à-vis the Company.	None

Note 1:Please specify the relevant years of experience, professional qualifications and experience and independence of each member of the Compensation Committee in the form, and in the case of independent directors, please refer to Schedule 1 on page oo Information of Directors and Supervisors (I) for details of relevant information. Please indicate whether you are a director, independent director or others (if you are a convener, please add a note).

Note 2:Professional qualifications and experience: Please specify the professional qualifications and experience of the members of Remuneration Committee.

Note 3:Meet Independence Criteria: Specify whether the members of the Compensation Committee are independent, including, but not limited to, whether they are directors, supervisors or employees of the Company or its affiliates, or whether they are spouses or relatives of second degree kinship; number and proportion of shares held by the individual, spouse, relatives of second degree kinship, etc. (or by nominee agreement); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (as stipulated in Article 6, Paragraph 1, Paragraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee e of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of remuneration for business, legal, financial and accounting services provided by the Company or its affiliates in the last two years

Note 4:Please refer to the sample of best practice principles on Corporate Governance Center, Taiwan Stock Exchange Exchange for disclosure methods.

Note 5:Please refer to Schedule 1 on page7- 8 for the Directors' Information.

2. Attendance of Members at Remuneration Committee Meetings:

(1) There are 3 members in the Remuneration Committee.

(2) The term of office of the current members: July 13, 2023 to June 13, 2026, the Most recent year (2024.01.01 to 2025.03.31) the Salary and Compensation Committee held four meetings (A), and the qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)(Note)	Remark
Convener	HUANG,CHUN-JEN	4	0	100.00	
Committee member	SU,PO-CHENG	4	0	100.00	

Committee member	CHIANG,SHU-CHING	4	0	100.00	

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (If the compensation approved by the Board of Directors is better than that recommended by the Compensation Committee, the difference should be stated and the reasons for the difference): None.
2. Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

Note: (1) If a remuneration committee member vacates his or her position prior to the end of the year, the date of vacancy should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Remuneration Committee and The actual number of attendance during his or her employment.

(2) If there is a change of Remuneration Committee members before the end of the year, the new and old remuneration committee members should be listed, and the date of change should be indicated in the Remarks column as the old, new or re-elected remuneration committee members. The actual attendance rate (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of attendance during the term of his employment.

(3)The discussion and results of the Salary and Compensation Committee and the handling of the opinions of the members.

Remuneration Committee	Content of Proposals
1th meeting of 2024 2024.01.22 5th Committee 2th meeting	1. Deliberation on the distribution of 2023 year-end bonus for the chairman and managerial officers of the Company. 2. Review the salary adjustment for the chairman and managerial officers of the Company for 2024. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.
2th meeting of 2024 2024.03.13 5th Committee 3th meeting	1. Review the various proposed remuneration projects to be implemented in 2024. 2. Deliberation of the Company's employee remuneration and directors' remuneration in 2023. 3. Review the implementation status of the performanceself-evaluations of 2023 Board meeting, Board member and functional committees. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.
3th meeting of 2024 2024.12.26 5th Committee 4th meeting	1. Deliberation on the distribution of 2024 year-end bonus for the chairman and managerial officers of the Company. 2. Review the salary adjustment for the chairman and managerial officers of the Company for 2025. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.
4th meeting of 2024 2025.03.10 5th Committee 5th meeting	1. Review the various proposed remuneration projects to be implemented in 2025. 2. Deliberation of the Company's employee remuneration and directors' remuneration in 2024. 3. Review the implementation status of the performanceself-evaluations of 2024 Board meeting, Board member and functional committees. 4.Review the definition and scope of the company's junior employees

(4) The Company and the Subsidiaries' Corporate Governance Status, Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company established Corporate Governance Best Practice Principles and disclosed it on the Company's website and Market Observation Post System. The important principles in the "Code of Corporate Governance Practices for Listed Companies" - protection of shareholders' rights and interests, corporate governance relationship between the Company and its affiliates, strengthening the functions of the board of directors, performing the functions of the audit committee, respecting the rights and interests of stakeholders, and enhancing the transparency of information - have been explicitly stated and implemented in the Code, taking into account the Company's industrial environment and legal regulations.	No major difference
2. Shareholding structure & shareholders' rights				
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedures?	✓		(1) In addition to the Company's shareholder suggestions, questions and disputes, the Company has a speaking system and the Company's share agent, MasterLink Securities Corporation, to handle shareholder suggestions and disputes. The company has also set up an investor contact box on the company's website, with a designated person responsible for serving shareholders' suggestions and providing immediate answers.	
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company's shareholder affairs are handled by a dedicated share agent, and a shareholder affairs officer maintains good contact with the major shareholders based on the list of shareholders provided by the share unit. In accordance with the regulations, the Company discloses the changes in shareholdings and pledges of shareholders who hold more than 10% of the shares. In accordance with the relevant laws and regulations, changes in the shareholdings of insiders (directors, managers and shareholders holding 10% or more of the total shares) are regularly reported to the Market Observation Post System.	No major difference
(3) Has the Company established and implemented risk management and firewall mechanisms with its affiliates?	✓		(3) The Company has established methods to control the financial operations, capital loans and endorsement guarantees between the Company and its affiliates, and has established the "Supervision and Management of Subsidiaries" operation to implement the risk control mechanism for its subsidiaries in accordance with the management regulations to control risks.	
(4) Has the Company established internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established the Operating Procedures for Handling Internal Material Information and Preventing Insider Trading, which prohibit directors, managers, and employees from disclosing any material internal information they are aware of to others. Directors, managers, and employees are also prohibited from soliciting or collecting non-relevant undisclosed material internal information about the Company from individuals who are aware of such information. Furthermore, they are prohibited from disclosing any internal material information of the Company to others, unless it is required in the course of their duties. We have also incorporated this standard into our Ethical Management Principles and	

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
			Code of Ethical Conduct with respect to the confidentiality of confidential and commercially sensitive information.	
3. Composition and responsibilities of the Board of Directors (1) Does the Board of Directors formulate a diversity policy and specific management objectives and fully implement and execute them?	✓		(1)The members of the Company's Board of Directors are executive diversified and there are seven directors (including four independent directors) with a three-year term of office. Based on the diversity approach, we measure the professional background, education, integrity or related professional qualifications, etc. Currently, all directors and independent directors of the Company have complete and rich academic experience and diverse composition.The selection of directors is based on the overall configuration of the Board of Directors. The knowledge, skills and qualities necessary for the execution of their duties should be generally possessed by the members of the Board of Directors are specified in the method of election of directors.The powers and duties of the Board of Directors shall be governed by the provisions of the Company's Articles of Incorporation. Among the Company's four independent directors, There are no directors who have served three consecutive terms.	No major difference
(2) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) The Company has a Compensation Committee in accordance with the law. Please refer to the description of "Operation of the Compensation Committee" on pages 22-24 of this annual report and the Audit Committee on pages 20-22 of this annual report.	
(3) Does the Company establish a standard to measure the performance of the Board, and implement it annual?	✓		(3) The Company has established the method of self-evaluation or peer evaluation by the Board of Directors, and will conduct self-evaluation for the year 2024 and submit the evaluation results to the 12th Meeting of the 18th Board of Directors on March 10, 2024. For details of the relevant evaluation cycle, evaluation period, evaluation scope, evaluation method and evaluation content, please refer to pages 19 of this annual report. The results of the evaluation will be used as a reference for individual directors' compensation planning and nomination for reappointment.	
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) The Company respects the accounting firm's arrangement for the rotation of accountants and regularly submits to the Board of Directors for evaluation of the independence of the certified accountants. On November 06, 2024, the Audit Committee approved the proposal for the Board of Directors' approval to evaluate the independence and suitability of the certified public accountants. Please refer to the Company's website at http://www.delicacy.com.tw/h-tw /Investor / tw/Investor/Corporate Governance/Organizational Operations for the Accountant's Independence and Suitability Evaluation Form and the letter of declaration issued by the Company's certified public accountants. (Note 1)	

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
4. Has the TWSE/TPEx listed company set up a dedication (or concurrent) corporate governance unit or appointed personnel responsible for corporate governance related matters (including but not limited to providing the directors and supervisors with required information to carry out their business, handling corporate registration and change of corporate registration related matters and taking the minutes of meetings)?	✓		On June 30, 2021, the Company's Board of Directors appointed YU, I-NENG General Manager , as the Head of Corporate Governance to establish a corporate governance drive unit to protect shareholders' rights and strengthen the functions of the Board of Directors. The Management Division is the dedicated (concurrent) unit for corporate governance, who is responsible for corporate governance-related matter and its employees are regularly assigned to participate relevant education and training. The main duties of the staff are as follows: 1.The Board of Directors will consult with the directors before the meeting to plan and prepare the agenda, notify all directors to attend the meeting at least seven days before the meeting, and provide the meeting information before the meeting so that the directors can understand the content of relevant issues in advance; after the meeting, the minutes of the meeting will be prepared and sent to the directors within 20 days. 2.Each year, the Company registers the date of the shareholders' meeting in accordance with the legal deadline, and prepares and reports the notice of the shareholders' meeting, the manual and the minutes of the meeting by the required deadline. 3.If there is a motion to amend the articles of incorporation or to re-elect directors at the shareholders' meeting, an application for registration of the change should be made to the Ministry of Economic Affairs within 15 days after the shareholders' meeting. 4.According to the corporate governance evaluation indexes issued by the Center for Corporate Governance every year, we will check the company's achievement of the standards and the way to increase the scores one by one.	No major difference
5. Has the Company established communication channels and dedicated sections for stakeholder (including but not limited to the shareholders, employees, clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?	✓		The Company has a spokesperson, an acting spokesperson and a stock agent unit to communicate with the Company and its investors. The business, procurement and accounting units have established appropriate communication channels with major upstream and downstream vendors, banks and other related stakeholders. The company has set up a special electronic feedback and complaint box, and the head of the management department is responsible for handling complaints.	No major difference
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appoints a professional stock agent, MasterLink Securities Corporation Stock Agency Department, to conduct shareholder meetings.	No major difference

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
7. Disclosure of information (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company's Chinese website has a special section for shareholders' information and is linked to the Market Observation Post System of the Stock Exchange. Shareholders may inquire about the Company's financial operations and corporate governance information on the Company's website. Please refer to the Company's website: http://www.delicacy.com.tw/zh-tw/Investor	No major difference
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information on collection and disclosure, creating a spokesperson system, webcasting investor conferences)?	✓		(2) 1. The Company has set up websites in both English and Chinese, with dedicated personnel responsible for collecting and disclosing relevant information. 2.The Company has a spokesperson and proxy spokesperson system. 3. The Company has set up the presentation and audio-visual files of the institutional investor conference on our website.	We will discuss the feasibility with the checking accountant in the future.
(3) Did the Company announce and declare the annual financial statement within two months at the end of the accounting year and announce and declare the Q1, Q2 and Q3 financial statement and monthly operational status prior to the deadline in the regulation?		✓	(3) The Company complies with the relevant regulations by announcing the annual financial report within 75 days after the end of the fiscal year. The financial reports for the first, second, and third quarters are filed within 45 days after the respective quarter ends. Additionally, the Company files reports on its monthly operations within the prescribed deadlines.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. Employee rights and benefits: The Company always treats its employees with honesty and trust and protects their legal rights and benefits in accordance with the Labor Standards Law. 2.Employee care: The Company establishes a good relationship with our employees through a welfare system that stabilizes their lives and a good education and training system that builds mutual trust and dependence. 3.Investor Relations: The Company has a spokesperson system, who is responsible for responding to investment corporations and handling shareholders' proposals. 4.Supplier relations: The Company maintains good relations with its suppliers to ensure the rights and interests of both parties. 5.Interested parties' rights: Interested parties may communicate with the Company and make suggestions in order to protect their legitimate rights and interests. 6.Directors (including independent directors) and managers for continuing education: (Note 2-3) 7.Implementation of risk management policies and risk measurement standards: The Company has various internal rules and regulations for risk management and evaluation. 8.Implementation of customer policy: The company is committed to quality improvement and professional technology enhancement, through vertical integration of production and marketing, rapid development and production, to provide customers with competitive products to create company profits. 9.The Company purchases liability insurance for directors and supervisors: In accordance with Article 39 of the Code of Corporate Governance Practices, it is appropriate for the Company to purchase liability insurance for directors and supervisors during their term of office in respect of their liability under the law for the execution of their scope of business, in order to reduce and diversify the risk of significant damage to the	No major difference

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
			Company and its shareholders caused by the directors' wrongful or negligent acts.	

9.Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

Regarding the results of the 11th (2024) Corporate Governance Evaluation, the Company has already begun making improvements in response to areas where points were lost. The priority items and measures to be strengthened in 2025 are as follows:

Items not yet improved	Improvement Measures
Has the Board of Directors approved the Company's Regulations for Board Performance Evaluation, clearly stipulating that an external evaluation shall be conducted at least once every three years, and has such evaluation been carried out in the evaluation year or the previous two years, with the implementation status and evaluation results disclosed on the Company's website or in the annual report?	The Company will evaluate and plan to appoint an external evaluation agency to conduct the performance evaluation.
Has the company disclosed the English version of the sustainability report on MOPS and its official website?	The company will upload the English version of the sustainability report to the Market Observation Post System (MOPS) and the company's website in 2025.

Note: The operating conditions, regardless of whether "Yes" or "No" is checked, should be described in the summary description field.

2025 CPA Dependency and Competency Assessment Form
Date of assessment: November 4, 2024

(1) Profile:

CPA Name:	LIAO HUNG-JU	CPA Firm:	Deloitte & Touche
Primary Education/Experiences:	Educational background: Master, Accounting Department of National Cheng Kung University Bachelor, Accounting Department of National Cheng Kung University Professional qualification: CPA, R.O.C.		

(2) Details:

Refer to Article 47 of the CPA Act and Gazette No. 10 from CPA Occupational Ethics Regulations:

ITEM	Result
1. The case of CPA remained the same over past 7 years never happened as of the latest notarization.	■Yes □No
2. The subject never built a material financial stakeholder relationship with the principal.	■Yes □No
3. Any inappropriate relationship is avoided to build with the principal.	■Yes □No
4. CPA should make his assistants stick to honest, fairness and independency.	■Yes □No
5. Financial statements of service institution in 2 years prior to operation may not be notarized and audited.	■Yes □No
6. CPA title may not be shared with any third party.	■Yes □No
7. Never hold any shares of the Company and its affiliates.	■Yes □No
8. The subject never had loan with the Company and affiliates, except for normal transactions with banking industry.	■Yes □No
9. The subject never had common investment or shared interested relationship with the Company and affiliates.	■Yes □No
10. The subject never had concurrent routine jobs in the Company or affiliates with fixed salary.	■Yes □No
11. The subject never was involved in decision-making management functionality in the Company or affiliates.	■Yes □No
12. The subject never had concurrent position in another business which may lose independency.	■Yes □No
13. The subject has conneciton of spouse, direct blood relatives & direct in-laws, or Collateral blood relatives with the management of the Company does not require a visa.	■Yes □No
14. The subject never received any commission in connection with business.	■Yes □No
15. The subject never was sanctioned or impeded principal of independency as of now.	■Yes □No

(3) Performance and Plan:

1. Finished 2024 financial notarization for the Company as scheduled.
2. Finished subsidiaries' 2024 financial notarization including FUTURUS CO., LTD., EDEN ROAD INTERNATIONAL LIMITED(Place of registration: Hong Kong), DE SHEN (CAYMAN) HOLDINGS CO., LTD., NEW LAKE LIMITED., DE LICACY (SAMOA) HOLDINGS CO., LTD., DE LICACY OLDINGS CO., LTD.(BVI), VIEW BEST GLOBAL LIMITED
3. Provided the Company with financial and taxation consulting services irregularly.

(4) Result of Assessment:

THE CPA, LIAO HUNG-JU has presented and expressed independency on diversified financial, taxation consultation as well as notarization for the Company timely without unfair statements.

Approved by: Made by:

2025CPA Dependency and Competency Assessment Form
Date of assessment: November 4, 2024

(1) Profile:

CPA Name:	WANG, TENG-WEI	CPA Firm:	Deloitte & Touche
Primary Education/Experiences:	Education: Master, Accounting Department of National Cheng Kung University Professionalism: CPA, R. O. C.		

(2) Details:

Refer to Article 47 of the CPA Act and Gazette No. 10 from CPA Occupational Ethics Regulations:

Item	Result
1. The case of CPA remained the same over past 7 years never happened as of the latest notarization.	■Yes □No
2. The subject never built a material financial stakeholder relationship with the principal.	■Yes □No
3. Any inappropriate relationship is avoided to build with the principal.	■Yes □No
4. CPA should make his assistants stick to honest, fairness and independency.	■Yes □No
5. Financial statements of service institution in 2 years prior to operation may not be notarized and audited.	■Yes □No
6. CPA title may not be shared with any third party.	■Yes □No
7. Never hold any shares of the Company and its affiliates.	■Yes □No
8. The subject never had loan with the Company and affiliates, except for normal transactions with banking industry.	■Yes □No
9. The subject never had common investment or shared interested relationship with the Company and affiliates.	■Yes □No
10. The subject never had concurrent routine jobs in the Company or affiliates with fixed salary.	■Yes □No
11. The subject never was involved in decision-making management functionality in the Company or affiliates.	■Yes □No
12. The subject never had concurrent position in another business which may lose independency.	■Yes □No
13. The subject has conneciton of spouse, direct blood relatives & direct in-laws, or Collateral blood relatives with the management of the Company does not require a visa.	■Yes □No
14. The subject never received any commission in connection with business.	■Yes □No
15. The subject never was sanctioned or impeded principal of independency as of now.	■Yes □No

(3) Performance and Plan:

1. Finished 2024inancial notarization for the Company as scheduled.
2. Finished subsidiaries' 2024 financial notarization including DE-FA INTERNATIONAL INDUSTRIAL CO., LTD., CHADTEX INDUSTRIAL CO., LTD.
3. Provided the Company with financial and taxation consulting services irregularly.

(4) Result of Assessment:

THE CPA, WANG, TENG-WEI has presented and expressed independency on diversified financial, taxation consultation as well as notarization for the Company timely without unfair statements.

Approved by: Made

Recipient: DE LICACY INDUSTRIAL CO., LTD.

Subject: We accepted the assignment of auditing Your Esteemed Company's Financial Statement for the Year of 2025 pursuant to the regulations of AIA's "Integrity, Fairness, Objectivity and Independency of Professional Ethical Gazette No. 10" and the Audit Teammates stated their following regulations as follows without violation.

Description:

1. Audit teammate and its spouse, dependents never had cases as follows:
   1) Never held direct or indirect material financial interests with the Esteemed Company.
   2) Never built business relationship affecting independency with Your Esteemed Company or its Directors, Supervisors and Managers.

2. During audit, the Audit Teammates and their spouses, dependents never took positions of Director/supervisors, Managers in Your Esteemed Company or had any duties with direct and material effect on the audit work.

3. The Audit Teammates never had relationship of spouse, immediate blood relatives, immediate blood-in-law or second-relatives and other internal blood relatives with Your Esteemed Company's Directors/supervisors or Managers.

4. The Audit Teammates never received high valued gifts from Your Esteemed Company or its Directors/Supervisors, Managers or major shareholders (the value has never transcended ordinary social courtesy standard).

5. The Audit Teammates have executed necessary independency / interest conflict procedures without discovering any violations or unsolved conflict of interests.

Deloitte & Touche

CPA LIAO HUNG-JU (With Seal)

CPA WANG, TENG-WEI (With Seal)

Note 2: Directors (including independent directors) pursuing further education in 2024

List of Directors and Supervisors	Date of the Advanced Studies		Organizer	Name of the Course	Hours of the Course
	Start	End			
Chairman YEH,CHIA-MING	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Performance and Compensation	3
Vice Chairman YEH,CHIA-HAO	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Performance and Compensation	3
Representative of Institutional Director: YU,I-NENG	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Performance and Compensation	3
Independent Director HUANG,CHUN-JEN	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Accounting Topics Related to Climate Change	3
Independent Director SU,PO-CHENG	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Accounting Topics Related to Climate Change	3
Independent Director HUANG,SHIH-YING	2024/11/06	2024/11/06	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/11/07	2024/11/07	Taiwan Corporate Governance Association	Embracing a New Transformation Model for the Next Evolution of Management	3
Independent Director TSAI,LI-JU	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
	2024/12/23	2023/12/23	Taiwan Corporate Governance Association	Accounting Topics Related to Climate Change	3

Note 3. The status of Manager taking advanced study courses in 2024

List of Managers	Date of the Advanced Studies		Organizer	Name of the Course	Hours of the Course
	Start	End			
Governance Supervisor YU,I-NENG	2024/11/07	2024/11/08	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuing Securities Firms and Stock Exchanges	12
Financial Supervisor Huang,Hsiu-Fen	2024/09/26	2024/09/27	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuing Securities Firms and Stock Exchanges	12
Internal audit supervisors YANG CHIN CHUEH	2024/10/01	2024/10/01	Accounting Research and Development Foundation	Revisions to the 'Regulations Governing the Establishment of Internal Control Systems' and Compliance Practices for Internal Audit and Control Related to Financial Reporting	6
	2024/11/27	2024/11/27	Accounting Research and Development Foundation	Analysis of the Latest Regulations on Annual Reports, Sustainability Disclosures, and Financial Reporting, and Practical Internal Control Management	6

(5) **Sustainable Development Implementation Status and Deviations from "the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons：** the systems and measures adopted by the Company for environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, safety and health and other social responsibility activities and their fulfillment.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from "the Corporate Social Responsibility (Sustainable Development)est Practice Principles" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration(Note 2)</th></tr>
<tr><td>1. Has the Company set up a dedicated (or concurrent) corporate social responsibility promotion unit which is authorized by the board of directors to be managed by the high-level management and reports to the board of directors?</td><td>✓</td><td></td><td>The company has set up a part-time unit to promote sustainable development, which is responsible for coordinating and promoting the proposal and implementation of corporate sustainable development policies, systems or related management guidelines and specific promotion plans, and regularly summarizes the implementation progress and reports to the board of directors. (For the structure of the part-time unit that promotes sustainable development, please refer to the company's sustainability report and company website http://www.delicacy.com.tw/zh-tw/Investor/Corporate Governance/ESG Sustainability Report) The company's board of directors is the highest guiding unit for supervising the company's sustainable development, and regularly listens to the implementation results and future work plans of sustainable development. Supervise the promotion of sustainable Development strategies.</td><td>No major difference</td></tr>
<tr><td>2. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to business operations of the Company in accordance with the concept of materiality and established relevant risk management policies or strategies? (Note 2)</td><td>✓</td><td></td><td>The Company has established a "CSR Code of Practice(Preparation and Filing of Sustainability Reports)" and the "Risk Management Best-Practice Principle" and disclosed it in MOPS and the Company's website. The Management Department is responsible for conducting relevant risk assessments and formulating relevant risk management policies or strategies based on materiality as follows; in addition, relevant management practices have been established
and communication channels with stakeholders have been set up.
<table>
<tr><th>Major Issues</th><th>Risk Evaluation Item</th><th>Risk management policies or strategies</th></tr>
<tr><td>Environment</td><td>Environmental Protection and Workplace Safety</td><td>⊙We are aware of the importance of environmental sustainability, and the Environmental Protection Division and the Industrial Safety Office handle matters related to pollution prevention for on-site operations, and we have hired an accredited environmental testing organization to conduct random inspections to comply with the latest emission standards listed by the Environmental Protection Agency.
⊙The Company regularly implements public safety inspections, labor safety training courses and employee health checks every year to provide a safe and healthy working environment for our employees.</td></tr>
<tr><td>Society</td><td>Ethical Management and Anti-Corruption</td><td>The Management Department of the Company, worked as a concurrent unit to promote the integrity of corporate management, has stipulated the prohibition of dishonest acts such as bribery, accepting bribes, offering or accepting improper benefits, engaging in unfair competition and damaging the rights and interests of stakeholders in accordance with the "Code of Conduct for Ethical Management", "Procedures and Guidelines for Ethical</td></tr>
</table></td><td>No major difference.</td></tr>
</table>

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility (Sustainable Development)est Practice Principles" and Reasons
	Yes	No	Abstract Illustration(Note 2)	
			Management" and "Code of Ethical Conduct", and has established preventive measures and conducted education and promotion to implement the policy of ethical management.	
			Corporate Governance / Legal compliance: Through the implementation of internal control mechanisms, we ensure that all of our employees and operations comply with the relevant laws and regulations.	
3. Environment issues (1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(1)Establish an ISO 14001 environmental management system, set up an environmental safety office and environmental management personnel, formulate environmental safety and health policies, promote and implement environmental management-related matters, and invite third-party verification agencies for verification every year.	No major difference.
(2) Is the company committed to improving energy efficiency and using recycled materials that have a low impact on the environment?	✓		(2) The Company's waste materials have been assigned to a waste removal licensee for recycling, and is committed to implementing activities such as factory waste reduction and resource separation and recycling in order to preserve global resources and protect environmental hygiene.In 2024, approximately 55.9% of the fabrics used were made from recycled fiber materials, and an environmentally friendly product—low-carbon AERO-TECH easily-dissolvable yarn fabric—was developed.	
(2) Has the Company assessed the current and future potential risks and opportunities to the enterprise due to climate change and adopted countermeasures on issues related to the climate?	✓		(3) The Company formulates energy-saving and carbon-reduction strategies based on the impact of its operating activities, and promotes various energy-saving measures, such as turning off lights on the fly and paperless operation, to reduce the impact of its operations on the natural environment.	
(4) Has the Company conducted statistics on the emission of greenhouse gas, water consumption volume and the total waste weight in the past two years and developed policies for energy-saving, reduction on greenhouse gas, water consumption volume or management of other wastes?	✓		(4)1.The Company obtained the "Greenhouse Gas Emission Verification Statement" issued by AFNOR ASIA LTD. on July 23, 2024 to prove that the Company meets the reasonable assurance level approved by the Environmental Protection Administration of the Executive Yuan. We expect more efficient management and control of energy use″ to achieve energy savings and reduce greenhouse gas emissions by 2%-5% annually. 2.The Company has installed a sludge dryer to reduce the amount of sludge removal, which is expected to reduce the amount of waste removal by 1/2 per year. 3.In response to the government's 2050 net-zero carbon emissions goal, the company will completely phase out coal-fired boilers in 2025 and replace them with gas-fired (natural gas) boilers to reduce PM2.5 emissions and improve air quality.	
4. Social issues (1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(1) The Company protects the legal rights of employees and respects the human rights of all employees in accordance with the Labor Standards Law, and provides fair opportunities for job seekers and employee promotion paths. The Company has signed a concord with the labor union on March 2023.	No major difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility (Sustainable Development)est Practice Principles" and Reasons
	Yes	No	Abstract Illustration(Note 2)	
(2) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacations and other welfares, etc.) and reflected management performances or outcomes on employees' remuneration?	✓		(2) The Company's Employee Benefit Committee arranges employee activities such as employee travels, fellow employees' dinners, weddings and funerals, and other benefit subsidies to provide a comfortable and safe working environment for our employees. We also arrange regular health checkups for our employees to maintain their physical and mental health.	
(3)Does the Company provide a safe and healthy working environment for employees and regularly carry out safety and health education for employees?	✓		(3) The Company provides a safe and healthy working environment for its employees, including the provision of necessary health and first aid facilities, and strives to reduce the risk of employee safety and health to prevent occupational disasters or occupational diseases. In addition, the following operations are conducted regularly to provide a healthy and safe environment for our employees. 1.We hold regular seminars on occupational safety and health to maintain the safety and health of employees in the workplace and to create a healthy and safe working environment for employees. 2.Office fire safety inspection/reporting/and promotion. 3.Regular maintenance of elevators. Employee health maintenance: In addition to cooperating with the government to conduct health checks for occupational disasters, we regularly arrange health checks for employees and cooperate with hospitals within the Group to carry out health management according to the results; each factory is equipped with medicines, hygiene materials, simple medical equipment, etc., and the factory has contracted doctors and nursing staff to provide regular services. Incorporate relevant requirements into daily operations and improve occupational safety and health performance through daily employee education	
(4) Has the Company developed an effective training program for employees?	✓		(4) The Company follows the relevant provisions of the law and sends employees out for training for career development, and plans relevant career development training programs in accordance with employee needs.	
(5)Does the company follow relevant laws and regulations and international standards, and has a policy and complaint procedure to protect the rights of consumers or customers with regard to customer health and safety, customer privacy, marketing and labeling of products and services?	✓		(5) The company complies with government regulations and industry-related norms to provide customer products and services, and has established "Customer Complaint Handling Methods" to handle customer complaint cases. At the same time, in order to understand customer opinions and improve service quality, customer satisfaction surveys are conducted every year. The company website also has a press office and a contact email address for feedback, allowing consumers or customers to have a smooth channel for feedback.	
(6) Has the Company established management policy for suppliers and asked the suppliers to comply with environmental friendly, occupational safety or labor rights and present its implementations?	✓		(6) The Company currently requests its major suppliers to provide certification reports that their products do not contain hazardous substances. In addition, the contract between the Company and its major suppliers contains provisions that allow the suppliers to terminate or cancel the contract at any time if the supplier is involved in a violation of its corporate social responsibility policy that has a significant impact on the environment and society. Please refer to 2023 Sustainability Report of the Company for details. Regarding human rights issues, the company has implemented a 'zero-fee	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility (Sustainable Development)est Practice Principles" and Reasons
	Yes	No	Abstract Illustration(Note 2)	
			policy' since January 1, 2020. In 2022, the company signed supplementary agreements with recruitment agencies, stipulating that all recruitment-related fees for migrant workers are to be covered by the company, and agencies are prohibited from charging any fees to the workers.	
5.Does the company make reference to international standards or guidelines for the preparation of reports, such as perpetual reports, that disclose non-financial information about the company? Did the Company obtain confirmation or assurance from a third-party verifier?		✓	In 2024, the company prepared a sustainability report with reference to internationally accepted reporting standards, which was verified by Afano International Co., Ltd. Please refer to 2023 Sustainability Report and public disclosure on the website of the Company for details. http://www.delicacy.com.tw/en/Investor/corporategovernance/organization	No major difference

6.If a company has its own sustainable development best practice principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe how its operation differs from the Principles:

The company formulates its corporate social responsibility policy with reference to the "Code of Practice for Corporate Social Responsibility for Listed Overseas Companies", implements the promotion of corporate governance, develops a sustainable environment, safeguards social welfare, and strengthens the disclosure of corporate social responsibility information, and participates in community development and feedback, Charity groups and local government agencies spare no effort in related activities. So far there are no discrepancies.

7. Other material information helpful for understanding the promotion of implementing sustainable development initiatives:

1.The company is committed to the government's environmental policy.
2.Sponsorship of local charity and good neighbor activities.
3.Donations were made to the Taiwan Foundation for the Blind, Tainan County Family Support Center, and cultural and educational institutions.
4.Contribute to the education and development of talents in the textile, apparel, and fashion industries (e.g., sponsorship of scholarships for related departments, establishment of short-term training courses, etc.)
5.Establish scholarships to encourage outstanding university students from modest backgrounds
6.Promote industry innovation and development related activities
7.Promote academic and industrial cooperation and exchange related work
8.Promoting care for the underprivileged and assisting in education and employment
9.Highlights of the latest annual activities of the Deli Education Foundation:

Year	Content
2024	Sponsored the Tainan City Association for the Sustainable Development of Taiwan Indigenous Peoples' 2024After-school Support Program for Taiwan Indigenous Students.
	80 scholarships of NT$20,000 each were awarded for the second semester of the 2023 school year.
	To the Fortune Social Welfare & Charity Foundation, we donated 5,000 pounds of rice to the disadvantaged groups and low-income families.
	Sponsoring Andrew Charity Association to provide immediate and appropriate resources for children aged 0-15 from disadvantaged families in Taiwan to help them develop physically and mentally.
	52 scholarships of NT$20,000 each were awarded for the first semester of the 2024 school year.

8. If the CSR report has passed the verification standards of relevant verification agencies, it should be stated: None.

Note 1: If "Yes" is selected for implementation, please specify the important policies, strategies, measures adopted and their implementation; if "No" is selected for implementation, please explain the differences in the "Discrepancy from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons" column and the reasons for this, as well as the plan to adopt related policies, strategies and measures in the future.

Note 2: Materiality refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

Note 3: For disclosure, please refer to the Samples for Best Practice Principles on the Corporate Governance Center website of the Taiwan Stock Exchange.

（6）Implementation Climate-Related Information

Item	Implementation status
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Sustainability Committee meets at least once every six months and holds ad-hoc meetings for discussions on significant issues. Upon completion of the sustainability report, it will be submitted to the Board of Directors for approval and issuance.
2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Short-term: Carbon tax risk - Increase operating costs for the company. Medium-term: Tightening of carbon emissions regulations - Increase operating costs for the company, requiring the implementation of energy-saving measures to reduce energy consumption and increase the use of renewable energy. Long-term: Increasing trend for recycled materials demand and climate litigation - Integration of upstream to downstream supply chains. Since 2014, the Company has voluntarily conducted greenhouse gas inventories according to ISO 14064-1. In 2021, the Company obtained ISO 14001 certification for environmental management system. (Every year, a third-party verification agency is requested to conduct verification) This information has been publicly disclosed on the Company's website. http://www.delicacy.com.tw/en/Investor/corporategovernance/organization
3.Describe the financial impact of extreme weather events and transformative actions.	High temperatures - Increasing electricity prices during peak demand periods, leading to higher operating costs for the company.
4.Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company identifies and prioritizes relevant risks through a climate change risk matrix, and assesses the financial impact of key risk factors on the operations of DE LICACY using risk pathways. Additionally, strategies to address these risks are evaluated.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company does not use scenario analysis to assess resilience to climante change risks yet, but we are actively considering relevant measures in the near future to address this issue.
6.If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company does not have a transition plan for manging climate-related risks yet, but we are actively considering relevant measures in the near future to address this issue. ◦
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The company began implementing a carbon pricing mechanism when the Paris Agreement came into effect in 2016. Currently, we apply carbon pricing in evaluating the investment benefits of energy-saving projects and calculating the carbon emission costs of employee travel. This allows employees to understand the external costs of both the company and their own activities. Additionally, we provide recent carbon price trends to help them recognize the increasing expectations and regulatory pressures from the external environment regarding corporate carbon management.
8.If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Since 2014, the company has conducted ISO 14064-1 greenhouse gas inventories, with coal being the primary source of greenhouse gas emissions within the plant. For example, in 2022, coal accounted for 54.75% of the total annual carbon emissions within the plant. To achieve greenhouse gas reduction, the company installed natural gas boilers in 2023, gradually

Items	Implementation status
	increasing the proportion of natural gas combustion while reducing coal combustion as part of the coal phase-out plan. Using 2022 as the baseline year, the total carbon emissions were 82,460.655 metric tons, covering Scope 1 and Scope 2 emissions. The carbon emission reduction target is set as follows: Short-term target: 15% reduction by 2024 Mid-term target: 30% reduction by 2026 Long-term target: 50% reduction by 2030
9.Greenhouse gas inventory and assurance status.	The Company's site is registered under the supervision of the Environmental Protection Agency. We conduct annual greenhouse gas inventory and verification activities as part of our environmental management practices. (ISO 50001 Energy Management System certification obtained in 2024.)

1-1 The company in the last two years Greenhouse Gas Inventory and Assurance Status

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/million yuan) and data coverage of greenhouse gases in the past two years.	
2024 Total emissions(Metric tons CO2e)：56,988.167 CO2e ； Revenue: NT$395.3 billion Scope 1：32,683.3981 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 8.27 Scope 2：24,304.7684 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 6.15	2023 Total emissions(Metric tons CO2e)：63,307.113 CO2e ; Revenue: NT$363.0 billion Scope 1：36,913.393 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 10.17 Scope 2：26,393.72 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 7.27

註1：Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), energy indirect emissions (Category 2,that is, indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions Amount (Category 3, that is, emissions generated by company activities, which are not indirect energy emissions, but come from emission sources owned or controlled by other companies).

註2：The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the timetable specified in the order stipulated in Paragraph 2 of Article 10 of these Guidelines, and other indirect emissions information may be disclosed voluntarily.

註3：Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or International Organization for Standard-ization, ISO) published ISO 14064-1.

註4：The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) should be stated.

註5：The greenhouse gas report and greenhouse gas emission verification statement have been publicly disclosed on the company's website http://www.delicacy.com.tw/zh-tw/ Investor/Corporate Governance/Organizational Operations.

1-1-2 Greenhouse Gas Confirmation Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.	
2024 Confidence scope: Deli Sanshe factory areaAssurance body；AFNOR Asia Ltd. Assurance body；AFNOR Asia Ltd Criteria for Confidence: Ministry of Environment "Greenhouse Gas Instructions Guidelines 99.12" Description of assurance status：Based on the verification process and procedures conducted by the auditors, there is ample evidence indicating that the greenhouse gas (GHG) claims of the audited organization do not have substantive differences. The preparation of GHG quantification, monitoring, and reporting is in accordance with the verification criteria specified in the agreement, following internationally recognized standards. The data and relevant information regarding GHG emissions are presented in an unbiased and fair manner.	2023 Confidence scope: Deli Sanshe factory areaAssurance body；AFNOR Asia Ltd. Assurance body；AFNOR Asia Ltd Criteria for Confidence: Ministry of Environment "Greenhouse Gas Instructions Guidelines 99.12" Description of assurance status：Based on the verification process and procedures conducted by the auditors, there is ample evidence indicating that the greenhouse gas (GHG) claims of the audited organization do not have substantive differences. The preparation of GHG quantification, monitoring, and reporting is in accordance with the verification criteria specified in the agreement, following internationally recognized standards. The data and relevant information regarding GHG emissions are presented in an unbiased and fair manner.

註1：It should be handled in accordance with the timetable specified in the order stipulated in Article 10, Paragraph 2 of this Code. If the company fails to obtain a complete greenhouse gas assurance opinion by the publication date of the annual report,

註2：The greenhouse gas report and greenhouse gas emission verification statement have been publicly disclosed on the company's website http://www.delicacy.com.tw/zh-tw/ Investor/Corporate Governance/Organizational Operations.

(7) The Company and the Subsidiaries' Ethical Corporate Management Best-Practice, Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons:

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs approved (1) Does the company formulate its ethical corporate management policies by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board and senior management to implement the policies? (2) Does the company establish evaluation system for the risk of unethical conducts, regularly analyze and evaluate the operating activities with the risk of high-potential unethical conducts within its operating scope and formulate prevention programs and precaution measures against unethical conducts or listed activities stated in Article 2, Paragraph 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies"? (3) Does the company establish clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, and rules of appeal in its prevention programs against unethical conducts, ensure its implementation, and regularly review and revise the aforementioned programs?	✓ ✓ ✓		The Company has established "Ethical Management Procedures and Behavior Guidelines" to clarify the policy of integrity management and prevent dishonest behavior. At the same time, there shall be no unnecessary contact with suppliers, customers and related parties. The Board of Directors and management of the Company are committed to actively implementing the policy of integrity management. The Company has established various internal regulations to ensure the enforcement of integrity and compliance with laws and regulations, and the relevant policies have been published on the Company's website for shareholders to access at any time.	No major difference.
2. Fulfill ethical management (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts? (2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of the promotion of corporate ethical management, regularly (at least once a year) report its ethical management policies and prevention programs against unethical conducts, and supervise its implementations? (3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management? Does the company's internal audit unit prepare relevant audit plans based on the evaluation results of risk of the unethical conducts from the internal audit unit? Is the compliance of prevention program against unethical conducts audited by either internal auditors or CPAs? (5) Does the company regularly hold internal and external educational trainings on	✓ ✓ ✓ ✓ ✓		(1) The Company has established the "Procedures and Conduct Guidelines for Ethical Management", which stipulates that the Company will consider the legitimacy of agents, suppliers, customers or other business counterparties and whether there is any record of dishonest conduct before conducting business transactions, and will avoid conducting transactions with persons who have engaged in dishonest conduct. (2) In order to improve the ethical management, the Company has designated the Management Department as the dedicated unit to handle the revision, implementation, explanation, consultation service and registration and filing of the notification contents of these operating procedures and conduct guidelines and to supervise their implementation, and shall report to the Board of Directors on a regular basis. (3) The Company has established a "Code of Ethical Conduct" and "Operating Procedures and Conduct Guidelines for Ethical Management", which stipulate that the Company's personnel shall treat the Company's customers, competitors and employees fairly and with integrity and reasonableness, and shall not obtain improper benefits through manipulation, concealment, misuse of information based on their duties, misrepresentation of material matters or other unfair trade practices. (4) In order to effectively ensure ethical management of the Company's operations, the Company has established a good and effective internal control system and accounting system, which are regularly audited by internal auditors. (5) The Company shall reinforce the principle that employees should treat the	No major difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
ethical management?			Company's import (sales) customers, competitors and employees fairly and with honesty and reasonableness, and shall not gain improper benefits by manipulating, concealing or misusing information based on their duties, making misrepresentations on important matters or other unfair trading practices.	
3.Operation of the company's complaint system (1) Does the company establish both a specific complaint and reward system and a convenient complaint channel? Can the accused be reached by an appropriate person for follow-up? (2) Does the company establish standard operating procedures for investigating accusation cases, and follow-up measures and relevant confidential system to be adopted after the completion of the investigation? (3) Does the company provide proper whistleblower protection?	✓ ✓ ✓		The company plans a confidential system of reporting, set up a dedicated window to receive reports, through employee complaint box and an employee complaint hotline to receive employee complaints.	No major difference.
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company's annual report discloses the contents of the Code of Conduct and the effectiveness of its promotion, which can be found on the Company's website and on the Market Observation Post System.	No major difference.
5. If the company has established the ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the policies and their implementation: None.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies: The Company's operations are conducted in accordance with the laws and regulations of the TSE and the regulations of the relevant authorities, and its decisions are made with the interests of shareholders and the Company in mind, and in compliance with the Company's internal regulations.				

Note 1: The operating conditions, regardless of whether "Yes" or "No" is checked, should be described in the summary description field.

(8) If the company has established a code of corporate governance and related regulations, it should disclose its inquiry methods.

The Company has established the "Rules of Procedures for Shareholders' Meetings," "Regulations for Board Meetings," "Regulations for Election of Directors," "Code of Ethical Conduct," "Self-Regulatory Rules for Disclosure of Merger and Acquisition Information," "Regulations for Intercompany Financial Operations," "Code of Corporate Governance Practices," "Rules Governing the Responsibilities of Independent Directors," "Rules for the Organization of the Audit Committee," "Rules for the Organization of the Compensation Committee," "(Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports)," "Operating Procedures and Guidelines for Ethical Management" "Operating Procedures for Handling Internal Material Information and Preventing Insider Trading"and "Standard Operating Procedures for Handling Directors' Requests", "Organizational Rules and Regulations of the Company's Sustainable Development Committee",which will be implemented in accordance with the relevant regulations. Please visit the Company's website or the Market Observation Post System for more information.

(9) Other Important Information for the Enhancing the Understanding of the Company's Corporate Governance Operations may be disclosed: None.

(10) Implementation of internal control system

1. Statement of Internal Control System

DE LICACY INDUSTRIAL CO., LTD.

Statement of Internal Control System

Date: Mar. 10, 2025

The internal control system from January 1 to December 31, 2024, according to the result of self-assessment is thus stated as follows:

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reason assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five constituent elements of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities. Each constituent element consists of a number of items. Please refer to the “the Regulations” for the aforementioned items.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the finding of such evaluation, the Company believes that, on December 31, 2024 (Note 2) it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company’s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors in the meetings held on March 10, 2025, with none of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

DE LICACY INDUSTRIAL CO., LTD.

Chairman: YEH,CHIA-MING

General Manager: YU,I-NENG

Note 1: If there are significant deficiencies in the design and implementation of the internal control system of a public company during the year, an explanatory paragraph should be added to the fourth item of the statement of internal control system, listing and describing the significant deficiencies identified in the self-assessment, as well as the improvement actions taken by the company before the balance sheet date and the improvement status.

Note 2: The date of declaration shall be "the end of the fiscal year". ◦

2. In case that a CPA was engaged to conduct a Special Audit of Internal Control System, its audit report shall be provided: None.

(11) Significant resolutions of the shareholders' meeting and the board of directors for the most recent year and up to the date of printing of the annual report

(1) Resolutions of the ordinary shareholders' meeting

Meeting Date	Important Resolution	Resolution	Status of implementation
2024.06.07	1.2023 business report and proposals for ratification of individual financial statements and consolidated financial statements	The proposal was approved by the shareholders present and voting by electronic ballot.	The resolution was passed.
	2.Proposal for recognition of earnings distribution in 2023	The proposal was approved by the shareholders present and voting by electronic ballot.	Set July . 02, 2024 as the Base date for dividend allocation and distribute cash dividends on July . 18, 2024

(2) Resolutions of the Board of Directors

Committee No.	Meeting Time	Important Resolutions
18th Committee 5th meeting	2024.01.22	1. Approved the discussion item on the credit line of the bank. 2. Approved the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd. 3. Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 4. Approved the discussion item on the distribution of 2023 annual bonus for the chairman, YEH, CHIA-MING. (Stakeholders, chairman YEH, CHIA-MING, and the vice chairman YEH, CHIA-HAO recused themselves from voting on this case). 5. Approved the discussion item on the distribution of 2023 annual bonus for the general manager,YU,I-NENG. (Stakeholder, representative of institutional director, YU, I-NENG, who also work concurrently as general manager recused himself from voting on this case). 6. Approved the discussion item on the distribution of 2023 annual bonus for the Supervisor of Production Department and Deputy General Manager of R&D Division,TSAI,CHI-HSIU ,the senior manager,Chu Yin-Chu and the financial supervisor and accounting supervisor, Huang Hsiu-Fen. 7. Approved the discussion item on salary adjustment for the chairman, YEH, CHIA-MING. (Stakeholders, chairman YEH, CHIA-MING, and the vice chairman YEH, CHIA-HAO recused themselves from voting on this case). 8. Approved the discussion item on salary adjustment for the general manager,YU,I-NENG. (Stakeholder, representative of institutional director, YU, I-NENG, who also work concurrently as general manager recused himself from voting on this case). 9. Approved the discussion item on salary adjustment for the Supervisor of Production Department and Deputy General Manager of R&D Division,TSAI,CHI-HSIU , the senior manager,Chu Yin-Chu and the financial supervisor and accounting supervisor,Huang Hsiu-Fen.
18th Committee 6th meeting	2024.03.13	1. Approved the adoption of bank loan guarantee line and its usage as of February 29, 2024. 2. Approved the discussion item on the credit line of the bank. 3. Approved the discussion item on the various proposed remuneration projects to be implemented in 2024. 4. Approved the discussion item on the Company's employee remuneration and directors' remuneration in 2023. 5. Approved the discussion item on the Business Report and 2023 Parent Only Financial Statement and Consolidated Financial Statement. 6. Approved the discussion item on the submitted proposal of 2023 "Statement of Internal Control System". 7. Approved the endorsement and guarantee for DE SHEN (CAYMAN) HOLDINGS CO.,LTD. 8. Approved the endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED(Place of registration: Hong Kong). 9. Approved the endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD. 10. Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 11. Approved the discussion for proposed renewal of insurance on directors and supervisors' liability insurance with cathay Century Insurance Co., Ltd. 12. Approved the implementation status of the performanceself-evaluations of 2023 Board meeting, Board member and functional committees. 13. Approved the discussion item on the non-repatriation of surplus from overseas investment companies prior to 2023.

Committee No.	Meeting Time	Important Resolutions
18th Committee 6th meeting	2024.03.13	14. Approved Proposal for recognition of earnings distribution in 2024. 15. Approved the discussion item on the matters involving 2024 General Shareholders' Meeting.
18th Committee 7th meeting	2024.05.07	1. Approved the adoption of bank loan guarantee line and its usage as of April 30, 2024. 2. Approved the Discussions on 2024 Q1 consolidated financial statements. 3. pproved the discussion item on the credit line of the bank 4. Approved loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD. 5. Approved the discussion item on the endorsement/guarantee for Vietnam DE LICACY. INDUSTRIAL CO., LTD. 6. Approved the discussion on the endorsement/guarantee for EDEN ROAD INTERNATIONAL LIMITED (place of registration: Hong Kong). 7.Approved the discussion on the transfer of investment from DE LICACY (SAMOA) HOLDINGS CO.,LTD. to the newly established NEW LAKE LIMITED (SAMOA). 8. Approved the discussion item on the proposed donation of NT$2 million from the Company to De Licacy Education Foundation. 9.Approved the proposal to amend the company's "internal control system". 10.Approved the discussion on capital reduction of DE LICACY (Shanghai) Textile Co.,Ltd 11.Approved APEX TEXTILE CO.,LTD can suspended dispose Shanghai Representative Office (Lansheng Building).
18th Committee 8th meeting	2024.06.07	1. pproved the discussion item on the credit line of the bank 2. Approved the discussion on the endorsement/guarantee for EDEN ROAD INTERNATIONAL LIMITED 3. Approved the record date for 2023 annual surplus allotment and distribution.
18th Committee 9th meeting	2024.08.06	1. Approved the adoption of bank loan guarantee line and its usage as of July 31, 2024. 2. Approved the Company's second quarter of 2024 consolidated financial statements. 3. Approved the discussion item on the credit line of the bank. 4. Approved the endorsement and guarantee for CHADTEX INDUSTRIAL CO.,LTD. 5. Approved the endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED(Place of registration: Hong Kong). 6. Approved the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd. 7. Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 8. Approved the Company's 2023 Corporate Sustainability Report
18th Committee 10th meeting	2024.11.06	1. Approved the adoption of bank loan guarantee line and its usage as of October 31, 2024. 2. Approved the Company's third quarter of 2024 consolidated financial statements. 3. Approved the discussion item on the credit line of the bank. 4. Approved budget proposal of 2025. 5. Approved audit proposal of 2025. 6. Approved loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD. 7. Approved the endorsement and guarantee for CHADTEX INDUSTRIAL CO.,LTD. 8. Approved the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd. 9. Approved the endorsement and guarantee for BEST ALLIANCE INTERNATIONAL LIMITED. 10. Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 11. Approved the discussion item on the proposed donation of NT$2 million from the Company to De Licacy Education Foundation. 12. Approved hiring accountant and evaluate independent of accountant in 2025. 13. Approved the procedure of accountant offer uncertain service needs to be approved. 14. Approved the Vantage Gain Holdings Limited sells its 20% in PERFECT STEP INVESTMENTS. 15. Approved the discussion plan for formulating the company's "Sustainable Information Management Measures". 16.Approved the discussion proposal on formulating the company's "Sustainability Report Preparation and Assurance Operational Procedures". 17.Approved the proposal to amend the company's "internal control. 18.Approved in order to repay loans from financial institutions andsupplement medium-term working capital, the company applied for a credit discussion proposal from the joint credit-granting banking group (hereinafter referred to as the "credit-granting banking group") with O-Bank as the coordinating sponsor bank and management bank.

Committee No.	Meeting Time	Important Resolutions
18th Committee 11th meeting	2024.12.26	1. Approved the discussion item on the credit line of the bank. 2. Approved the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd. 3. Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 4. Approved the discussion item on the distribution of 2024 annual bonus for the chairman, YEH, CHIA-MING. (Stakeholders, chairman YEH, CHIA-MING, and the vice chairman YEH, CHIA-HAO recused themselves from voting on this case). 5.pproved the discussion item on the distribution of 2024 annual bonus for the general manager,YU,I-NENG. (Stakeholder, representative of institutional director, YU, I-NENG, who also work concurrently as general manager recused himself from voting on this case). 6.Approved the discussion item on the distribution of 2024 annual bonus for the Supervisor of Production Department and Deputy General Manager of R&D Division,TSAI,CHI-HSIU ,the senior manager,Chu Yin-Chu and the financial supervisor and accounting supervisor, Huang Hsiu-Fen. 7.Approved the discussion item on salary adjustment for the chairman, YEH, CHIA-MING. (Stakeholders, chairman YEH, CHIA-MING, and the vice chairman YEH, CHIA-HAO recused themselves from voting on this case). 8. Approved the discussion item on salary adjustment for the general manager,YU,I-NENG. (Stakeholder, representative of institutional director, YU, I-NENG, who also work concurrently as general manager recused himself from voting on this case). 9. Approved the discussion item on salary adjustment for the Supervisor of Production Department and Deputy General Manager of R&D Division,TSAI,CHI-HSIU , the senior manager,Chu Yin-Chu and the financial supervisor and accounting supervisor,Huang Hsiu-Fen. 10.Approved the discussion on obtaining shares of LUCKY UNIQUE ENTERPRISE CO.,LTD. through our company.
18th Committee 12th meeting	2025.03.10	1. Approved the adoption of bank loan guarantee line and its usage as of October 31, 2024. 2. Approved the discussion item on the credit line of the bank. 3. Approved the discussion item on the various proposed remuneration projects to be implemented in 2025. 4. Approved the discussion item on the Company's employee remuneration and directors' remuneration in 2024. 5.Approved the discussion item on the Business Report and 2024 Parent Only Financial Statement and Consolidated Financial Statement. 6.Approved the discussion item on the submitted proposal of 2024 "Statement of Internal Control System". 7.Approved loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD. 8.Approved the endorsement and guarantee for DE SHEN (CAYMAN) HOLDINGS CO., LTD. 9.Approved the endorsement and guarantee for VIETNAM DE LICACY INDUSTRIAL CO., LTD. 10.Approved the endorsement and guarantee fo DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD. 11.Approved the endorsement and guarantee fo APEX (NANTONG) TEXTILE CO.,LTD. 12. Approved the discussion for proposed renewal of insurance on directors and supervisors' liability insurance with cathay Century Insurance Co., Ltd. 13.Approved the implementation status of the performanceself-evaluations of 2023 Board meeting, Board member and functional committees. 14.Approved the proposal to dispose of all shares of CHADTEX INDUSTRIAL CO., LTD. 15.Approved the proposal to amend the company's Articles of Association. 16.Approved the definition and scope of the company's grassroots employees. 17.Approved the discussion item on the non-repatriation of surplus from overseas investment companies prior to 2024. 18.Approved Proposal for recognition of earnings distribution in 2024. 19.Approved the discussion item on the capital increase through conversion of retained profit. 20.Approved the discussion item on the matters involving 2025 General Shareholders' Meeting

(12) For the most recent year and as of the printing date of the annual report, if the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors and there are records or written statements of such dissenting opinions, the main content of which: None.

3.Accountant's fee information: The company shall disclose the accountant's fee if one of the following circumstances occurs.

Unit: NT$1,000

Accounting firm	Name of Accountant	Audit Period	Audit fee	Non-audit Fee		Total	Remark
Deloitte & Touche	LIAO, HUNG-JU WANG, TENG-WEI	2024.01.01 ~ 2024.12.31	7,870	Business registration	0	8,583	
				Human Resources	308		
				Others (Note2)	405		
				Subtotal	713		

Note1: If the Company changes its accountant or accounting firm during the year, please indicate the audit period and the reason for the change in the remarks column.

Note2: Mainly related to transfer pricing, direct debit, tax consultation and handling of investment matters in China in 2024.

(1) If the proportion of non-audit fees paid to the certified public accountant, the certified public accountant's office, and their affiliates is at least one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services should be disclosed: None.

(2) If you change your accounting firm and the audit fee paid in the year of change is less than the audit fee paid in the year before the change, you should disclose the amount, percentage and reason of the decrease. The amount, percentage and reason of the decrease in audit fees should be disclosed: None.

(3) If the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reason for the decrease in audit fee should be disclosed: None.

4. Information on Replacement of Certified Public Accountants: None.

5. If the chairman, general manager, or manager in charge of financial or accounting matters of the Company has worked in the firm of the certified public accountant or its affiliates within the last year, the name, title, and period of employment in the firm of the certified public accountant or its affiliates should be disclosed: None.

6. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by A Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent during the Most Recent Year or During the Current Year up to the Date of Publication of the Annual Report

1.Changes in shareholdings of directors, supervisors, managers and majority shareholders:

Title	Name	2024		As of Mar. 31, 2025	
		Shares Increase (decrease)	Number of pledged shares Increase (decrease)	Shares Increase (decrease)	Number of pledged shares Increase (decrease)
Chairman	YEH,CHIA-MING	0	0	0	0
Directors and Deputy Chairman	YEH,CHIA-HAO	0	0	0	0
Directors	Fuhua Investment Co., Ltd. Representative: YU,I-NENG	0	0	0	0
Independent Director	HUANG,CHUN-JEN	0	0	0	0
Independent Director	SU,PO-CHENG	0	0	0	0

Independent Director	HUANG,SHIH-YING	0	0	0	0
Independent Director	TSAI,LI-JU	0	0	0	0
General Manager	YU,I-NENG	0	0	0	0
Supervisor of Production Department and Deputy General Manager of R&D Division	TSAI,CHI-HSIU	0	0	0	0
Associates	CHU,YIN-CHU	0	0	0	0
Financial and Accounting Supervisor	HUANG,HSIU-FEN	0	0	0	0
Chief Information Security Officer	LU,MING-CHIH	0	0	0	0

2. Information on directors, supervisors, managers, and persons related to the transfer of substantial shareholders' equity: None

3. Information on directors, supervisors, managers, and persons related to the transfer of substantial shareholders' equity: None

7. Information on the Relationship between any of the top Ten Shareholders (Related Party, Spouse, or Kinship within the Second Degree):

Information on the relationship between the top ten shareholders and their respective shareholdings

Date: as of Apr. 09, 2025; Unit: shares; %

Name〈 Note 1〉	Own shareholding		Spouse & Minor Shareholding (Note)		Shareholding by Nominee Arrangement		THE NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PARTIES OR WHO ARE RELATED TO EACH OTHER AS SPOUSES OR SECOND DEGREE RELATIVES. (NOTE 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relation	
Fufa International Investment Co., Ltd. Representative:YEH,CHIA-MIN	31,804,151	7.80%	--	--	--	--	Fuhua Investment Co., Ltd FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company Fuwen Industrial Co.,Ltd.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are	
	3,485,471	0.86%							
Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI	31,801,053	7.80%	--	--	--	--	Fufa International Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company Fuwen Industrial Co.,Ltd..	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company	
	3,064,420	0.75%	--	--	--	--			
FUSON INTERNATIONAL CO., LTD. Representative: YEH,CHIA-HAO	31,800,469	7.80%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company Fuwen Industrial Co.,Ltd.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company	
	2,946,211	0.72%	--	--	--	--			
Yongyi Investment Co., Ltd. Representative: YEH,CHIA-MIN	19,903,047	4.88%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company Fuwen Industrial Co.,Ltd..	The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are	
	3,485,471	0.86%	--	--	--	--			
Chenxi International Investment Co., Ltd. Representative: YEH,WEI-LI	18,724,232	4.59%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Property Investment (Stock) Company Fuwen Industrial Co.,Ltd.	The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are second degree and is a Supervisor of the company	
	3,064,420	0.75%	--	--	--	--			

Property Investment (Stock) Company Representative: YEH,CHIA-HAO	9,999,728	2.45%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Fuwen Industrial Co.,Ltd.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company	
	2,946,211	0.72%	--	--	--	--			
Entrusted trust property account, CTBC Bank	9,370,816	2.29%	--	--	--	--	De Licacy Industrial Co., Ltd.	With control (Employee Stock Ownership Association)	
Fuwen Industrial Co.,Ltd.. Representative: YEH,CHIA-MIN	7,220,747	1.7%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company	The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are second degree and is a Supervisor of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship	
	3,485,471	0.86%	--	--	--	--			
HSBC Bank (Taiwan) Limited is entrusted with the custody of Mitsubishi UFJ Morgan Stanley Securities Corporation - Securities Trading Unit's proprietary platform investment account	5,796,000	1.42%	--	--	--	--	--	--	
Song Nian Investment Co., Ltd. Representative: WANG,CHIEN-LIANG	5,773,955	1.41%	--	--	--	--	--	--	
	3,7180,405	0.91%	--	--	--	--			

Note 1: The names of supervisors should be listed separately, corporate shareholders should list the names of corporate shareholders and their representatives separately and the amount of each payment should be disclosed in aggregate.

Note 2: The calculation of the percentage of shareholding refers to the calculation of the percentage of shareholding in the name of oneself, one's spouse, minor children or the use of others, respectively.

Note 3: The shareholders listed in the preceding paragraph include both legal and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

8. The number of shares held by the Company, its directors, supervisors, managers and businesses directly or indirectly controlled by the Company in the same re-invested business and the consolidated percentage of shareholding are calculated as follows:

As of Dec. 31, 2024; Unit: shares; %

Re-invested businesses	The Company's investment		Directors, Supervisors, Managers and Investments in Direct or Indirectly Controlled Businesses		Total investment	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
DE LICACY (SAMOA) HOLDINGS CO., LTD.	59,404,382	100.00	-	-	59,404,382	100.00
LUCKY UNIQUE ENTERPRISE CO., LTD.	14,172,613	23.62	-	-	14,172,613	23.62
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD.	5,500,000	100.00	-	-	5,500,000	100.00
CHADTEX INDUSTRIAL CO., LTD.	2,412,968	55.06	-	-	2,412,968	55.06
DE LICACY OLDINGS CO., LTD	27,010	100.00	-	-	27,010	100.00
VIEW BEST GLOBAL LIMITED	1,935,000	100.00	-	-	1,935,000	100.00
Bright Wisdom Holdings Limited	-	-	8,021,667	61.71	8,021,667	61.71
BEST ALLIANCE INTERNATIONAL LIMITED	-	-	47,900,000	100.00	47,900,000	100.00
Vantage Gain Holdings Limited	-	-	43,906	73.33	43,906	73.33
EDEN ROAD International Co., Ltd. (Note1)	-	-	--	--	--	100.00
HONG KONG EDEN ROAD INTERNATIONAL LTD.	-	-	1,050,000	100.00	1,050,000	100.00
Total Express Limited	-	-	1	100.00	1	100.00
Zhejiang Apex Textile Co.,Ltd.	-	-	13,000,000	61.71	13,000,000	61.71
HANGZHOU DE LICACY TEXTILE CO.,LTD.	-	-	27,000,000	100.00	27,000,000	100.00
DE SHEN (CAYMAN) HOLDINGS CO., LTD.	-	-	108,032,700,860	100.00	108,032,700,860	100.00
VIETNAM DE LICACY INDUSTRIAL CO., LTD.	-	-	114,660,489.50	100.00	114,660,489.50	100.00
Perfect Step Ltd. (Note2)	-	-	--	--	--	--
DE LICACY (ANGUILLA)HOLDINGS CO., LTD. (Note3)	-	-	--	--	--	--
DE HONG HOLDINGS CO.,LTD.	-	-	1,800,000	50.00	1,800,000	50.00
New Lake Co., Ltd.	-	-	--	--	--	--
New Lake (SAMOA) Co., Ltd. (Note4)	-	-	42,500,000	100.00	42,500,000	100.00
DE HONG INTERNATIONAL CO.,LTD (DH)	-	-	2,500,000	100.00	2,500,000	100.00
ATAGO GARMENT VIETNAM CO.,LTD	-	-	1,915,070	30.00	1,915,070	30.00
BEAUTY PLUS VENTURES LIMITED	-	-	12,829,807	85.00	12,829,807	85.00
GLORY WEALTHY CORPORATION LIMITED	-	-	38	38.00	38	38.00
FUTURUS CO., LTD.	-	-	1,000,000	100.00	1,000,000	100.00
Nantong De Licacy Industrial Co., Ltd.	-	-	40,000,000	100.00	40,000,000	100.00

Note: investment under the equity method.

Note1: Eden Road Limited has resolved by the board of directors in November 2024 to conduct liquidation and refund the payments for shares by capital reduction. As of December 31, 2024, the relevant liquidation procedures haven't been completed

Note2: The subsidiary, Vantage Gain Limited, has refunded the payments for shares amounting to $287,891 thousand by capital decrease in 2024, and resolved to sell all of the shares of Perfect Step Ltd. in November in the same year. The proceeds of the disposal amounted to $164,773 thousand, and resulting gains on disposal of investments of $104,301 was recognized.

Note3: De Licacy Anguilla Company has conducted liquidation and remitted back the payments for investment in May 2024. As of December 31, 2024, the relevant liquidation procedures haven't been completed.

Note4: New Lake Ltd. has resolved by the board of directors in December 2024 to conduct liquidation and refund the payments for shares by capital reduction. As of December 31, 2024, the relevant liquidation procedures haven't been completed.

III. Capital Overview

1. Capital and Shares

(I) Source of Capital

1. Formation of the capital stock

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Number of shares	Amount (NT$)	Number of shares	Amount (NT$)	Source of Capital	Capital Increased by Assets Other than Cash	Others
1982.07	1,000	1,000	1,000,000	1,000	1,000,000	Incorporation	None	None
1983.07	1,000	6,500	6,500,000	6,500	6,500,000	Capital increase by cash NT$5,500,000	None	None
1987.02	1,000	40,000	40,000,000	40,000	40,000,000	Capital increase by cash NT$33,500,000	None	None
1988.09	1,000	62,000	62,000,000	62,000	62,000,000	Capital increase by cash NT$22,000,000	None	None
1989.10	1,000	100,000	100,000,000	100,000	100,000,000	Capital increase by cash NT$38,000,000	None	None
1990.05	10	18,000,000	180,000,000	18,000,000	180,000,000	Capital increase by cash NT$80,000,000	None	None
1990.11	10	20,000,000	200,000,000	20,000,000	200,000,000	Capital increase from retained earnings NT$20,000,000	None	None
1991.06	10	22,200,000	222,000,000	22,200,000	222,000,000	Capital increase from retained earnings NT$22,000,000	None	None
1992.03	10	65,000,000	650,000,000	45,510,000	455,100,000	Capital increase by cash NT$166,500,000 Capital increase from retained earnings NT$66,600,000	None	None
1993.05	10	65,000,000	650,000,000	63,714,000	637,140,000	Capital increase by cash NT$91,020,000 Capital increase from retained earnings NT$63,714,000 Capital increase from retained earnings NT$27,306,000	None	None
1994.11	10	90,000,000	900,000,000	73,271,100	732,711,000	Capital increase from retained earnings NT$57,342,600 Capital increase from retained earnings NT$38,228,400	None	None
1995.08	10	90,000,000	900,000,000	84,261,765	842,617,650	Capital increase from retained earnings NT$65,943,990 Capital increase from retained earnings NT$43,962,660	None	None
1996.12	10	150,000,000	1,500,000,000	109,540,294	1,095,402,940	Capital increase by cash NT$84,261,760 Capital increase from retained earnings NT$126,392,650 Capital increase from capital reserve NT$42,130,880	None	None
1997.07	10	160,000,000	1,600,000,000	153,356,411	1,533,564,110	Capital increase by cash NT$219,080,580 Capital increase from retained earnings NT$142,402,380 Capital increase from capital reserve NT$76,678,210	None	None

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount (NT$)	Number of shares	Amount (NT$)	Source of Capital	Capital Increased by Assets Other than Cash	Others
1998.06	10	280,000,000	2,800,000,000	191,695,515	1,916,955,150	Capital increase from retained earnings NT$230,034,620 Capital increase from capital reserve NT$153,356,420	None	None
1999.06	10	280,000,000	2,800,000,000	239,619,394	2,396,193,940	Capital increase from retained earnings NT$297,128,050 Capital increase from capital reserve NT$182,110,740	None	None
2003.10	10	280,000,000	2,800,000,000	239,719,394	2,397,193,940	Capital increase by cash NT$1,000,000	None	None
2003.11	10	280,000,000	2,800,000,000	239,819,394	2,398,193,940	Capital increase by cash NT$1,000,000	None	None
2004.12	10	280,000,000	2,800,000,000	230,137,394	2,301,373,940		None	None
2005.04	10	280,000,000	2,800,000,000	222,137,394	2,221,373,940		None	None
2006.01	10	280,000,000	2,800,000,000	175,596,020	1,755,960,200		None	None
2008.01	10	280,000,000	2,800,000,000	168,693,020	1,686,930,200		None	None
2008.11	10	280,000,000	2,800,000,000	164,849,020	1,648,490,200		None	None
2009.04	10	280,000,000	2,800,000,000	156,849,020	1,568,490,200		None	None
2010.08	10	280,000,000	2,800,000,000	227,439,020	2,274,390,200	Capital increase by cash NT$705,900,000	None	None
2012.04	10	280,000,000	2,800,000,000	223,080,020	2,230,800,200	Cancellation of treasury stock	None	None
2012.10	10	280,000,000	2,800,000,000	216,896,020	2,168,960,200	Cancellation of treasury stock	None	None
2015.09	10	280,000,000	2,800,000,000	233,003,305	2,330,033,050	Capital increase from retained earnings NT$108,448,010 Convert convertible corporate bond NT$52,624,840	None	None
2015.12	10	280,000,000	2,800,000,000	233,776,230	2,337,762,300	Convert convertible corporate bond NT$7,729,250	None	None
2016.03	10	280,000,000	2,800,000,000	240,722,232	2,407,222,320	Convert convertible corporate bond NT$69,460,020	None	None
2016.05	10	280,000,000	2,800,000,000	272,155,209	2,721,552,090	Capital increase by cash NT$300,000,000 and Convert convertible corporate bond NT$14,329,770	None	None
2016.09	10	280,000,000	2,800,000,000	275,002,820	2,750,028,200	Convert convertible corporate bond NT$28,476,110	None	None
2016.11	10	280,000,000	2,800,000,000	277,681,573	2,776,815,730	Convert convertible corporate bond NT$26,787,530	None	None
2017.08	10	360,000,000	3,600,000,000	320,681,573	3,206,815,730	Capital increase by cash NT$430,000,000	None	None
2017.09	10	360,000,000	3,600,000,000	334,565,652	3,345,656,520	Capital increase from retained earnings NT$138,840,790	None	None
2019.10	10	480,000,000	4,800,000,000	384,565,652	3,845,656,520	Capital increase by cash NT$500,000,000	None	None
2023.09	10	480,000,000	4,800,000,000	407,639,591	4,076,395,910	Capital increase from retained earnings 230,739,390元	Non	None

Note: The approved date of capital increase for 1991 is 1991.06.08; the approved document number is (80) Tai-Tsai-Cheng (1) No. 01145.
The approved date of capital increase for 1992 is 1992.03.31; the approved document number is (81) Tai-Tsai-Cheng (1) No. 00606.
The approved date of capital increase for 1993 is 1993.05.03; the approved document number is (82) Tai-Tsai-Cheng (1) No. 00954.
The approved date of capital increase for 1994 is 1994.10.26; the approved document number is (83) Tai-Tsai-Cheng (1) No. 44068.
The approved date of capital increase for 1995 is 1995.06.16; the approved document number is (84) Tai-Tsai-Cheng (1) No. 35880.
The approved date of capital increase for 1996 is 1996.09.26; the approved document number is (85) Tai-Tsai-Cheng (1) No. 55227.
The approved date of capital increase for 1997 is 1997.06.12; the approved document number is (86) Tai-Tsai-Cheng (1) No. 42251.
The approved date of capital increase for 1998 is 1998.06.04; the approved document number is (87) Tai-Tsai-Cheng (1) No. 48754.
The approved date of capital increase for 1999 is 1999.06.09; the approved document number is (88) Tai-Tsai-Cheng (1) No. 53514.
A total of 200,000 shares of common stock were placed in a private placement in 1993, which did not require the approval of the Securities and Futures Bureau.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2004.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2005.
The cancellation of shares by merger in 2006 did not require the approval of the FSC.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2008.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2008.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2009.
The approved date of capital increase for 2010 is 2010.08.16; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1000036878.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2012.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2012.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2012.
The approved date of capital increase for 2005 is 2005.07.03; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1040025122.
2015: Convertible bonds converted into shares are registered at least once a quarter with the company's registration authority for capital changes in accordance with Article 34 of the "Rules Governing the Issuer's Collection and Issuance of Marketable Securities.
2016: Convertible bonds converted into shares are registered at least once a quarter with the company's registration authority in accordance with Article 34 of the "Rules Governing the Issuer's Collection and Issuance of Marketable Securities.
The approved date of capital increase for 2016 is 2016.01.14; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1040054002.
The approved date of capital increase for 2017 is 2017.05.17; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1060016176.
The effective date of the declaration of the capitalization of the 2017 surplus is 2017.07.31.
The approved date of capital increase for 2019 is 2019.07.18; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1080322470.
The effective date of the declaration of the capitalization of the 2022 surplus is 2023.07.26.

2. Types of stock

Type of Shares	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Common Stock	407,639,591	72,360,409	480,000,000	

Note: Of the shares issued, 407,639,591 shares were listed shares.

3. If the issuance of marketable securities is approved under the omnibus reporting system, information on the approved amount, scheduled issuance and issued marketable securities should also be disclosed: Not applicable.

(2) List of Major Shareholders: List of shareholders with a shareholding of 5% or more or the top ten shareholders in terms of shareholding

Shareholder's Name \ Shares	Shares	Percentage
Fufa International Investment Co., Ltd.	31,804,151	7.80%
Fuhua Investment Co., Ltd.	31,801,053	7.80%
FUSON INTERNATIONAL CO., LTD.	31,800,469	7.80%
Yongyi Investment Co., Ltd.	19,903,047	4.88%
Chenxi International Investment Co., Ltd.	18,724,232	4.59%
Property Investment (Stock) Company	9,999,728	2.45%
Employee Stock Ownership Association Trust Property Account in CTBC entrusted by DE LICACY INDUSTRIAL CO., LTD for custody	9,370,816	2.29%
Fuwen Industrial Co.,Ltd.	7,220,747	1.77%
HSBC Bank (Taiwan) Limited is entrusted with the custody of Mitsubishi UFJ Morgan Stanley Securities Corporation - Securities Trading Unit's proprietary platform investment account	5,796,000	1.42%
Songnian Investment (Stock) Company	5,773,955	1.42%

(3) Dividend Policy and Implementation Status

1. Dividend Policy

Article 26-1 of the Company's Articles of Incorporation provides as follows: The Company shall first set aside 10% of the Company's annual earnings, if any, as legal reserve, except that if the legal reserve has reached the amount of the Company's paid-in capital, it may not be set aside, and the remainder shall be set aside or reversed to a special reserve in accordance with the provisions of the Act, and the remainder shall be added to the accumulated undistributed earnings of previous years as distributable earnings. The Board of Directors shall, at its discretion, retain the accumulated undistributed earnings of the previous year as distributable earnings and prepare a proposal for the distribution of the earnings to shareholders for resolution at the shareholders' meeting.

The Company shall distribute dividends with reference to the characteristics of the industry's economic cycle and in the interest of sustainable operation and long-term development. The cash portion of dividends and bonuses to shareholders shall not be less than 10%, subject to adjustments based on the Company's performance and capital requirements.

2. Implementation Status

The Board of Directors of the Company approved the dividend distribution for the fiscal year 2024 on Mar 10, 2025. The proposed dividend distribution includes a cash dividend of NT$0.5per share and a stock dividend of NT$0.44 per share. As of Mar 31, 2025, It is still pending the resolution of the regular shareholders' meeting expected to be held on June 10, 2025.

(4) The effect of the proposed gratis stock allotment at the shareholders' meeting on the Company's operating results and earnings per share: The shareholders' meeting was held without a resolution for the allotment of shares.

(5) Information on Remuneration of Employees Directors and Supervisors:

1.The percentage or scope of remuneration for employees, directors and supervisors as set forth in the Articles of Incorporation:

Article 26 of the Company's Articles of Incorporation provides as follows: If the Company makes a profit in a year, it shall set aside not less than 4% as employee

compensation, which shall be distributed in shares or cash by resolution of the Board of Directors, to employees of subordinate companies who meet certain criteria; the Company may set aside not more than 3% of the above-mentioned profit as remuneration to directors and supervisors by resolution of the Board of Directors. The remuneration to employees and remuneration to directors and supervisors should be reported to the shareholders' meeting.

However, the Company's accumulated losses shall have been covered first, and then the remuneration to employees and directors and supervisors should be provided in proportion to the aforementioned amount.

2.The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares for employee compensation distributed in stock, and the accounting treatment if the actual amount of allotment differs from the estimated amount:

(1) The basis for estimating the amount of employees' remuneration and directors' and supervisors' remuneration for the current period: In accordance with the Company's Articles of Incorporation.

(2) The basis for calculating the number of shares to be allotted as stock dividends and the actual amount allotted: None.

(3) Accounting for differences from estimates: The accounting treatment is based on the change in accounting estimate.

3. The Board of Directors approved the distribution of remuneration:

(1) Employees' remuneration and directors' and supervisors' remuneration distributed in cash or shares.

The profit for the year is NT$580,563,099, and 4% of the profit is intended to be paid to employees in the amount of NT$23,222,524 and distributed to employees in cash, and 1.5% of the profit for the year is intended to be paid to directors and supervisors in the amount of NT$8,708,446, resulting in a net profit before tax of NT$548,632,129.

(2) The amount of employee compensation distributed in stock and its proportion to the aggregate amount of net income after tax and total employee compensation in the individual financial statements for the period: Not applicable.

4. The actual allotment of employees', directors' and supervisors' remuneration in the previous year (including the number of shares allotted, the amount and the price of shares), the difference between the allotment and the recognition of employees' bonuses and directors' and supervisors' remuneration, and the amount of the difference, the reasons for the difference and the circumstances under which the difference was handled, should be stated: None.

(6) Buyback of Treasury Stock: None.

2. Corporate Bond: None.

3. Preferred Shares: None.

4. Issuance of Overseas Depositary Receipts: None.

5. Employ Stock Warrants: None.

6. New Restricted Employee Shares: None.

7. Issuance of New Shares for Acquisition or Exchange of Other Companies' Shares: None.

8. Implementation of capital utilization plan

(1) Implementation Content: None.

(2) Status of implementation: None.

IV. Operations Profile

1. Business Scope

(1) Business Scope

1. The principal elements of the Consolidated Company's business operations are as follows:
   (1)Printing, dyeing, finishing, manufacturing and trading of various textile products such as bubble fabric, blended fabric, jacquard, plaid, stretch fabric, chemical fiber fabric, polyester cotton fabric, silk satin, etc.
   (2)Manufacturing, trading, processing, importing and exporting of the aforementioned products and related yarn materials.
   (3) Artificial fiber manufacturing industry.
   (4) Cloth wholesale industry.
   (5) Dyes and pigments wholesale industry.
   (6) Pollution control equipment wholesale industry.
   (7) Cloth retail industry.
   (8) Specific professional area development industry.
   (9) Industrial plant development for lease and sale.
   (10) Clothing industry.
   (11) All business items that are not prohibited or restricted by law, except those that are subject to special approval.
2. Percentage of sales revenue

Main Products	2024Operating Ratio
Staple Fiber Fabric	11.77%
Long-fiber fabrics	85.88%
Other	2.35%
Total	100.00%

3. Our current products
   (1) New Ho Sing yarn-dyed fabrics, New Ho Sing yarn-dyed stretch fabrics, yarn-dyed stretch fabrics made of polyester and nylon filament, eco-friendly recycled (polyester and nylon) filament yarn-dyed stretch fabrics, filament-staple interwoven flannel, specialty weave fabrics, and post-finishing processes including sueding, brushing, shearing, printing, and sand-washing.
   (2) Long-fiber fabrics: polyester, nylon elastic filament fabric, new combined fiber cloth (including microfiber, combing wool tone, imitation hemp tone, fleece tone), suede cloth, peach skin fabric,Imitation knitted plush fabric,shaped cross-sectional functional cloth, recycled (polyester, nylon) elastic fabric, furniture decoration cloth, coated cloth / laminated composite processing cloth, finishing process (sanding, brushing, shearing, printing, calendering, embossing, calendaring , flocking, hole punching...) etc.
4. New products planned to be developed
   (1) Staple Fiber Fabric:
      A. Recycled Fiber Interwoven Products, emphasizing environmental friendliness and comfort.
      B. Environmentally friendly recycled SPUN FLANNEL fabric.
      C. Modal / Mech-Stretch Complex fabric modal
      D. Multi-layer composite functional fabrics (Non-fluorinated water repellent,

antibacterial and deodorization, anti-UV, chlorine resistance, moisture absorption and perspiration, waterproof and permeability, heat storage and temperature preservation, coating, lamination, anti-wrinkle processing).

E. High-sensitivity nylon TACTEL, SUPPLEX and polyester stretch shirting fabrics.

F. CROSS WEAVING 3D FABRIC WITH SYNTHETIC AND SPUN FIBER.

G. Pineapple Fiber Blended Fabric

H. Cationic Dyeable Polyester Fiber and wool blend fabric.

I. Tencel anti-bacterial function fiber with stretch shirts.

(2) Long-fiber fabrics:

A.Thermoplastic Polyester Elastomer (TPEE) Stretch Fabric

B. AMBERCYCLE FIBER DEVELOPMENT

C. Wpbrm sherpa.

D. Nylon mech-stretch fabric.

E. Multi-layer composite functional fabrics (Non-fluorinated water repellent, antibacterial and deodorization, anti-UV, chlorine resistance, anti-rainforest, anti-feather, coating, lamination, printing, embossing, 3D embossing, flocking, hole-punching).

F. Mono-material water based pet coating.

G. Environmentally friendly recycled polyester, nylon fiber development.

H. Schoeller pfc-free 3xdry schoeller.

I. TPU FILM 3-Layer Lamination WITH 20K M.V.P

J. SHARP MEMORY AIR TEXTURE YARN FABRIC.

(2) Industry overview

(1) Current status and development of the industry

In 2022, due to the impact of the Russia-Ukraine war, inflation and pressure of high interest rates, the global post-epidemic economic recovery momentum began to decline in the second half of the year. General consumers have retreated in their willingness to purchase textile products. High brand inventories also led to a sharp drop in sales, and the momentum of international orders has subsequently declined. Taiwan's textile and garment industry has shown positive growth in export value in the first three quarters of 2022. It was not until the 4th quarter that the export value declined by more than 20%, and the total export value for the whole year decreased by 2% compared with 2021, totaling US$8.84 billion. This year (2024), the global economy is expected to be affected by international inflation, interest rate increases, the U.S.-China trade war, and the Russia-Ukraine war stalemate. These uncertainties will highly constrain Taiwan's overall export performance. Most Taiwanese textile manufacturers expect that brand inventory adjustments will continue into the first half of the year, and overall exports are not likely to see a significant rebound in the short term. However, the local textile industry still has room for advantageous development. It can develop in several directions in the future. The suggestions are as follows:

①To continue to move towards high-value, differentiated products In recent years, the quality and added value of Taiwan's textiles have increased significantly, which has helped to enhance the international image of the products and establish market differentiation with products from developing countries, especially widening the

gap with Southeast Asia or mainland China. In addition, Taiwan's textile industry can achieve differentiation by developing various high value-added materials. They are now in a better position to manufacture various functional fabrics and garments in line with the island's high technology and trends, thus creating new business opportunities for enterprises.

② To develop an environmentally friendly textile raw material supply chain. The problem of global warming which poses a huge threat to human survival continues to occur, and humans have gradually faced up to this issue. Therefore, textiles with environmentally friendly characteristics are emerging in large numbers around the world. Not to mention Taiwan, many textile companies have successively invested in the development of environmentally friendly textiles, such as nylon. There is also the development of environmentally friendly textiles: nylon recycling, solution dyed fiber, biomass environmentally friendly textiles, waterless dyed textiles, and marine yarn. Among them, Taiwanese companies have established a very high reputation around the world in recycling PET bottles and textiles. Meanwhile, global brands have increasingly raised their standards for environmentally friendly fibers and yarns, and have cooperated with Taiwanese textile factories for research and development. For example, they have previously provided clothing for the World Cup and Olympic Games, which have repeatedly received high praise. In the future, environmentally friendly textiles are bound to receive more attention from brands and the market. In this regard, Taiwanese textile manufacturers should keep abreast of international industry trends and environmental protection regulations, thus consolidating and strengthening the international production and marketing supply chain.

③ To develop functional textiles with a sense of fashion. Consumers are increasingly paying attention to the quality of textiles. With the trend of sports and extreme weather around the world, there are huge development opportunities for functional textiles. As consumers prefer a lifestyle that combines “sports, work and life" in recent years, the demand for high-performance and fashionable textiles has been increasing. Taiwan is now regarded as the world's center for R&D and production of functional textiles. With major international brands launching functional fashion apparel, relevant industry players in Taiwan should actively find niches to expand their territory in the world marketplace.

④ To strengthen design and brand strength. Taiwanese yarns and fabrics have repeatedly gained favor in the global market. Almost all world-renowned brands purchase Taiwanese gauze raw materials, especially functional products. In addition to the ability to strengthen fashion trends and refined designs, "branding" is the future path of Taiwan's textile industry. It not only creates potential business opportunities, but also improves the innovation and quality of yarn and cloth raw materials. If the raw materials are further integrated into the overall brand industry chain, it is expected to bring another growth peak to Taiwan's textile industry.

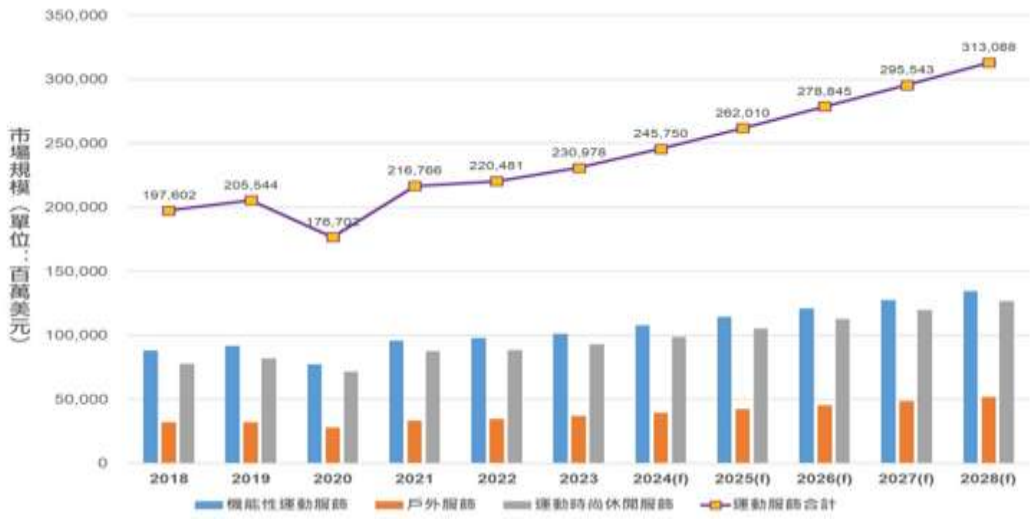
⑤ To develop potential smart textiles. Smart textiles have become increasingly popular in recent years and are also a key industry development project that the market is optimistic about. In the future, in addition to developing "wearable sports smart products", in response to the aging of the population, the field of "health care" is also a development trend. For example, "smart textiles" that combine functionality,

comfort, sensing and intelligent interpretation will be a key development project. Taiwan is world-renowned for its semiconductor and biomedical technologies, and coupled with its advantages in related components, how to integrate and innovate across industries will play an important role in the future development of the textile industry.

⑥Seeking New Southbound Opportunities In response to changes in the global situation and regional integration trends, Taiwan must make corresponding adjustments, and the "New Southbound Policy" promulgated by the government is an opportunity for the textile industry. Thailand, Vietnam, and Myanmar have great development potential in terms of market and economic growth. In particular, these Southeast Asian countries provide a large amount of cheap labor and are quite beneficial to the labor-intensive textile industry. In addition, they have signed trade agreements such as FTA (Free Trade Agreement). If Taiwan invests and sets up factories there, it will enjoy low labor costs and trade advantages.

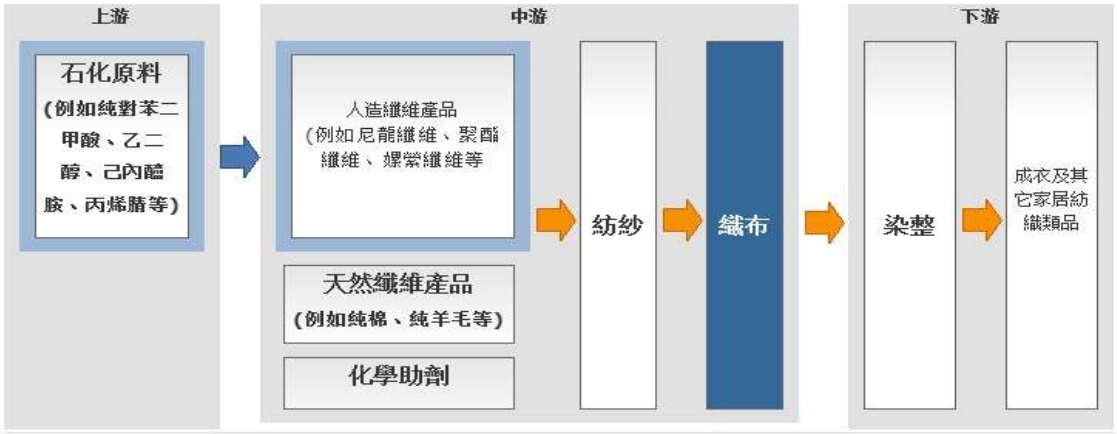
⑦To develop smart textile supply chains. Relevant government departments are constantly thinking about how to promote the upgrading and transformation of the domestic manufacturing industry, fulfill corporate social responsibilities, protect environmental sustainability, and enhance competitiveness. In particular, Taiwan is a leader in global manufacturing, and it must actively guide its textile industry to introduce technologies such as the Internet of Things, big data, and cloud to implement efficient production and improve productivity.

According to data from the international market research firm Euromonitor International, the Taiwan Textile Research Institute (TTRI) has compiled the following information (as of December 2023). The global apparel market size in 2023 is USD 1.4345 trillion, with the overall sportswear market reaching USD 231 billion, accounting for 16.10% of the total apparel market. The functional sportswear market grew by 3.72% compared to the previous year, the outdoor apparel market grew by 6.72%, and the sports fashion and leisurewear market grew by 5.15%. It is forecasted that the global sportswear market will experience an average annual compound growth rate (CAGR) of 6.3% from 2023 to 2028.



(2)Upstream, midstream, and downstream industry linkages

The textile industry chain can be divided into six major items， petrochemical raw materials, fibers, spinning, weaving, dyeing and finishing, and garments. The upstream is petrochemical raw materials, which are made into nylon fiber, polyester fiber, rayon fiber, carbon fiber and other artificial fiber products, and then spun into yarn, and th en woven into fabric, then bleached, dyed, printed, coated, finished and other dyeing and finishing procedures, and cut and sewn into garment products or other related textile products. The products are then cut and sewn into garments or other related textile products. The Company and its subsidiaries' main products are long- and staple-fiberfabrics, which are mainly in the midstream of the overall textile industry.



資料來源：產業價值鏈平台。

(3)Various trends of product development

Although the sales volume was affected by the global financial crisis in the past few years, the recovery of the economy in the past two years has boosted the demand for textile products, and the textile industry is a basic industry for people's livelihood. The textile industry is a basic industry for people's livelihood. With the rising demand from Mainland China and emerging countries, the demand for textile products will remain stable as fabrics are increasingly developed into functional fabrics that meet health needs and functional leisure sports fabrics.

(4)Competition status

Our company has a good research and development team, constantly research and develop high value-added products, and actively participate in government-assisted industrial project cooperation programs and government-organized textile training courses, and send our research and development staff to participate in international fabric exhibitions to learn the market trend information, and further enhance our research and development staff's fashion acumen and innovative technology capabilities. In addition, we also strengthen the integration of enterprise resources management, focusing on the integration of research and development, production, marketing, and financial management, and review and plan again, with the goal of rationalization, high efficiency, high quality, and low cost, in order to strengthen the operation quality and improve the operation performance.

(3) Technology and R&D Overview

(1)The principal elements of the Consolidated Company's business operations are as follows:

Since our company was established, we have been actively participating in government-assisted industrial projects, technical seminars of academic institutions and textile training courses held by the government. The Company has sent our R&D staff to participate in international fabric exhibitions and visit our brand customers from time to time to understand customers' brand needs and learn the market trend information, so as to enhance our R&D staff's fashion acumen and innovative technology ability. The Company accumulates our core technology through deep research and patent application.

(2)Research and development expenses for the most recent year and for each year ended on the date of the annual report.

Items	2024	As of Mar. 31, 2025
Expenses	NT$220,441 thousand	NT$88,776 thousand
Percentage of turnover %	1.84%	2.56%

(3) Successful technology or product development in the most recent year：

Item / Year	Description of R&D results
2020	(1) DOUBLE FACE FLEECE (2)NYLON ATY WITH STRETCH PANTS (3)FLEECE WITH AERO TECH FUNCTION (4)EVOLUTION FLEECE 2.0 (5)YARN DYED PI TECH SHIRTS (6)NYLON ANTI-BACTERIAL FUNCTIONAL FIBER WITH (7)RECYCLE ANTI PILLING FLANNEL (8)2-LAYER LAMINATION RE-TPU FILM (9)3- LAYER LAMINATION RE-TPU CLEAR FILM (10)NATURAL FIBER BLENDED FABRIC WITH OIL-WAX COATING AND PRINTING VINTAGE OUTLOOKS
2021	(1)SEERSUCKER WITH AERO TECH FUNCTION (2)YARN DYED STRETCH WITH AERO TECH FUNCTION (3)CORDURA WITH STRETCH PANTS (4)100% RECYCLE SIDE BY SID FABRIC (5)COTTONY LIKE DLCORE STRETCH PANTS (6)FINE DENIER MELANGE RECYCLE WITH STRETCH FABRIC (7)TENCEL ANTI-BACTERIAL FUNCTION FIBER WITH STRETCH SHIRTS (8)TRANSLUCENCE WITH COATING& PEARL PRINT (9)2、3 LAYER LAMINATION RE-PU WHITE FILM (10)2.5 LAYER WITH WARM PRINTING
2022	(1)LIGHT WEIGHT CORDURA FABRIC (2)LANZATECH POLYESTER WITH STRETCH FABRIC (3)PLANT-BASE NYLON FABRIC (4)SUPER MECH-STRETCH FABRIC (5)COTTON/KAPOK BLEND FABRIC (6)LOW TEMPERATURE DYEABLE POLYESTER/WOOL BLEND FABRIC (7)IMITATION SEWING 3D FABRIC (8)WINDBREAKER WITH WATER BASED ACRYLIC COATING ON RECYCED FABRIC (9)DOWN PROOF WITH EMBOSS AND WAX COATING (10)3-Layer Lamination Recycled Mono-Material PET

Item / Year	Description of R&D results
2023	(1)BI-MECH-STRETCH AIR TEXTURE YARN FABRIC (2)NYLON MECH-STRETCH FABRIC (3)FINE DENIER RECYCLE MECH-STRETCH COTTONY FABRIC (4)MODAL RAYON / MECH-STRETCH COMPLEX FABRIC (5)ACETATE AND RECYCLE POLYESTER BLEND FABRIC (6)WOVEN SHERPA (7)MONO-MATERIAL WATER BASED PET COATING. (8)SCHOELLER PFC-FREE 3XDRY (9)3-LAYER LAMINATION N10D、15D TRICOT. (10)NYLON FILM 3-Layer Lamination
2024	(1)SHARP MEMORY AIR TEXTURE YARN FABRIC (2)WOOL LIKE MECH-STRETCH FABRIC (3)FINE DENIER BI-COMPONENT RECYCLE MECH-STRETCH FABRIC (4)TPEE COMPOSIT YARN STRETCH FABRIC.) (5)Y/D SHARP MEMORY AIR TEXTURE YARN FABRIC (6)Y/D WOOL LIKE MECH-STRETCH FLANNEL FABRIC (7)CROSS WEAVING 3D FABRIC WITH SYNTHETIC AND SPUN FIBER (8)LYOCELL AND RECYCLE POLYESTER BLEND FABRIC (9)2-LAYER BONDING FABRIC WITH FACE SIDE DWR AND BACK SIDE WICKNG FUNCTION (10)TPU FILM 3-Layer Lamination WITH 20K M.V.P
2025 Up to now	(1)AMBERCYCLE FIBER DEVELOPMENT (2)YARN DYED WITH AERO TECH BY WATER DISSOLVED FIBER.

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

A. Long-term business development plan

(1) Continuously expanding vertical integration of production capacity to pursue market share.

(2) Actively participate in international exhibitions and visit foreign customers to expand the export market.

B. Short-term business development plans

(1) Continuously innovate products to shorten development lead time and provide customers with diverse product choices.

(2) Improve customer service quality and provide comprehensive solutions to meet consumer needs.

(3) Increase the added value of our products and maintain a high level of competitiveness.

(4) Integrate the supply system and enhance product distribution.

2. Market and Sales Overview

(1) Market analysis

1.Major product sales regions

Unit: NT$1,000

Area \ Year		2023		2024	
		Sales amount	Percentage	Sales amount	Percentage
Foreign Sales	Asia	5,297,954	53.90%	7,382,258	61.55%
	Europe	933,494	9.50%	496,066	4.14%
	Americas	244,993	2.49%	157,663	1.31%
	Other	639,354	6.50%	387,322	3.23%
Domestic Sales		2,714,239	27.61%	3,570,713	29.77%
Total		9,830,034	100.00%	11,994,022	100.00%

Our main target markets include North America, Europe, Japan and other international outdoor functional products, sports and leisure brands and popular brands of men's and women's apparel. Our products cover functional outdoor apparel, sports and casual apparel, popular men's and women's apparel, Uniform, and the North American and European home furnishing markets.

(1) Staple Fiber Fabric

Our main products are cotton/polyester/nylon pre-dyed elastic plaid, bubble fabric, brush-cut flannel, golf ball, and long and short fiber interwoven fabric...etc. Through our professional pattern design capability, new functional fiber development and differentiated finishing, our products are well received by brand customers and sold all over the world.

A. Domestic Market

We combine with major domestic traders such as Shi Chun, An Feng, Yaojin, Jiutian, etc. to develop products for domestic and foreign brand customers. We are able to develop products for domestic and foreign brand customers' needs, and to gain customers' trust with our fast product development capability and accurate production delivery time to create a win-win situation.

B. Export market

Includes European sports outdoor leisure brands and North American sports, popular men’s and women’s brands, Japanese sports brands mainly include Eddie Bauer, Express, POLO, 5.11, UA, ADIDAS. In recent years, we have been investing in new looms, spinning machines, part of the warping machines and other equipment to improve the quality of our products.

We have been actively adjusting our product structure and developing advanced new products by applying the characteristics of domestic functional man-made fibers, and our products have been gradually accepted by the market, creating higher export sales.

(2) Long-fiber fabrics

With the professionalism of functional fabrics and the ability to combine design with fashion trends, we provide outdoor functional and sports brands with more diversified and rich choices. We have established a complete international marketing channel and cooperated with regional traders, agents and international famous brands through strategic alliances.

A. Domestic Market

Combined with the main domestic traders such as fiber, Ning Mei, Shi

Chun, pray source... For domestic and foreign brand customers such as FJ, WOOLRICH, VAUDE, JWS, MILLER, VF Group's international brands... We develop products for the needs of domestic and foreign brand customers such as FJ, WOOLRICH, VAUDE, JWS, MILLER, VF Group's international brands... etc. Through strategic alliances with regional traders, agents and internationally renowned brands, we are able to fully share resources and improve our production capacity and efficiency.

B. Export market

a. Asia

(a) Japanese Market

Japanese sports brand market will be mainly overseas processing garments back to Japan, ASEAN Japanese garments tariff-free incentives, Taiwan's R & D capabilities + Vietnam bulk production, the current cooperation brands are UNIQLO ASICS MIZUNO. Due to the Japanese side's quality promotion, this market transaction will help to improve the quality of the factory and the production capacity of the production equipment to continue to grow.

(b) Southeast Asia Market

Southeast Asian countries are currently the main production sites of international sportswear brands in Europe, the United States and Japan. We are cooperating with garment factories such as HOJEN (Indonesia), YONGONE (Bangladesh), Cambodia, JENSMART (Vietnam), HAEWAE APPAREL and the Philippines, and we hope to strengthen our cooperation with garment factories to increase the amount of fabric purchased by them.

b. European Region

The European market focuses on environmental protection issues and requires organic, recycled and non-toxic products, mainly for sports brands and furniture fabrics. Through intensive customer visits and long-term cooperation with our agents, the market has grown steadily. Currently, we are accelerating the application of environmentally friendly materials such as recycled polyester and fluorine free water repellent to cooperate with brands such as DECATHLON, SYMTHONY, SALOMON, JACK WOLFSKIN ....., and we are fully grasping the market opportunities and product advantages, and we should make good progress this year.

c. North America

The North American apparel market is the largest in the world and the company’s most important fabric supplier, covering functional outdoor apparel, sports and casual apparel, popular men’s and women’s apparel, Uniform and home decor markets. Our brands include UA, COLUMBIA, LEVIS, 5.11, ADIDAS, and EXPRESS. In addition to deepening the application of our existing customers' products, we also focus on the needs of individual brands in niche markets, introducing new processing technologies, developing advanced new products, and strengthening our marketing channels and marketing services to create higher export sales.

2.Market share

Due to our complete production facilities, from upstream processing yarn, warping, sizing, embroidery, dyeing and finishing, post-processing coating, laminating to final physical quality control, we have a complete set of machines and equipment, which are vertically integrated to give full effect to our product structure, processing methods and product quality. As a result, the company's high quality fabrics are well recognized by international sports brands and home decoration markets in the U.S., Canada, Europe and Japan, and its market share and sales have been increasing year by year. We continue to innovate in the research and development, production and marketing of staple fabrics to maintain steady growth in the market. In terms of long-fiber fabrics, we not only continue to develop in the original furniture market, but also shift to the high unit price sports market, and produce complex functional fabrics, and our strategy has become competitive than the industry.

For the years 2023and 2024, the Company's main sales regions were27.61% and 29.77% for domestic sales2.49% and 1.31% for the U.S. and Canada, 9.50% and 4.14% for Europe, 53.90% and61.55% for Asia, and 6.50% and 3.23% for others, respectively.

In addition, we have established stable partnerships with our brand customers over a long period of time, and our products are designed and developed at the development stage to meet the needs of our customers. The pattern design, material mix, and functional processing of our products are diversified to meet the needs of international brands and the needs of consumers for personalized taste and fashionable novelty, and we will continue to maintain our professional advantage and take a place in the textile industry in the future.

3.Future market supply and demand and growth

Taiwan textile industry is facing the fierce challenges of the rapidly changing world economic and trade situation, and under the premise of technology upgrade, innovation and research and development, it has successfully played a part in the global functional textile supply chain by virtue of its diversified and differentiated product development capabilities. The Company has continuously introduced products that meet the four requirements of "fashion", "functionality", "environmental protection" and "intelligence" in line with international trends, and provide "Total Solution" quality services for fabrics and garments to international customers. With the rapid sampling and small quantity production model, Taiwan manufacturers have been favored by international customers and have grown steadily. As Taiwan manufacturers are recognized by international brands for their ability to develop and design new products for fabrics, they regard Taiwan as a sourcing hub, establishing the importance of Taiwan's textile industry in the global market.

With the gradual rise of national income and population growth in the world, textiles have been a necessity for people's livelihood and the demand for them has been growing steadily. In recent years, the increasing consumer demand for textile quality, the rise of sports and extreme weather have created a vast market opportunity for the development of functional textiles. In recent years, consumers prefer a lifestyle that "combines sports, work and life", so there is a strong demand for high-functioning fashion textiles. Faced with low price competition, Taiwan is unable to compete with Vietnam/Continental China, so it turns to develop medium and high priced products, and has become the first choice for global brands to purchase functional fabrics. With major international brands launching functional fashion apparel one after another, the market demand is still growing.

4. Competition niche

A. With a complete production line, strong competitiveness of products

Our company has staple fiber mills, long fiber mills, yarn dyeing and finishing mills, and post-processing and laminating mills, which constitute a complete production line, and not only meet the benefits of economic scale, but also eliminate the waste of moving between different factories, vertically integrate various departments to bring out the integrated effect of the industry, and develop more diversified products. In addition, the company has planned to automate the management of machines and computerized information systems in recent years, so that the production capacity can be greatly improved, which can help alleviate the shortage of labor force and the phenomenon of

rising wages in recent years, and effectively control the cost, so its products are highly competitive.

B. Strong research and development capabilities, product innovation

Our company is committed to the research and development of new products, and has received unanimous praise from domestic and foreign customers. The new products developed by our company can effectively meet the market demand, and can steadily develop a source of orders. In order to avoid the impact of labor cost advantage in emerging countries, we are developing into the advantageous raw materials in Taiwan, continuously developing and introducing functional fabrics to increase the added value of our products, and to be able to grasp the market opportunities and differentiate from the large number of standardized products at any time, so as to maintain the high competitiveness of the company and help to increase the value of production and profitability.

C. Experienced management, production technology and quality

The main management of our company has many years of practical experience in the textile industry and is specialized in research and development of production technology and quality control, and attaches great importance to technology inheritance and development, actively cultivating outstanding talents and introducing new equipment to improve production efficiency.

In summary, the Company attaches importance to quality and research and development, provides high quality, small quantity and variety of products with special functions, and has a complete product line to meet customer needs, and its products should be competitive.

5.Favorable and unfavorable factors of development prospect and countermeasures

(1) Favorable Factors:

A. With a complete production line, strong competitiveness of products

Our company has staple fiber mills, long fiber mills, yarn dyeing and finishing mills, and post-processing and laminating mills occupied more than 19,000 pings of land, which constitute a complete production line, and not only meet the benefits of economic scale, but also eliminate the waste of moving between different factories, vertically integrate various departments to bring out the integrated effect of the industry, and develop more diversified products. In addition, the company has planned to automate the management of machines and computerized information systems in recent years, so that the production capacity can be greatly improved, which can help alleviate the shortage of labor force and the phenomenon of rising wages in recent years, and effectively control the cost, so its products are highly competitive.

B. Strong research and development capabilities, product innovation

Our company is committed to the research and development of new products, and has received unanimous praise from domestic and foreign customers. The new products developed by our company can effectively meet the market demand, and can steadily develop a source of orders. In order to avoid the blow of the labor cost advantage of the emerging development countries, we are developing the advantageous artificial fiber raw materials in Taiwan, and continuously developing and launching Polyester/Nylon Y/D, DLFIT Y/D, ANTI PILLING FLANNEL, long and short fiber interwoven elastic fabric, anti-UV, super water repellent, anti-bacterial and anti-odor, moisture absorption and perspiration, cool feeling and heat storage...etc. In terms of long fibers, we have launched the island open fiber microfiber fabric, long fiber elastic stretch fabric, DLFIT, AERO TECH, AERO TECH 180, AERO TECH 360, PI-TECH, FLEECE TECH, fine monofilament high density fabric, suede series, new functional trouser fabric, and the development of multi-functional composite series products. As the Company continues to develop new products and increase the added value of its products, it is able to grasp the market opportunities at any time, supplemented by its own research and development of its own yarn types, thus differentiating itself from the large number of standardized products of other weaving mills, enabling the Company to maintain a

high level of competitiveness and helping to increase its production value and profitability.

C. Emphasized production technology and quality

Our company specializes in research and development of production technology and quality control, and attaches great importance to technology inheritance and development, actively cultivating outstanding talents and introducing new equipment to improve production efficiency, and successively obtained the European "Oeko-Tex" certification in 1999, and was awarded the best partner program member of Du Pont (INVISTA 2002) in '89. In 2006, we established a physical property inspection center and a special processing plant, and in 2012, we passed the bluesign certification, and in 2014, we launched the Delinno fabric brand concept and obtained the DLFIT trademark, and in 2015, we obtained the Delinno trademark, and our continuous efforts prove that we have always attached importance to the policy of product quality, and our products are sold in Japan and other regions with strict quality requirements. The production technology and quality of our products have been recognized by the market.

Taiwan's textile technology has been recognized by the market and is an important supply area for functional textile products worldwide, which is conducive to market expansion.

(2) Unfavorable factors and countermeasures:

Favorable Factors	Countermeasures:
Labor shortage and rising labor costs In recent years, due to the popularization of education and the improvement of income, the employment choice of workers is no longer keen on "labor-oriented" jobs, and the phenomenon of labor shortage is common. The textile industry has a poorer working environment compared to other industries, resulting in a high labor turnover rate and higher labor costs, resulting in higher production costs.	We strengthen the introduction of high-speed, automated equipment in order to reduce the dependence on labor. Also, we will review the rationalization of wages, improve labor conditions, and enhance non-salary welfare measures to reduce turnover and improve the quality of operations.
Competitive issues in developing countries As the domestic textile industry has shifted to invest in Southeast Asia and China, the outflow of textile technology has been caused. In contrast, the cheap wages in Southeast Asia and China are lower in price to enter the international market, thus affecting the international competition of our textile industry.	1.We focus on multi-layered processing and high value-added high quality fabric, and continue to increase the proportion of sales of small quantities, multiple samples, special functions, and high-priced products. 2.To improve management performance to reduce costs and accelerate new product development and research , and to establish our own marketing channels to achieve a different market segmentation between our products and the lower level products in Mainland China and Southeast Asian countries. 3.Enhance product service, develop new products in response to market trends, strengthen sampling organization and analysis capabilities, and supplement with computerized design systems to quickly respond to market demands.
Downstream industry moving out Due to the rapid changes in the industrial environment, the downstream garment and accessory industries have moved out of the country, making the	1.Strengthen the interaction with brand customers and cooperate directly with final buyers to improve the sales volume and the stability of single source, and actively grasp the main and potential customer base.

export market for cooperation between the textile and garment industries increasingly narrow.	2.Promote our core products and strengthen the access to garment factories.

(2) Important applications and production processes of major products

1.Important applications of the main products

(1) Staple Fiber Fabric

Product items	Features	Usage
Stretch fabric (SPANDEX) A.Nylon66 Tactel Elastomeric Stretch Fabric B.Polyester ATY/Nylon ATY medium and thick elastic stretch fabric C. Bubble fabric elastic stretch fabric D. Warp/weft, two-way stretch fabric	Comfortable and easy to wear without binding the free elasticity, hand feel draped smooth and not easy to wrinkle characteristics.	Shirts, Skirts and pants, GOLF, Casual wear, SPORTS
Long and short fiber interwoven blended fabric A. Interwoven with polyester, micro fiber and dummy yarn series B. Interwoven with Nylon, Nylon 6.6 series C. Blending or interweaving series with linen yarn	It has the comfort of natural fibers, superior functionality, softness, luster and drape of human fiber.	Shirt, suit, SPORTS, COAT, UNIFORM
FLANNEL A.T SPUN LOW PILLING B.T/W, C/W, CVC C.Polyester ATY/Nylon ATY N/T ATY	Soft and comfortable, thick and warm, not easy to pilling.	Outdoor, casual wear, suits, shirts
AERO TECH / AERO TECH PLUS A. Coarse and fine fiber transparent effect B. Coarse and fine fiber hole effect	Feel comfortable instead of stuffy when wearing and you will have breathable and cool feeling. The fabric has a three-dimensional effect.	Sports, casual jackets and shirts
Special effect cloth A. Dyeing willow and bubble cloth first B.First dyeing compound yarn series C. Fancy twisted yarn, velvet yarn, golden onion yarn Colorful cotton yarn, rhyming yarn	A. Cool B. Bright fabric, super soft texture, ultra-thin C. With a wealth of external changes	Shirts, blouses, suits, dresses
Functional series (coating, lamination processing, anti-wrinkle processing, waterproof and breathable, anti-UV, anti-bacterial and anti-odor, moisture absorption and perspiration, heat storage and temperature preservation, cool processing)		Sportswear, casual wear, shirts, jackets, pajamas, bedding fabrics

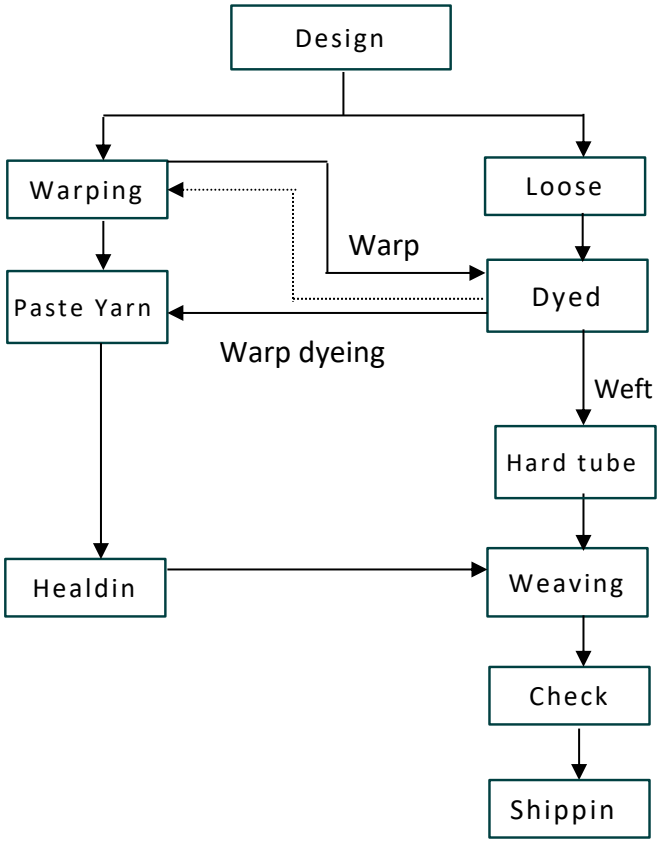
(2) Long-fiber fabrics

Product items	Features	Usage
Super Fine Denier Lightweight Series	Compact and light weight for easy storage	Packable Windbreaker Jacket
Silk-like series	Silk luster hand feel delicate draping like silk	Blouse, suit, pants skirt
Faux plush series T/CD compound yarn	The fabric surface twist mixed color velvet effect and good sense of rich thickness	Furniture & Accessories
Cotton-like feeling series Polyester ATY/Nylon ATY	Comfortable, soft and natural touch, UV resistant	SPORTS, GOLF TOP/BOTTOM

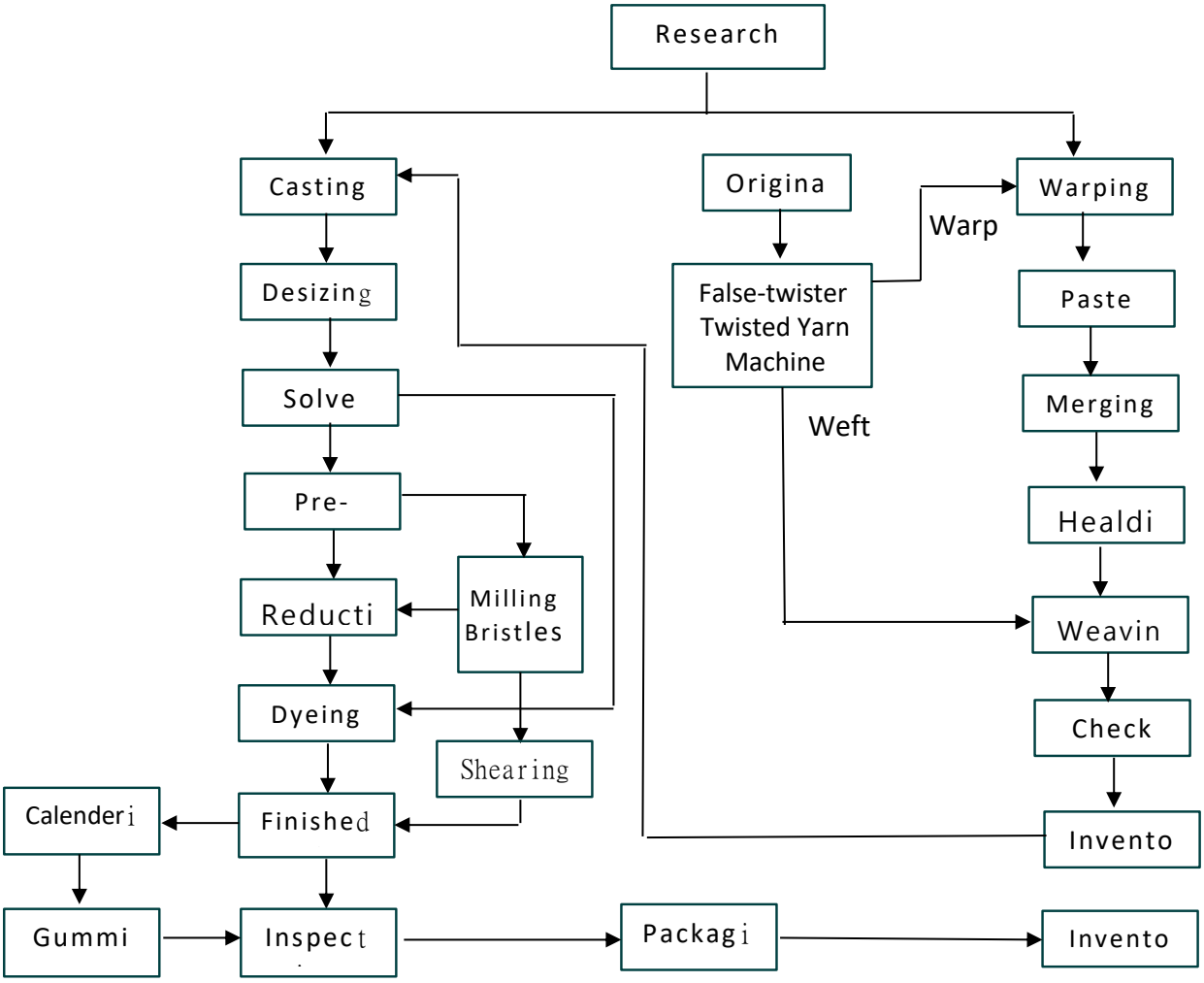
Pseudo Elasticity Series DL400	Stretchable and comfortable to wear	SPORTS、GOLF、OUTDOOR、RUNNING TOP/BOTTOM
AERO TECH	Feel comfortable instead of stuffy when wearing and you will have breathable and cool feeling.	Sports, casual jackets and shirts
PI-TECH	Soft and flexible in hand, free to stretch and contract and comfortable to wear	SPORTS、GOLF、OUTDOOR、RUNNING TOP
Elasticity of stretch (LYCRA) in longitudinal, latitudinal or bi-directional direction	Close to the body, light and soft feeling, stretch and elastic effect	Fashion, suits, sports and leisure apparel
Suede Series	Soft, elegant, faux-fur tones	Dresses, coats, coats, shoes, leather bags, home furnishing fabrics, sand releases, casual wear
Functional Series A.Breathable Fabric Waterproof and Breathable Fabric (High Functional Composite Fabric) B.UV-cut Fabric C.Anti-bacterial Fabric		Sportswear, casual wear, medical uniforms, shirts, jackets, outdoor leisure apparel
D.Easy dry Fabric absorbent and fast drying fabric E. Environmental protection over-allocation of water F. Rainproof, featherproof G.FLEECE TECH ELASTIC WARMTH FLEECE		

2.Production Process

(1) Staple Fiber Fabric



(2) Long-fiber fabrics



(3) The supply of major raw materials

Raw Materials	Source of Supply
Polyester yarn: Raw silk, processed silk, new synthetic fiber	NAN YA, SINO-FABRIC, FAR EAST, HYOSUNG, XIN XIN, HONG YI FIBER, Zhan Song, TUNG DILONG, LILI, JI SHENG, YIXIN, etc.
Staple Fiber Fabric: T/R, T/C, CVC, COTTON, SPANDEX	Far East, Dong Hoa, Nam Fong, Vietnam, Taihua, Vietnam, and Taihua.
Dyeing aids: Disperse dyes, reactive dyes, sulfide dyes, dyeing auxiliaries, general chemicals	Qianwang, Yuanqiao, Jinhuang Dye, Viming, Xingui, Gaolian, Huali, Maitong, Taiwan Plastics, Taiwan Sanwang, Rihua, Yufa, Zansheng, Xiejing, etc.

(4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and percentage of purchase (sales)

(1) Information on major suppliers in the last two years:

Information on Major Suppliers for the Most Recent 2 Years

	2023Year				2024Year				
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	Anqing Defa Textile Co., Ltd.	833,274	16.83%	The vice chairman of the Company is the major shareholder of the company.	1	Anqing Defa Textile Co., Ltd.	809,120	11.37%	The vice chairman of the Company is the major shareholder of the company.
	Others	4,119,223	83.17%			Others	6,306,081	88.63%	
	Net purchases	4,952,497	100%			Net purchases	7,115,201	100%	

(2) Major customers in the last two years: There were no customers whose sales amount exceeded 10% in the last two years.

3. Employee Information

Employee Information for the Past Two Years and as of the Publication of the Annual Report

Mar. 31, 2025

Year		2023	2024	As of Mar. 31, 2025
Number of employees	Production Department	1,742	1850	1,770
	Work Affairs Division	143	153	163
	Others	392	443	429
	Total	2,277	2,446	2,362
Average age		42.31Years old	41.40Years old	41.95Years old
Average Length of Service		6.14years	6.95years	7.88years
Percentage of employees at each level	PhD	0.00%	0.00%-	0.00%
	Master	3.60%	8.16%	7.89%
	College	35.40%	36.76%	36.15%
	Senior High School	25.35%	23.10%	25.72%
	Below Senior High School	35.65%	31.98%	30.24%

4. Information on Environmental Expenditure Information

1. the provisions of the law, should apply for a pollution facility installation permit or pollution discharge permit or should pay pollution prevention and control fees or should set up special environmental protection unit personnel, the application, payment or establishment of the following description of the situation.

In order to implement environmental protection measures and improve the environmental quality of the plant, the Company has strengthened control over the production and related units, purchased anti-pollution wastewater treatment equipment, and conducted regular inspections of the operation of the equipment in order to meet the environmental requirements for wastewater discharge. The following is a description of the environmental protection established by law.

(1) Obtain a stationary source operating permit.

Date	Fixed pollution source operation permit number	Expiration Date	Remark
2023.06.02	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0446-01	2023.06.02~2025.12.13	Boiler steam generation program (M01)
2023.02.16	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0984-01	2023.02.16~2027.10.16	Boiler steam generation program (M03)
2023.09.05	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No.D0587-01	2023.09.05～2026.04.17	Boiler steam generation program (M06)
2023.09.05	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0588-01	2023.09.05～2026.04.17	Thermal media heating program (M07)
2024.09.05	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No.D0353-01	2024.09.05~2029.09.04	Printing and dyeing finishing program (M05)
2024.11.16	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No.D1284-00	2024.11.16~2029.11.15	Printing and dyeing finishing program (M04)

(2) Obtain a stationary source operating permit.

Date	Water Pollution Control Permit No.	Expiration Date	Remark
2023.07.17	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. 00958-05	Jul. 16, 2028	Waste (sewage) water discharge surface water permit

(3) Specialized environmental protection unit personnel to obtain a license.

Certificate type	Certificate Number	The number of specialized environmental protection units should be set up	Number of people in our company
Class A Air Pollution Prevention Certificate	(85) Huan-Shu-Hsun-Cheng-Tzu No. FA010164	1	1
Class A waste (sewage) water treatment certificate	(83) Huan-Shu-Hsun-Cheng-Tzu No. GA110204 (89) Huan-Shu-Hsun-Cheng-Tzu No. GA110496	2	2
Class B waste (sewage) water treatment certificate	(99) Huan-Shu-Hsun-Cheng-Tzu No. GB330319	1	1
Level B Certificate of waste	(85) Huan-Shu-Hsun-Cheng-Tzu No. HA070479	1	1

In addition, in accordance with the standards for storage and removal of business waste, the Company assigns the removal of general business waste to qualified removal organizations approved by the Environmental Protection Administration, such as Shinpei Transportation Corporation, Seishun Corporation, Shinyu Environmental Engineering Co.

2.List the Company's investments in major equipment for the prevention and control of environmental pollution, their uses and potential benefits.

Unit: NT$1,000

Equipment Name	Items	Date	Investment Costs	Undiscounted balance	Uses and expected benefits
Wastewater Treatment Civil Engineering (Phase II)	Type 1	1993.04	37,893	29	Used for wastewater treatment to meet discharge standards
Wastewater Treatment Civil Engineering (Phase III)	Type 1	1998.05	19,031	0	Used for wastewater treatment to meet discharge standards
Wastewater Treatment Civil Engineering (Phase IV)	Type 1	2003.12	3,310	0	Used for wastewater treatment to meet discharge standards
Long fiber water treatment pool	Type 1	1994.01	4,046	84	Used for wastewater treatment to meet discharge standards
Staple fiber water treatment pool	Type 1	1994.01	3,360	0	Used for wastewater treatment to meet discharge standards
Phase I chemical flotation wastewater system improvement and reduction	Type 1	2015.07	4,601	2,809	Used for wastewater treatment to meet discharge standards
Sludge Drying Machine Project	Type 1	2016.06	20,540	0	For sludge reduction, it can reduce sludge volume by 1/2

(3) Total amount of damages and penalties for environmental pollution for the most recent year and up to the date of printing of the annual report: None.

(4) Future measures and possible expenses

1.Part of the proposed improvement (enhancement) measures

(1) Improvement (Enhancement) Plan

A. Expansion of pollution prevention and control equipment

The Company’s existing two sets of wastewater treatment facilities cost approximately $2.2 million per month (including equipment depreciation and maintenance costs, electricity costs, pharmaceutical costs, sludge transportation costs, and salaries of specialized environmental protection personnel, etc.), which means that each pound of yarn dyed requires an additional $1 of wastewater treatment costs, and each yard of dyed fabric bears $0.8 of wastewater treatment costs. In order to cope with the increase in the standard of effluent treatment by the EPA in 1998 and the need for expansion of our production and sales, an additional wastewater treatment facility (combined with the old one) was built in September 1997 with an investment of 35 million RMB. At present, the first old wastewater treatment facility can treat 3,000 tons/day and the second new wastewater treatment facility can treat 3,000 tons/day. At the beginning of 1999, we obtained ISO14001 DNV environmental protection certification, and we are continuing to improve our environmental management program.

We are constantly investing in the prevention and control of public hazards. In addition to adding pollution control and wastewater treatment equipment with new facilities, we are also adding better control equipment to meet the requirements of the EPA. In the coming years, we will make every effort to cooperate with the

government in environmental protection and fulfill our responsibilities to society as a modern enterprise.

B. Strengthen the waste reduction measures of yarn dyeing and finishing
For example, the recycling of waste heat and acid, the improvement of machine washing water and the recycling of cooling water.

C. Enhance end-of-pipe handling capacity
The wastewater is diverted and the aeration and biological treatment capacity is increased to reduce chemical usage and sludge generation.

(2) Estimated environmental expenditures for the next three years

The environmental expenditures in the next three years are as follows

	2025	2026	2027
Prepare to purchase to prevent pollution Equipment or expense content	Waste Gas Treatment	Waste Gas Treatment	Waste Gas Treatment
Expected improvement (enhancement) situation	〃	〃	〃
Amount	NT$3,500,000	NT$3,500,000	NT$3,500,000
Purpose	Improve boiler exhaust and air quality	Improve boiler exhaust and air quality	Improve boiler exhaust and air quality

(3) Impact after improvement

Impact on net income: The annual operating expenses as a percentage of net income are insignificant and the impact is minimal.

Impact on competitive position: Cooperate with the government in waste reduction, fulfill the responsibility of environmental protection, and enhance the good corporate image.

2.No countermeasures: Not applicable.

5. Labor Relations

(1) The Company's various employee welfare measures, training, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees:

Company has signed a concord with the labor union on March 23, 2023.

The Company's employee welfare measures are based on the relevant government welfare laws and regulations, and the Company's policies and employee needs are coordinated and planned by the Employee Welfare Committee.

The Welfare Committee coordinates the planning and implementation of employee welfare matters.

A majority of the members of the Welfare Committee will approve the implementation of the welfare policy.

The Employee Benefit Committee enforces and tracks the effectiveness of each benefit provision.

1. The main benefits offered by the Company and FSC are as follows:

(1) To set up an employee cafeteria to facilitate meals in the company and subsidize meal expenses.

(2) Establishment of male and female dormitories.

(3) Gifts or gratuities will be given on the Labor Day, Dragon Boat Festival, Mid-Autumn Festival and Spring Festival each year.

(4) Monthly birthday gift to the birthday girl.

(5) The midnight shift allowance is increased for midnight shift personnel.

(6) Arrangement of leisure activities.

(7) Labor insurance, universal health insurance, regular health checkups, employee group insurance (including life insurance, accident insurance, major injuries and illnesses (cancer, etc.)).

(8) Travel safety insurance: foreign business travel colleagues, the whole enjoy accident insurance and accidental medical insurance.

(9) Employee's wedding/children's wedding/new home completion/children's full moon gift and funeral ceremony.

(10) Employee Stock Ownership Trust Incentive Payment (must have served for 3 months or more).

(11) Benefits for supervisors above the classroom level: ①Annual transportation subsidy. ②Wedding and funeral gifts/benefits for immediate subordinates Subsidizing visitation gifts. Reducing burden on supervisors

(12) 3 months of summer allowance will be added to the on-site high temperature zone.

(13) Employees with two years of seniority are entitled to foreign travel subsidies.

(14) Professional license allowance: air pollution certificate, wastewater treatment license, waste treatment license, electrical technician, and boilers, etc.

(15) One professional license examination fee will be provided at full cost.

(16) To improve employee health consultation and services, we arrange regular outpatient services for factory doctors in the factory.

(17) In July of each year, a mid-year bonus will be paid when the profitability of the first six months of the year reaches the target set by the Company.

(18) Employees who purchase a home for the first time will be given a congratulatory gift in accordance with the rules for the completion of a new home.

2.Training and training system and implementation: NT$175,638 thousands was spent on training in 2024. Participated in the government's advocacy meetings for a total of 5 sessions in21.5hours.

(1) New recruits must undergo pre-employment training (developmental training). In principle, pre-employment training includes safety and health education, company culture, instillation of the founding philosophy, and basic operational skills, etc., depending on job requirements.

(2) On-the-job training can be divided into two types: external training and internal training.

A. a. External training: The personnel unit takes the initiative to collect course information from external training institutions according to the manpower needs of each unit and sends them to the relevant departments for training.

b. The Industrial Safety Office arranges for colleagues to receive training in accordance with legal requirements and departmental needs.

B. Internal training:

a. The company invites outside experts to conduct training courses in a uniform manner.

b. Use audio-visual materials to improve the quality of staff.

c. The supervisor will take the time to educate the staff on the opportunities of the company.

d. Supervisors will provide individual counseling to individuals or work groups who are not performing well.

3.Retirement System and Implementation

In accordance with the Labor Standards Law, the Company has established a retirement plan for employees. Employees' pension payments are calculated based on years of service and the average monthly wages (base) for the six months prior to the approved retirement date. The Company contributes 4% of employees' monthly salaries to an employee retirement fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account at the Bank of Taiwan.

In accordance with the Labor Standards Law, the Company contributes a monthly retirement reserve of 4% of salaries paid to the Bank of Taiwan in the name of the Retirement

Fund Committee. As of the end of 2024, the balance of the pension reserve account was NT$202,719 thousand.

Effective July 1, 2005, employees who choose to be covered by the pension plan under the Labor Pension Act are required to contribute 6% of their monthly salaries to the individual pension accounts of the Bureau of Labor Insurance.

4.Work environment and employee safety protection measures

(1) In order to enhance the safety of employees in emergency escape and evacuation, a total of 393 people were trained in fire safety drills in 2024. The training was based on common disasters in Taiwan such as earthquakes and fires, to strengthen emergency response measures in case of disasters, to train fire extinguisher operation procedures, to implement fire-fighting training, to implement self-defense firefighting formations, and to reduce the loss of life and property in the plant.

(2) There is a first-class unit industrial safety room, planning occupational safety and health management plan, promoting, supervising and improving various safety and health projects in the factory to ensure the safety and health of employees at work.

(3) In accordance with the provisions of the “Labor Health Protection Law”, we provide monthly clinical services by occupational medicine physicians and family medicine physicians, and we provide clinical services twice a month by physicians and arrange consultation for 15-20 employees each time. Services include: 1. education and training health guidance, 2. medical services, 3. case care, 4. health assessment and management for new employees, 5. blood pressure measurement, 6. medical consultation and health education services, 7. health education guidance for medical personnel, 8. advice related to company selection and job placement, 9. on-site visits to the workplace, 10. health promotion courses, etc.

(4) In fiscal year 2024, we held hearing protection education training and chemical training. 145 employees participated in 7 sessions, Help colleagues understand the noise in the working environment, its impact on the human body and personal protective equipment How to use it, and so that they could better understand the operating environment noise and the procedures and precautions to be taken when using chemicals.

(5) To raise employees' awareness of traffic safety during commuting to and from work and to promote traffic safety promotion, a total 68 employees attending, and related promotion materials were also distributed to supervisors of each unit for regular promotion to reduce the occurrence of traffic accidents during commuting to and from work.

(6) 2024 statutory dangerous machinery and equipment annual periodic inspection, including: 129 first type of pressure vessels, 1 high pressure gas specific equipment ,5 boilers, all passed the inspection to ensure that the plant dangerous machinery and equipment are in line with the law and the safety of operation.

(7) In 2024 we continued to promote environmental improvement projects, and proposed a number of improvement projects focusing on the field of roll clips, falls, inductors, chemicals,and firefighting , and contiune to upgrade the safety and health enviorment in the factory, so that employees can enjoy a safer workplace environment.

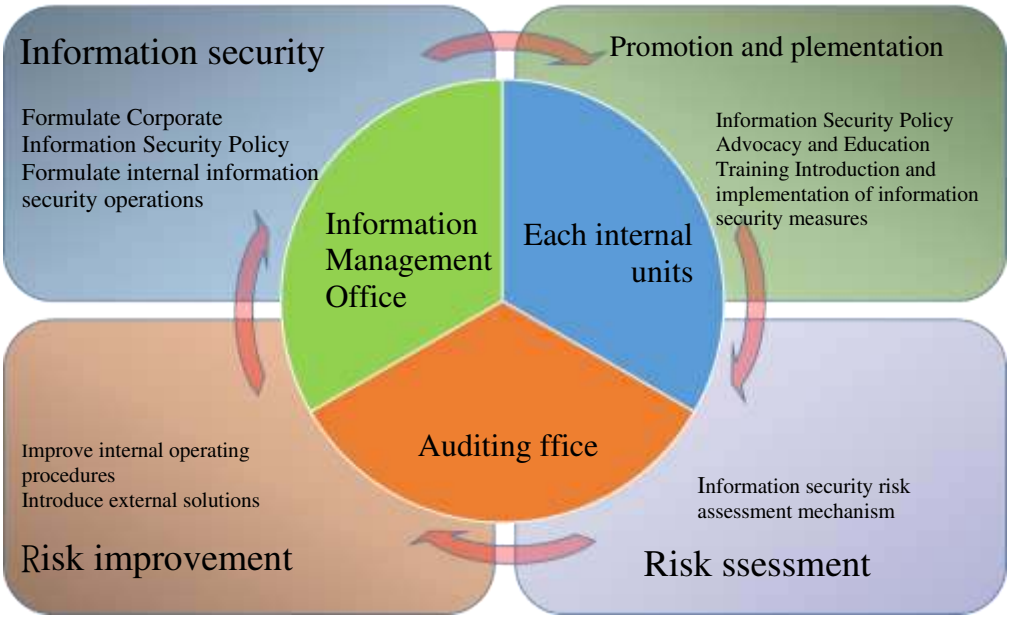
(2) Losses suffered from labor disputes in the most recent year and up to the date of printing of the annual report, and disclosure of the estimated amount of current and potential future losses and measures to address them: None.

6. Information security management:

(1) Information security risk management framework:

1.The Information Security Division is responsible for planning, implementing and promoting information security management and promoting information security awareness. The Company's Audit Office is the audit unit for information security monitoring. If the audit reveals any deficiencies, it will immediately request the inspected unit to propose relevant improvement plans and submit them to the Board of Directors, and regularly track the effectiveness of the improvements in order to reduce internal information security risks.

Organizational mode of operation - PDCA (Plan-Do-Check-Act) cycle management is adopted to ensure the achievement of reliability targets and continuous improvement.



2. Information Security Policy: In order to implement our information management system, we maintain the confidentiality, integrity, and availability of important information systems to ensure the safe maintenance of information systems and equipment networks, and to achieve the goal of sustainable management.

3. Information security management measures implemented by the Company:

Management item	Description	Relevant management operation
Information access control	Control access to company-related information systems and account management	● Establish system access policies and authorization requirements, and inform employees and users of their related rights and responsibilities in writing, electronically or by other means. ● All privileges of information resources shall be cancelled immediately and included in the necessary procedures for leaving the company.The personnel's duty adjustment and transfer should be adjusted in accordance with the system access authorization regulations and their authority for a period of time. ● Establish a system user registration management system and strengthen the management of user passwords. The maximum update period of user passwords should not exceed three months. ● For system service providers who perform system maintenance by remote login, security control should be strengthened, and a personnel register should be established to comply with relevant security and confidentiality responsibilities. ● Establish an information security audit system and conduct information security audits on a

Management item	Description	Relevant management operation
		regular or irregular basis.
Security measures and specifications of the host	Maintain the security and normal operation of the company's internal host and network equipment	● Firewall is set up to control the data transmission and resource access between external and internal networks at the network points connected to the external network, and strict identification operations are performed. ● Use a network intrusion detection system to monitor network traffic to identify unauthorized attempts to upload or alter, web information, or intentional sabotage. ● Install virus scanning software to regularly scan for viruses to provide users with a safer web browsing environment. ● Establish system redundancy facilities and perform necessary data and software backup and redundancy operations on a regular basis so that in the event of a disaster or storage media failure, normal operations can be restored immediately and quickly on new equipment. ● Disaster recovery, occasional simulation of hacker attacks, rehearsal of system recovery procedures in the event of a security incident, and provision of appropriate levels of security defense. ● Confidential and sensitive information or documents are not stored in information systems that are open to the public, and confidential documents are not sent by e-mail. ● Automatically receive all security maintenance email notifications from the relevant operating system vendor or application vendor and install the appropriate PATCH as recommended in the email. ● Check the operation status of each host and network equipment daily, such as: whether the system indicator of the host or storage device panel is abnormal, whether the hard disk indicator of the host or storage device is abnormal, whether the available space of each host and system abnormalities are checked, whether the system indicator of each network equipment is abnormal, and whether the network connection indicator is abnormal.
Security management of firewall	Avoid external hacking and damage to the company's internal host and related information systems	● The firewall is the hub of the whole network. A set of backups should be reserved for the firewall host and software to be used in case of emergency. ● The firewall system records the activity events of the whole network on a real-time basis. The data in the log file should include at least the date, time, starting and ending IP, and protocol of the event, etc., to facilitate real-time management and future

Management item	Description	Relevant management operation
		auditing operations. ● The firewall record file (report) should be reviewed and analyzed by the firewall manager for abnormal conditions; the record file should be kept for more than one year. ● The firewall host can only be logged in internally through a dedicated management interface, and cannot be logged in by any other means or by terminal devices outside the company to ensure the security of the firewall host. ● The security control settings of the firewall should be reviewed on a regular basis and adjusted as necessary to determine the appropriate security control objectives. ● The firewall system is regularly backed up, and only stand-alone backups can be made, and no other methods such as network backups are allowed. ● The firewall system software is frequently updated, and the related intrusion detection and virus signature codes are regularly updated daily to respond to various network attacks.
Data backup operation principles	Regular backup of important company systems and data	● Keep at least three copies of important data in different storage facilities (including off-site) and keep them for one month. ● The backup data has appropriate physical and environmental protection, and its security standard should be the same as that of the primary workplace as far as possible; the security control measures for computer media in the primary workplace should be applied to the backup workplace as far as possible. ● Regularly test the backup data to ensure the availability of backup data.
Principles of data recovery operations	Quickly recover to other hosts or storage devices in case of unexpected conditions that prevent them from operating	● For data recovery, except for unexpected major events, host room or network operation can not be restored, data can be restored to normal within 24 hours. We ensure that the backup data can be maintained within two days of the latest complete data. After the data is restored, the program and the database are up and running immediately. ● After the data recovery operation is completed, the relevant unit personnel should continue to observe the system for three days to ensure that the system is operating normally and that the new data is correct.
User computer management and promotion	Reduce the risk of virus infection or data leakage from internal company computers	● For each user computer, record in detail the name and IP of the user and the computer, and disable all external USB storage devices. If there is a temporary need to copy the file, the information personnel will handle it for you after the supervisor approves it.

Management item	Description	Relevant management operation
		● Anti-virus software is installed on each user computer and Internet access is controlled. If there is a need, the application form will be filled out and approved by the supervisor and then opened for use according to the demand. ● From time to time, we will explain the cautions for information security, such as how to judge suspicious emails, not to open additional files of unfamiliar emails, and not to reply directly to the original emails if there are doubts about the contents of the emails from customers or vendors, but to double-check through other contact methods, etc.

(2) Disclose the losses suffered in the most recent year and up to the publication date of the annual report due to major information and communication security incidents and the estimated amount of current and potential future losses and countermeasures: None.

7. Important Contracts:

(1) DELI INDUSTRIAL CO., LTD.:

Contract Type	Parties involved	Contract Start and Ending Dates	Content	Restrictions
Joint Credit Agreement	Wang Tao Commercial Bank, Cooperative Bank, Mega Bank, Hua Nan Bank, First Commercial Bank, National Agricultural Bank, Bank of Taiwan, Kaohsiung Bank, Land Bank of Taiwan, Wing Fung Bank, and An Tai Bank	Oct. 22, 2021 ~ Oct. 22, 2026	A joint credit agreement with a total amount of NT$2.2 billion.	None

(2) Victory Cayman Holdings Co., Ltd.:

Contract Type	Parties involved	Contract Start and Ending Dates	Content	Restrictions
Joint Credit Agreement	Wang Tao Commercial Bank, Mega Bank and Wing Fung Bank	Nov. 10, 2021 ~ Nov. 10, 2026	A joint credit agreement with a total amount of USD 28 million.	Repayment on January 3, 2025, and termination of the syndicated loan.

(3) Vietnam Deli Industrial Co., Ltd.:

Contract Type	Parties involved	Contract Start and Ending Dates	Content	Restrictions
Land Lease Agreement	Vietnam Industrial Investment & Development Corporation	Jul. 1, 2015 ~ Jun. 30, 2057	228,635 square meters of land leased in Bao Pang Industrial Zone with total land rental value: VND193,653,845,000. (USD 8,802,447.50)	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Status:

Comparative analysis of consolidated financial status (IFRS applicable)

Unit: NT$1000

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	7,901,367	9,258,316	1,356,949	17.17
Property, Plant and Equipment	5,558,799	5,457,945	(100,854)	(1.81)
Investment real estate	55,445	64,033	8,588	15.49
Intangible assets	26,733	16,223	(10,510)	(39.31)
Equity-method investments	925,271	568,236	(357,035)	(38.59)
Right-of-use assets	378,861	370,137	(8,724)	(2.30)
Other assets	251,416	492,091	240,675	95.73
Total assets	15,097,892	16,226,981	1,129,089	7.48
Current liabilities	5,416,237	6,979,594	1,563,357	28.86
Non-current liabilities	4,121,902	3,280,572	(841,330)	(20.41)
Total liabilities	9,538,139	10,260,166	722,027	7.57
Capital stock	4,076,396	4,076,396	-	-
Capital surplus	581,654	581,654	-	-
Retained earnings	759,483	1,104,321	344,838	45.40
Other interests	(412,522)	(242,791)	169,731	(41.14)
Non-controlling interests	554,742	447,235	(107,507)	(19.38)
Total shareholders' equity	5,559,753	5,966,815	407,062	7.32

The changes in assets, liabilities and shareholders' equity of 20% or more for the years 2023 and 2024 are described below:

1.Current assets、Non-current liabilities、Total liabilities

1.The decrease in investments accounted for using the equity method was primarily due to capital reductions by investee companies, including a capital return of NT$287,819 thousand by Vantage Gain Holdings Limited and a capital reduction of NT$82,590 thousand by Hangzhou De Licacy Textile Co., Ltd.

2.The increase in other assets was primarily due to the entrusted company's short-term capital needs easing, resulting in the continued release of pledged time deposits and the repayment of borrowings during the period. In addition, the Company also purchased Fubon Life's subordinated bonds, which are classified under other assets.

3.The increase in current liabilities was primarily due to the rise in short-term borrowings, short-term bills, and long-term borrowings due within one year.

4.The decrease in non-current liabilities was primarily due to the following reasons:

①ncrease in short-term borrowings, short-term bills, and current portion of long-term borrowings：Mainly due to the commencement of loan repayments under De Licacy's syndicated loan.

②Increase in other current liabilities：Primarily attributable to higher estimated bonuses, employee and director compensation provisions as a result of increased profitability during the period, as well as the accrual of CFC income tax.

③Decrease in long-term bank borrowings：Mainly due to the repayment of maturing loans during the period.

④Increase in other non-current liabilities：Mainly due to the recognition of deferred income related to the second phase of relocation compensation received by subsidiaries Hangzhou De Licacy and Zhejiang Fufa.

5.Increase in retained earnings： Primarily due to the strong profitability of the De Licacy Group during the year, resulting in an overall increase in retained earnings.

6.Increase in other equity: Mainly due to higher profitability during the year and a significant increase in exchange gains from the translation of financial statements of foreign operations recognized at year-end, compared to 2023.

Comparative analysis of individual financial status (IFRS applicable)

Unit: NT$1000

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	3,147,929	2,579,460	(568,469)	(18.06)
Equity-method investments	7,738,757	8,409,066	670,309	8.66
Property, Plant and Equipment	765,912	699,102	(66,810)	(8.72)
Intangible assets	--	--	--	--
Other assets	227,227	448,377	221,150	97.33
Total assets	11,879,825	12,136,005	256,180	2.16
Current liabilities	4,578,805	4,848,074	269,269	5.88
Non-current liabilities	2,296,009	1,768,351	(527,658)	(22.98)
Total liabilities	6,874,814	6,616,425	(258,389)	(3.76)
Capital stock	4,076,396	4,076,396	--	--
Capital surplus	581,654	581,654	--	--
Retained earnings	759,483	1,104,321	344,838	45.40
Other interests	(412,522)	(242,791)	169,731	(41.14)
Total shareholders' equity	5,005,011	5,519,580	514,569	10.28

Analysis of changes in the percentage of increase or decrease:

1.The increase in other assets was primarily due to the entrusted company's short-term capital needs easing, resulting in the continued release of pledged time deposits and the repayment of borrowings during the period. In addition, the Company also purchased Fubon Life's subordinated bonds, which are classified under other assets

2.Increase in other assets and current liabilities: Mainly due to the purchase of Fubon Life subordinated bonds during the period by the appointed company, which were pledged to secure commercial paper borrowings.

3.Decrease in other equity and increase in retained earnings: Primarily due to higher profitability during the year.

2. Financial Performance:

(1) Comparative analysis of consolidated financial performance (IFRS applicable)

Unit: NT$1,000,
Earnings per share (NT$)

Item \ Year	2023	2024	Increase (decrease) Amount	Changes ratio(%)
Operating revenue	9,830,034	11,994,022	2,163,988	22.01
Operating costs	8,280,635	9,727,851	1,447,216	17.48
Gross profit	1,549,399	2,266,171	716,772	46.26
(Un-) realized gain on sales	--	--	--	--
Gross realized operating income	1,549,399	2,266,171	716,772	46.26
Operating expenses	1,633,161	1,958,469	325,308	19.92
Net other income and expenses (notes 29 and 37)	(30,669)	284,438	315,107	(1,027.44)
Operating income (loss)	114,431	592,140	477,709	417.46
Non-operating income and expenses	304,922	94,070	(210,852)	(69.15)
Net income (loss) before income tax	190,491	686,210	495,719	260.23
Net income (loss) of continuing business units	190,491	686,210	495,719	260.23
Total income tax expense (income)	74,581	170,560	95,979	128.69
Net income (loss)	115,910	515,650	399,740	344.87
Other comprehensive income (Income after tax)	(40,575)	221,089	261,664	(644.89)
Total comprehensive income	75,335	736,739	661,404	877.95
Net income attributable to shareholders of the parent company	52,628	422,003	369,375	701.86
Net income (loss) attributable to noncontrolling interests	63,282	93,647	30,365	47.98
Total comprehensive income attributable to stockholders of the parent	(10,278)	616,479	626,757	(6,098.04)
Total comprehensive income attributable to non-controlling interests	85,613	120,260	34,647	40.47
Earnings (net loss) per share	0.13	1.04	0.91	7.00

Analysis of changes in the percentage of increase or decrease:

1. Operating revenue, operating costs, and gross profit increased: mainly due to the economic recovery, the increase in shipments of high-margin long-fiber products, and the impact of the US dollar appreciation, which led to a significant increase in operating gross profit.
2. Increase in other income and expenses: Due to the closure of APEX TEXTILE CO., LTD. and HANGZHOU DE LICACY TEXTILE CO., LTD., the staff severance compensation and related demolition expenses of approximately NT$400 million were recognized as corresponding demolition compensation income. However, due to the disposal of the remaining real estate, plant and equipment, a net loss of approximately NT$130 million on the disposal of fixed assets was incurred, so the increase in other income and expenses was not drastic.
3. Decrease in non-operating net income: Due to the closure of APEX TEXTILE CO., LTD. and HANGZHOU DE LICACY TEXTILE CO., LTD., the reduction in business activities in Mainland China led to a decrease in exchange gains. Additionally, the higher US dollar exchange rate this year and the reduction in time deposits resulted in a decrease in interest income.
4. Increase in income tax expense: mainly due to the reduction of deferred income tax assets and recognition of CFC tax by Taiwan Deli in response to the impact of unrealized exchange benefits, etc., resulting in an increase in income tax expense
5. Increase in other comprehensive income: This was mainly due to the significant appreciation of the US dollar this year (from 30.71 to 30.705 to 32.785), which led to an increase in exchange gains recognized from the translation of the financial statements of foreign operations.

(2) Comparative analysis of individual operating results (IFRS applicable)

Unit: NT$1,000,
Earnings per share (NT$)

Item \ Year	2023	2024	Increase (decrease) Amount	Changes ratio(%)
Operating revenue	3,630,208	3,953,906	323,698	8.92
Operating costs	3,287,434	3,524,262	236,828	7.20
Gross profit	342,774	429,644	86,870	25.34
Unrealized losses with subsidiaries and affiliates	6,361	6,376	15	0.24
Realized losses with subsidiaries and affiliates	(6,361)	(6,361)	--	--
Realized operating margin	342,774	429,659	86,885	25.35
Operating expenses	406,985	513,149	106,164	26.09
Net other income and expenses (Notes 26 and 33)	(5,365)	(14,256)	(8,891)	165.72
Operating net profit	(69,576)	(97,416)	(27,840)	40.01
Non-operating income and expenses	178,764	646,378	467,614	261.58
Net income before income tax	109,188	548,632	439,444	402.47
Net income (loss) of continuing business units	109,188	548,632	439,444	402.47
Loss of suspended business unit	--	--	--	--
Total income tax expense	56,560	126,629	70,069	123.88
Net income	52,628	422,003	369,375	701.86
Other comprehensive income (Income after tax)	(62,906)	194,476	257,382	(409.15)
Total comprehensive income	(10,278)	616,479	626,757	(6,098.04)

Analysis of changes in the percentage of increase or decrease:

1.Increase in operating gross profit: Mainly due to the large volume of short fiber BC fabric sold at lower prices in the same period last year, which led to a decline in gross profit. In the current period, such sales decreased, resulting in a recovery in gross profit.

2.Your translation is generally clear. Here's a more polished version for improved flow and professionalism:Increase in operating expenses: Mainly due to improved profitability this year, which led to higher dividends and bonuses, resulting in a significant increase in salary-related operating expenses

3.Increase in non-operating income and expenses: Mainly due to the increase in sales orders of overseas subsidiaries this year, benefiting from major sports events and the normalization of inventory levels among international brand customers, resulting in a corresponding increase in investment income.

4.Increase in income tax expense: Due to higher profits this year, the amount of recognized income tax expense increased accordingly.

5.Increase in other comprehensive income: This was mainly due to the significant appreciation of the US dollar this year (from 30.71 to 30.705 to 32.785), which led to an increase in exchange gains recognized from the translation of the financial statements of foreign operations.

(3) Analysis of Changes in Operating Profit

Unit: NT$1000

Item	The number of changes in the previous and subsequent periods	Reasons of the Difference			
		Difference in the Selling Price	Difference in the Cost Price	Sales Combination Differences	Difference in the Amount
Gross profit	$ 716,772	$ 3,955,343	$ (2,415,474)	$ (40,561)	$ (823,097)
Explanation	1.Operating gross profit for the current period increased by NT$716,772 thousand compared to the same period last year, mainly due to the economic recovery, an increase in order volume, and the appreciation of the US dollar, all of which contributed to the rise in gross profit. 2.The increase in sales volume of higher-priced fabric types led to a price variance of NT$3,955,343 thousand and a cost variance of NT$2,415,474.				

3. Cash Flow

(1) Cash flow analysis for the most recent year (IFRS applicable)

Item \ Year	2024	2023	Increase (decrease) percentage(%)
Cash flow ratio	11.03	19.10	(8.07)
Cash flow adequacy ratio	81.47	59.49	21.98
Cash reinvestment ratio	5.04	6.26	(1.22)
Analysis of changes in the percentage of increase or decrease: 1.The cash flow ratio decreased, mainly due to the increase in profits this period, which led to higher accruals for related bonuses and employee & director compensation, as well as the accrual of CFC income tax, resulting in an increase in current liabilities. 2.The increase in the cash flow adequacy ratio was due to higher cash flows from operating activities during the year			

(2) Cash flow analysis for the coming year

Unit: NT$1000

Beginning balance of prepaid rent	Estimation from the business activities of the whole year Net cash flow	Estimated annual cash inflow (outflow)	Estimated surplus (shortfall) of cash	Remedial measures for estimated cash deficit	
				Investment plans	Financing plans
$ 1,488,436	$ (25,000)	($ 283,000)	$ 1,180,436	-	-
1.Analysis on cash flow situation for the coming year (1) Operating activities: In 2025, due to Trump's tariff policies and the depreciation of the US dollar, a net cash outflow was generated. (2) Investment activities: The increase in cash outflow was mainly due to the additional purchase of equipment and investment in LUCKY UNIQUE ENTERPRISE CO., LTD. (3) Financing activities: This is due to the repayment of bank borrowings, thus generating net cash inflow. 2. Analysis on the remedial measures for estimated cash deficit: Not applicable.					

4. The impact of major capital expenditure in the last year on the financial business:

(1) The use of significant capital expenditures and the source of funds:

Project Items	Actual or expected sources of funds	Actual or expected completion date	Total Funds Required	Actual or projected use of funds	
				2024	2025
310–Twisting Machines, 6 units	Own funds	2024/02	1,260	1,260	0
Civil, structural, and MEP works for the relocation of 9, 13, and 27 Tsudakoma weaving machines	Own funds	2024/05	1,480	1,480	0
Addition of a slurry applicator, fabric alignment system, and motor to the stenter machine	Own funds	2024/11	1,910	1,910	0
Associated engineering works for electrostatic oil mist filtration system on ST1#2# stenter machine	Own funds	2024/07	4,250	3,442	0
Supply and installation of six-chamber tensionless dryer and associated engineering works	Own funds	2024/12	13,799	13,799	0
Eight-chamber resin finishing stenter	Own funds	2024/12	9,250	9,250	0
Electrostatic oil mist filtration system installation and associated works for ST6 stenter machine	Own funds	2024/11	2,201	932	0
Chishin high-temperature high-speed dyeing machine	Own funds	2024/10	13,160	13,160	0
Filter media renewal project for Water Treatment Systems 1 through 5	Own funds	2024/12	2,440	2,440	0
Refurbishment of 10,000 KVA transformer at the 69KV substation	Own funds	2024/12	8,480	8,124	0
Replacement of stenter machine, demolition of existing units, and installation of supporting platform	Own funds	2025/02	1,498	1,080	418
Hongyi dye solution titration machine and other equipment	Own funds	2025/02	6,279	3,574	2,195
Installation of canopy tarpaulin rain shelters and other related equipment	Own funds	2025/02	4,070	2,705	315

(2) Expected benefits: In response to the change in market demand for products other than apparel and furniture products, functional fabric products are popular in the market, so we have purchased additional equipment to develop new products and improve product quality, which will increase order intake, improve gross profit and increase market competitiveness.

5. Re-investment policy, major reason for profit/loss of the last year, improvement plan and the investment plan for the coming year:

(1) The Company’s policy on re-investment

The Company has not engaged in investments in non-related industries. In addition to the investment cycle requirements of the internal control system, the Company also assists reinvestment companies in establishing appropriate internal control systems in accordance with the "Management of Related Party Transactions" and "Supervision and Management of Subsidiaries" regulations established by the Company, taking into account the local laws and regulations and the actual operating conditions of the reinvestment companies. Internal control system.

(2) Re-investment policy, major reason for profit/loss of the last year, improvement plan and the investment plan for the coming year:

As of Dec. 31, 2024; Unit: 1,000(Except US Dollars)

Re-investment Company	Invested Amount	Recognized investment income or loss of the invested company for the most recent year	Main reasons for gains and losses	Improvement Plan
DE LICACY (SAMOA) HOLDINGS CO., LTD.	1,829,899	362,704	None	None
LUCKY UNIQUE ENTERPRISE CO., LTD.	174,329	(30,717)	None	None
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD	59,878	3,690	None	None
CHADTEX INDUSTRIAL CO., LTD.	12,155	(7,498)	None	None
BEST ALLIANCE INTERNATIONAL LIMITED	USD 108,040,000	312,578	None	None
VIEW BEST GLOBAL LIMITED	USD 1,935,000	1,347	None	None

(3) Investment plans for the coming year: None.

6. Risk items, and the related analysis and evaluation of the recent years and as of the printing date of the annual report:

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures during the recent years and as of the printing date of the annual report:

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and and Future Response Measures:

The Company and Subsidiaries’s interest expense for the year 2023 and 2024 were NT$ 235,257 thousand and NT$213,776 thousand. The ratio of interest expense to net operating income was2.39% andand 1.78% of net operating revenues.The Company's income was affected by the change in interest rate. Therefore, the Company also negotiates loan terms with various banks to obtain more favorable interest rates, and closely monitors the information on interest rate changes to evaluate and judge future interest rate trends. The Company also closely monitors the information on interest rate changes, evaluates the trend of future interest rates, and adjusts the short-, medium- and long-term financing limits according to the interest rate conditions in order to reduce the impact of interest rate changes on the Company's finances.

2. Effects of Changes in Interest Rates, Foreign Exchange Rates and and Future Response Measures:

(1) The Company is an export-oriented company, so changes in exchange rates have an impact on the Company’s revenue and profitability. For the years 2023 and 2024, the Company and its subsidiaries recognized exchange gains (losses) of $32,543 thousand and 139,453thousand.

(2) Since most of the Company's sales are denominated in U.S. dollars, exchange gains and losses are affected by fluctuations in the U.S. dollar. In order to effectively manage foreign currency positions, the Company and its subsidiaries have dedicated staff to observe exchange rate fluctuations at all times and refer to financial information provided by banks and investment institutions to keep abreast of exchange rate movements and trends. In addition, for the net position of foreign currency, we use pre-sales of U.S. dollar forward foreign exchange to reduce the impact of foreign currency exchange risk on the Company's operation.

3. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

The market prices of the Company and its subsidiaries' major raw materials, such as plastic and chemical materials, are affected by fluctuations in global oil and commodity prices. In times of rising raw material costs, the Company and its subsidiaries have responded by increasing stockpiling to mitigate the impact of rising raw materials, continuously improving process capabilities to reduce production costs, and developing high value-added products to improve gross margins and reduce the impact of inflation. The Company and its

subsidiaries keep an eye on the fluctuation of global oil and commodity market prices and provide relevant information to the management for decision making and review, so as to enhance the possibility of responding to cost changes and to avoid adverse effects on the Company due to inflation.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions during the recent years and as of the printing date of the annual report:

1. The Company and its subsidiaries have always focused on their businesses and operated them in a pragmatic manner. The Company and its subsidiaries do not engage in high-risk, highly leveraged investments other than those focused on the respective business areas of the Company.
2. The Company and its subsidiaries have established the "Procedures for Lending Funds to Others" and "Procedures for Endorsements and Guarantees" as a management system to regulate the risks of lending funds and endorsements and guarantees to achieve the purpose of effectively controlling the operating risks of the Company and its subsidiaries.
3. In accordance with the amendment to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” on 2019.03.07 by the Securities and Futures Commission of the Ministry of Finance, the Company amended the Company’s “Procedure for Lending Funds to Others” , approved by 2020 Shareholders Meeting. The execution of the loan of funds to others must follow the "Procedures for Loan of Funds to Others".
4. In accordance with the amendment to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” on 2019.03.07 by the Securities and Futures Commission of the Ministry of Finance, the Company amended the Company’s “Procedure for Endorsements and guarantees” , approved by 2019 Shareholders Meeting. The execution of the endorsement guarantee operation must follow the “Procedure for Endorsements and guarantees”.
5. The Company and its subsidiaries have established “Procedures for the Acquisition or Disposal of Assets” as a basis for engaging in related transactions, approved by 2019 Shareholders Meeting. The Company and its subsidiaries entered into derivative financial instrument transactions primarily to hedge the risk of foreign currency assets and liabilities arising from fluctuations in exchange rates.109 and 110The financial assets and liabilities at fair value through profit or loss for the years 2023 and 2024, resulted in valuation (loss) gains and losses of 15,876 thousand and 22,617 thousand. The Company and its subsidiaries engage in the above-mentioned derivative instruments mainly for hedging purposes. Overall, the Company and its subsidiaries have not engaged in derivative transactions that have had a material adverse effect on the Company's financial position.

(3) Research and development expenses during the recent years and as of the printing date of the annual report:

1. Future R&D plans:

Since our company was established, we have been developing our own research and development, cultivating research and development professionals, grasping the pulse of global market trends and combining the needs of end customers to carry out project research and development, mainly to develop functional fabrics that meet health needs. The main products are long fiber post-dyed or first dyed functional sports fabrics, outdoor sports special functional laminated products, post-dyed long and short fibers interwoven popular or functional fabrics, long and short fibers post-dyed or first dyed popular fabrics for men and women.

The Company actively participates in government-assisted industrial project cooperation programs and government-organized textile training courses, and sends its R&D staff to participate in international fabric exhibitions to learn the fashionable information of the market, so as to enhance the fashion sensitivity and innovative technology capability of the R&D staff of the Company and its subsidiaries, and to meet the customer's needs in the direction of R&D. In the future, the Company and its subsidiaries will continue to invest in research and development to improve the competitiveness and advantages of products. In the future, the Company and its subsidiaries will continue to invest in research and development to enhance the competitiveness and advantages of our products. New products planned to be

developed are detailed in the operation profileP.63-64The new products will be developed by the company.

2. Estimated R&D expenses: The estimated R&D expenses for 2025 are NT$210,000 thousand.

(4)Effects and Response to Changes in Domestic and Foreign Policies and Regulations Relating to Corporate Finance and Sales during the recent years and as of the printing date of the annual report:

The Company has not been subject to any significant domestic or foreign policy or legal changes in recent years that would affect the Company's financial and business operations. The Company has always complied with the regulations of relevant domestic and foreign laws and regulations, and pays close attention to policies and laws that may affect the Company's operations to ensure normal operations, and communicates with its accountants and attorneys at all times to plan countermeasures.

(5)Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales during the recent years and as of the printing date of the annual report: None

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures during the recent years and as of the printing date of the annual report: None

(7)Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans during the recent years and as of the printing date of the annual report: None

(8)Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans during the recent years and as of the printing date of the annual report: None

(9)Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration during the recent years and as of the printing date of the annual report: None

(10)Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% during the recent years and as of the printing date of the annual report: None

(11)Effects of, Risks Relating to and Response to the Changes in Management Rights during the recent years and as of the printing date of the annual report: None

(12)For the contentious or non-contentious events, it shall list the directors, general manager, substantial person in charge, and shareholders with more than 10% shareholding, as well as the major contentious and non continuous events or administrative litigation event related to the affiliates currently or in the past according to the judgment. For those that the result might show substantial influence on the shareholder’s equity or price of securities, it shall disclose its fact, target amount, start date of litigation, major involved parties and handling situation until the date of using the annual report: None

(13)Other significant risks and contingencies during the recent years and as of the printing date of the annual report: assessed to be free of information security risks.

7. Other important matters

1. Significant business events (last five years)

(1) Acquisition or merger of other companies

Our investment in Samoan Triad Holding Company (Samoan Triad Corporation) was mainly through re-investment of Somoa Victory Holdings (Victory Company, 100% shareholding) and indirect investment of British Virgin Islands Deyi International Co., Ltd. (Deyi Company, 100% shareholding); moreover, Deyi Company then make indirect investment of Hangzhou De Licacy Textile Company (Hangzhou De Licacy Company, 100% shareholding) and British Virgin Islands Eden Road International Company (Eden Road Company, 100% shareholding). The Board of Directors of the Company resolved on January 16, 2014 that Samoan De Licacy Company should make a direct investment in Deyi Company. Victory Company transferred the shares of its original investment in Deyi Company to Samoa De Licacy Company. This change in investment structure was approved by the Investment Review Committee of the Ministry of Economic Affairs on January 22, 2014. In 2014, the Company increased its investment in Somoa De Licacy Company by NT$123,488 thousand, which was approved by the Investment Commission of the Ministry of Economic Affairs on January 23, 2014. In 2017, 2018 and 2019, we increased our investment in Somoa De Licacy by US$1,345 thousand, US$4,301 thousand and US$4,440 thousand, and in 2018, we received US$9,230 thousand as a refund of capital reduction.

In September 2014, the Company subscribed for a cash capital increase of $21,150 thousand in proportion to its shareholding in Fufa Company, and in October 2014, some shareholders of Fufa Company renounced their share options. In addition, the Company increased its shareholding from 45.3% to 49.48% (including the 50.7% shareholding of the consolidated subsidiary) by subscribing for additional cash capital of NT$18,983 thousand, and the Company has the ability to control Since October 2014, Fufa Company and its reinvestment in E TEXTILE CO., LTD., FAITH GAIN INVESTMENT LIMITED, Bright Wisdom Holdings Ltd. and Zhejiang Fufa Textile Limited are all included as subsidiaries of the Company. The Company remeasured its previously held interest in Fufa Company at its acquisition date fair value, resulting in a bargain purchase gain of $19,960 thousand, which is presented separately in the consolidated statements of income. The fair value was valued as of September 30, 2014 by Fengyi Asset Consulting Co., Ltd., an independent consultant that is not a related party, using the income approach supplemented by the cost and market approaches. In November 2014, the Company acquired another 6.26% of shares of Fufa Company from an unrelated party for $24,890 thousand, increasing its shareholding from 49.48% to 55.74%. On December 30, 2014, Bright Wisdom Holdings Ltd. acquired 80.769% of the shares of Total Express Ltd. for US$0.80769. Total Express Ltd. is mainly engaged in international trading business. Fufa Company approved the sale of 53.62% equity interest in Bright Wisdom Ltd. by its subsidiary FAITH GAIN Company for USD 5,630,000 and the indirect sale of Zhejiang Fufa Company and Total Express Ltd. to Deyi Company. This equity transfer was approved by the Investment Review Committee of the Ministry of Economic Affairs on December 22, 2017 and the equity transfer agreement was signed on December 27, 2017. Therefore, the transfer of ownership is an organizational reorganization under common control. In June 2019, the Company acquired 3.96% of Fufa Company from an unrelated party for $21,664 thousand, resulting in an increase in shareholding from 55.74% to 59.7%. Bright Wisdom Ltd. acquired 19.231% equity interest in Zhejiang Fufa Company and Total Express Ltd. from key management at the end of 2019 for $74,950,000 (US$2,500,000) (recorded as other payables - related parties). resulting in an increase in shareholding from 80.769% to 100%. On January 14, 2020, the board of directors approved the purchase of 1.22% of Fufa Company from its subsidiary Tung Ming Company for $6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%. On June 19, 2020, the board of directors approved the sale of 35.94% of Fufa Company's shares (14,293 thousand shares to unrelated parties) for $195,227 thousand ($13.7 per share, net of securities transaction tax of $587 thousand), resulting in a decrease in shareholding to 24.98%. The transaction price was determined by reference to the equity value valuation report of EVERMORE CONSULTING CO., LTD., an independent non-related party, as of March 31, 2020, using the net equity method and the cost-benefit ratio method. The closing of the equity transfer between the seller and the buyer was completed on July 8, 2020, which resulted in the Consolidated Company losing control of Fufa Company and its subsidiaries.

In response to future development of operation ,expanding oversea production sites,

and entering into the wearing apparel business, the Company purchased 27,841 thousands of shares of Lucky Unique Enterprise on January 10, 2025 by $15.5 per share, totally amounting to $431,529 thousand. The percentage of ownership has increased from 23.62% to 70.02%. Lucky Unique Enterprise and its subsidiaries will be included into the consolidated entities since the first quarter of 2025.

In April 2014, the Company invested $85,000 thousand to establish REMOTEK CORPORATION with an unrelated party, holding 53.125% of the shares. REMOTEK CORPORATION is mainly engaged in the textile manufacturing, dyeing and finishing, and trading of various textile products. However, in October 2015, the shareholding ratio was reduced from 53.125% to 51.306% due to the non-subscription of cash capital increase of $43,031 thousand for REMOTEK CORPORATION in accordance with the shareholding ratio. In June 2016, the Company's shareholding ratio was reduced from 51.306% to 50.41% because the Company did not subscribe to REMOTEK CORPORATION's cash capital increase of $27,705 thousand in accordance with its shareholding ratio. Acquired 4.65% of REMOTEK CORPORATION from an unrelated party for $21,329 thousand in fiscal 2020, resulting in an increase in shareholding from 50.41% to 55.06%.

On April 28, 2015, Somoa De Licacy established Hao Wang Company (100% shareholding) with a capital of US$2,500 thousand, mainly for indirect investment in Changxing Fufa Company (100% shareholding). Approved by the Investment Review Committee of the Ministry of Economic Affairs on September 4, 2015. Changxing Fufa Company was liquidated on October 31, 2020 and the liquidation amount of $77,739 thousand (US$2,706 thousand) was remitted to Hao Wang Company for remittance to De LicacySomoa Company on November 30, 2020.

On November 25, 2015, the Company established De LicacyBVI Holding Company (100% shareholding) with a capital of US$1,766 thousand and indirectly invested in Victory Cayman (100% shareholding), mainly for indirect investment in VietnamDe Licacy Company (100% shareholding). The investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on January 7, 2016. In 2016, 2017, 2018 and 2019, the Company will invest an additional US$15,350,000, US$59,720,000, US$17,604,000 and US$13,600,000, respectively, to indirectly invest in VietnamDe Licacy. And on January 13, 2017 and April 18, 2017, the board of directors resolved to capitalize VietnamDe Licacy with US$39,680,000 in debt for the purchase of machinery and equipment from VietnamDe Licacy by Textron Cayman. Of the indirect investment in Vietnam De Licacy, US$29,660 thousand, US$36,720 thousand and US$39,680 thousand were approved by the Investment Review Committee of the Ministry of Economic Affairs on October 18, 2017, April 20, 2018, March 7, 2019 and December 31, 2020, respectively, for review.

On December 28, 2015, the Company invested $5,100 thousand to establish Nan De Company with an unrelated party, in which the Company holds 51% of the shares. Nan De Company was established as Nan De SAMOA Company on March 23, 2016. Nan De SAMOA Company applied to the SAMOA Government Company Registry for delisting on November 13, 2017 as it no longer has actual operating activities and was dissolved as of the delisting date. Nan De Company was liquidated on August 31, 2018 by the shareholders' provisional resolution due to the absence of actual operating activities in recent years, and the base date of liquidation was October 2, 2018, and the Consolidated Company has refunded liquidation amounts of $393 thousand and $85 thousand in fiscal 2018 and 2019, respectively.

In 2016, 2017, 2018, 2019 and 2020, Somoa De Licacy increased its investment in Poly Corporation by US$264 thousand, US$262 thousand, US$257 thousand, US$532 thousand and US$159 thousand, respectively, mainly for indirect investment in Perfect Step Investments (Perfect Step Ltd., 20% shareholding).

The subsidiary, Vantage Gain Limited, has refunded the payments for shares amounting to $287,891 thousand by capital decrease in 2024, and resolved to sell all of the shares of Perfect Step Ltd. in November in the same year. The proceeds of the disposal amounted to $164,773 thousand, and resulting gains on disposal of investments of $104,301 was recognized.

In December 2017, the Company invested US$1,105 thousand to establish Jingda

Global Company (100% shareholding), and in July 2018, the Company invested an additional US$830 thousand mainly for indirect investment in Vietnam ATAGO Company (30% shareholding). In fiscal 2020, the Company increased its investment in Jingda Company by $15,622 thousand ($540 thousand), which was mainly used to lend funds to Vietnam AGATO Company, an affiliate, for its operation.

In 2017, Somoa De Licacy invested US$1,000,000 to establish Nutransfer (50% shareholding) with an unrelated party, because Somoa De Licacy has the power to appoint and dismiss a majority of the members of the board of directors of Nutransfer and has the ability to direct its relevant activities. Since Somoa De Licacy has the authority to appoint and dismiss more than half of the members of the board of directors of Nutransfer and has the ability to direct its activities, it is classified as a subsidiary, mainly for indirect investment in Nutransfer (Vietnam) (100% shareholding). In fiscal 2019, Somoa De Licacy increased its investment in De Hong Company (50% shareholding) by $500 thousand, mainly for indirect investment in De Hong (Vietnam) Company (100% shareholding).

On September 6, 2017, Somoa De Licacy invested US$100 thousand to establish New Lake (100% shareholding), which is mainly engaged in import and export trade, De LicacySomoa will invest an additional $174,300 thousand ($6,000 thousand) in New Lake in 2020 to repay the loan in U.S. dollars.

Somoa De Licacy Inc. established Star De Licacy Inc. on August 16, 2017 with a capital of US$165,000 with an unrelated party (50% shareholding). Deli Star International Limited is engaged in the general investment business. The Consolidated Company is a subsidiary because its financial and operating policies are directed by the Consolidated Company. Deli Star International Limited is expected to be automatically delisted by the Government of Anguilla in six months' time as the Consolidated Company returned $5,200,000 in liquidation on August 16, 2019, as it no longer has actual operating activities.

In April 2018, Somoa De Licacy invested US$11,920,000 to establish BEAUTY PLUS VENTURES LIMITED (85% shareholding), which is an indirect investment in GLORY WEALTHY CORPORATION LIMITED. (Company, 38% Sung Yu Co., Ltd.), In 2023, BEAUTY PLUS VENTURES LIMITED increased its investment in GLORY WEALTHY CORPORATION LIMITED by US$364,000.

The subsidiary, Beauty Plus Ventures Limited, has participated in the cash capital increase in proportion of the percentage of ownership in Sung Yu Company by $18,609 thousand (USD581 thousand) and $11,454 thousand (USD364 thousand) in 2024 and 2023, respectively, and Sung Yu Company is mainly engaged in general investment.

In November 2018, Deyi Company and Eden Road Company increased their investments in Bright Wisdom Ltd. by US$2,151 thousand and US$416 thousand, respectively, mainly to reinvest in Lucky Apex Ventures Limited (100% shareholding) and indirectly in Anqing Defa Company (100% shareholding). The investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on October 30, 2018. Cash capital increase to be processed in June 2019. However, Tung Ming Company, Deyi Company and Eden Road Company were not recognized in proportion to their shareholdings, resulting in changes in their shareholdings in Bright Wisdom Ltd. of 5.22%, 45.85% and 20.23%, respectively. On January 14, 2020, the board of directors approved the acquisition of 5.22% and 20.23% of the shares of Bright Wisdom Ltd. from subsidiaries Tung Ming Company and Eden Road Company at US$1.0376 per share, respectively, by Deyi Company to indirectly As a result, the shareholding ratio increased from 45.85% to 71.3%. Therefore, the transfer of shareholding was an organizational restructuring under common control.

FOYE INTERNATIONAL CO., LTD. recognized US$2,101 thousand of the increased capital of Anqing Defa Textile Co. without following the shareholding ratio in August, 2022, causing the shareholding ratio to decrease to 83.19% and the company recognized the increase/decrease of cash capital of the subsidiary based on non-holding shares and decreased the retained earnings by NT$2,169 thousand as a reaction.

Approved in the Shareholders' Meeting on November 11, 2022, Bright Wisdom Ltd. increase the capital of FOYE INTERNATIONAL CO., LTD. for US$345 thousand and operated a reduction capital and return assets (Returning using investment by equity method －Lucky Apex） NT$263,290 thousand (US$15,000 thousand) to the specific shareholder.

Shareholding ratio Deyi company occupying Bright Wisdom Ltd. has increased from 53.22% to 61.71% and has 6,880,833 shares of FOYE INTERNATIONAL CO., LTD.

In addition, FOYE INTERNATIONAL CO. purchased treasury stock 4,390,000 shares (1 USD per share) from Deyi company and decrease treasury stock. On November 30, 2022, Deyi company has sold out the rest 2,490,833 shares to non-related parties causing the shareholding ratio to 0%. The transaction price was determined based on the equity value assessment report provided by EVERMORE CONSULTING CO., LTD., an independent consulting company. The evaluation considered the loss of control by the acquiring company over FOYE INTERNATIONAL CO., LTD. and its subsidiary, Anqing Defa Textile Co.

On June 28, 2019, the Company established Deguo Company (60% shareholding) with an unrelated party at a capital of $12,000 thousand, and Deguo Company is mainly engaged in general import and export trade. On March 12, 2020, the board of directors approved the sale of 60% of Deguo Company's shares to Fufa Company for $12,000 thousand, thus the transfer of shares was an organizational restructuring under a jointly controlled entity.

On March 12, 2020, the Board of Directors approved the sale of 60% of the Company's equity interest in De Licacy to its subsidiary, Fufa Company, for NT$12,000 thousand. Therefore, the transfer of ownership is a reorganization under a jointly controlled entity.

On April 20, 2020, the board of directors approved the sale of 91.28% of the equity interest in Tung Ming Company to Fufa Company, a subsidiary, for $258,989 thousand, thus the transfer of equity interest was a reorganization under a jointly controlled entity.

Bright Wisdom Ltd. acquired 19.231% equity interest in Zhejiang Fufa Company and Total Express Ltd. from key management at the end of 2019 for $74,950,000 (US$2,500,000), increasing the shareholding ratio from 80.769% to 100%.

On September 24, 2020, Bright Wisdom Ltd. acquired 100% of the shares of PCL TECHNOLOGIES, INC. from key management for $3,000,000 ($103,000). PCL TECHNOLOGIES, INC. is mainly engaged in general import and export trade. The Consolidated Company recognized goodwill of $552 thousand for the difference between the transfer consideration and the fair value. The fair value was based on the appraisal report of Eternal Asset Consulting Co., Ltd., an independent appraiser of unrelated parties, on the apportionment of corporate equity and acquisition price as of September 30, 2020, and the valuation method was the discounted cash flow method. On September 24, 2020, Bright Wisdom Ltd. increased its investment in PCL TECHNOLOGIES, INC. by $7,000 thousand (US$239 thousand). The above investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 16, 2020, and was approved on October 27, 2020.

On January 14, 2020, the Board of Directors approved the acquisition of 5.22% and 20.23% equity interest in Bright Wisdom Ltd. from its subsidiaries, Dongming and Arden Road, respectively, at US$1.0376 per share to indirectly increase its investment in Zhejiang Fufa and Anqing Fufa, resulting in an increase in shareholding ratio from 45.85% to 71.3%. As a result, the shareholding ratio increased from 45.85% to 71.3%. Therefore, the transfer of shareholding was a reorganization under a jointly controlled entity.

In March 2020, De Licacy Somoa Company indirectly invested $1,572,000 (US$50,000) in Hong Kong Eden Road Company, which is engaged in general import and export trade, through Deyi Company.

The Wanhao Company and Accuratech Company are companies to which the Consolidated Company has no material equity investment, but the Consolidated Company has control over the financial and operating policies of these companies, and therefore the Consolidated Company has control over them and they are included in the preparation of the consolidated financial statements. The Consolidated Company has established Wanhao (SAMOA) and Accuratech (SAMOA) Company in October 2020 to transfer the operating activities of the former Wanhao Company and Accuratech Company. Thousand Well (Samoa) Limited and Fastpower (Samoa) Limited have been liquidated and cancelled in February 2024.

On January 14, 2021, the Board of Directors approved the transfer of 100% of the

Company's shares in Arden Road from Defa to Dei. In March 2021, the Company invested an additional $104,969 thousand ($3,700 thousand) in Arden Road. The main purpose was to repay the loans from related parties. In June 2021, the Company received a refund of NT$88,259 thousand (USD $3,111 thousand) from the capital reduction of Arden Road.

GREEN-TWT. CO., LTD. TAIWAN BRANCH (SAMOA) has invested in Deyi company NT$606,780 thousand (US$20,000 thousand) and NT$138,875 thousand (US$ 5,000 thousand) in 2022 and 2021, using indirect investing in Nantong De Licacy Industrial (100% shareholding). All the investments are approved by MOEAIC in August, 2021.

The Company established NEW LAKE Samo in March 2024, and the main business is general import and export trading.

(2) demerger: None.

(3) Re-invested affiliated companies

Unit: NT$1,000 (or USD)

Re-invested businesses	Main business	Investment Costs	Book Value	Number of Shares		Net value of the equity	Market price	Accounting Treatment	The recent year (2024) Return on Investment		Shareholdings
				Number of shares (1,000)	Equity Percentage				Investment income or loss	Distributed Dividends	
DE LICACY (SAMOA) HOLDINGS CO., LTD. (Note 1)	General Investment Industry	1,829,899	4,460,733	59,404	100	4,551,357	None	Equity-method	362,704	22,453	None
LUCKY UNIQUE ENTERPRISE CO., LTD. (Note 1)	Manufacture and processing of various fiber textile products	174,329	150,230	14,173	23.62	636,031	None	Equity-method	(30,717)	7,086	2,162,459股
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD (Note 1)	General Import and Export Trade	59,878	36,418	5,500	100	69,098	None	Equity-method	3,690	64,477	None
CHADTEX INDUSTRIAL CO.,LTD. (Note 1)	Textile manufacturing, dyeing and finishing, and trading of various textile products	12,155	35,410	2,413	55.06	65,133	None	Equity-method	7,498	16,862	None
DE LICACY OLDINGS CO., LTD . (Note 1)	General Investment Industry	USD 108,040,000	3,695,751	27	100.00	3,693,217	None	Equity-method	312,578	-	None
VIEW BEST GLOBAL LIMITED (Note 1)	General Investment Industry	USD 1,935,000	30,524	1,935	100.00	30,524	None	Equity-method	1,347	-	None
BEST ALLIANCE INTERNATIONAL LIMITED. (Note 2)	General Investment Industry	USD 47,900,000	2,682.272	47,900	100.00	2,651,655	None	Equity-method	206,013	-	None
Vantage Gain Holdings Limited. (Note 2)	General Investment Industry	USD 43,906	1,466	44	73.33	2,000	None	Equity-method	(58,735)	-	None
DE LICACY (ANGUILLA) HOLDINGS CO., LTD. (Note 2)	General Investment Industry	-	-	-	-	-	None	Equity-method	(105)	-	None
DE HONG HOLDINGS CO.,LTD. (Note 2)	General Investment Industry	USD 1,800,000	32,545	1,800	50.00	65,091	None	Equity-method	(2,700)	-	None
New Lake Ltd. (Note 2)	General Import and Export Trade	-	-	-	-	-	None	Equity-method	22,465	-	None
New Lake(SAMOA) Ltd. (Note 2)	General Import and Export Trade	USD 42,500,000	1,342,485	42,500-	100.00	1,342,485	None	Equity-method	(33,034)		None
Beauty Plus Ventures. Limited (Note 2)	General Investment Industry	USD 12,829,807	331,888	12,830	85.00	390,457	None	Equity-method	(8,526)	-	None
Eden Road International Co., Ltd. (Note 3)	General Import and Export Trade	-	-	-	-	-	None	Equity-method	1,690	-	None
HANGZHOU DE LICACY TEXTILE CO.,LTD. (Note 4)	Production and sales of long and short fiber fabric processing and finishing	USD 27,000,000	709,704	27,000	100.00	623,586	None	Equity-method	(61,648)	-	None
Bright Wisdom Holdings Limited (Note 4)	General Investment Industry	USD 8,021,667	541,641	8,022	61.71	857,622	None	Equity-method	133,083	-	None
Hong Kong Eden Road International Co.,Ltd. (Note 4)	General Import and Export Trade	USD 1,050,000	166,851	1,050	100.00	166,851	None	Equity-method	70,221	-	None
Total Express Limited(Note 5)	International Trade Business	USD 1	507,679	-	100.00	507,679	None	Equity-method	238,292	-	None
APEX TEXTILE CO.,LTD	Manufacture and	USD	203,464	13,000	61.71	329,709	None	Equity-	(14,091)	-	None

(Note 5)	sale of textile products and dyeing and finishing	13,000,000						method			
Futures co., Ltd. (Note 5)	General Import and Export Trade	10,000	9,999	1,000	100.00	9,999	None	Equity-method	188	-	None
DE SHEN (CAYMAN) HOLDINGS CO., LTD (Note 6)	General Investment Industry	USD 108,032,701	3,625,195	108,033	100.00	3,625,195	None	Equity-method	305,109	-	None
Vietnam DE LICACY Industrial Co., Ltd. (Note 7)	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials	USD 114,660,489.5	3,719,242	-	100.00	3,816,184	None	Equity-method	337,267	-	None
Perfect Step Ltd. (Note 8)	General Investment Industry	-	-	-	-	-	None	Equity-method	(1,317)	-	None
DE HONG INTERNATIONAL CO.,LTD (DH). (Note 10)	Printing and finishing of various types of garments and cloths	USD 2,500,000	59,791	-	100.00	59,790	None	Equity-method	(1,942)	-	None
ATAGO GARMENT VIET NAM CO., LTD(Note 11)	Garment manufacturing and trading business	USD 1,915,070	30,090	-	30.00	100,298	None	Equity-method	1,358	-	None
Sung Yu Co., Ltd. (Note 10)	General Investment Industry	USD 14,388,289	387,916	-	38.00	1,020,832	None	Equity-method	(11,427)	-	None
APEX (NANTONG) TEXTILE CO.,LTD. (Note 4)	Production and sales of long and short fiber fabric processing and finishing	USD 40,000,000	1,325,144	40,000	100.00	1,325,144	None	Equity-method	75,514	-	None

Note 1: Invested by De Licacy Industrial Co., Ltd.

Note 2: It was invested by De Licacy Somoa Holdings Limited

(1) Vantage Gain Holdings Limited reduced its capital in the year 113 and returned USD 9,666,361 in share capital to Shareholders.

(2) DE LICACY (ANGUILLA) HOLDINGS CO., LTD. carried out liquidation and repatriated investment funds in May 2024. As of December 31, 2024, the related liquidation procedures had not yet been completed.

(3) New Lake Ltd. resolved in December 2024, by a resolution of the Board of Directors, to carry out liquidation and a capital reduction to return share capital. As of December 31, 2024, the related liquidation procedures had not yet been completed.

(4) New Lake (SAMOA) Ltd. was incorporated in March 2024, primarily engaged in general import and export trade.

Note 3: It was invested in by DE-FA International Industrial Co., Ltd. Eden Road International Co., Ltd. resolved in November 2024, by a resolution of the Board of Directors, to carry out liquidation and a capital reduction to return share capital. As of December 31, 2024, the related liquidation procedures had not yet been completed.

Note 4: It was invested by British Virgin Islands Deyi International Co., Ltd.

Note 4: It was invested by BEST ALLIANCE INTERNATIONAL LIMITED

Note5:It was invested by DE LICACY OLDINGS CO., LTD

Note6: It was invested by DE SHEN (CAYMAN) HOLDINGS CO., LTD.

Note7: It was invested in by Vantage Gain Holdings Limited. In 2024, the subsidiary Vantage Gain Holdings Limited carried out a capital reduction and returned NT$287,819 thousand in share capital. In the same year, the Board of Directors resolved in November to sell all shares of Perfect Step Ltd., with disposal proceeds of NT$164,773 thousand and a recognized gain on disposal of NTD104,301 thousand.

Note 8: It was invested by DE HONG HOLDINGS CO., LTD

Note 9: It was invested by VIEW BEST GLOBAL LIMITED

Note 10: It was invested BEAUTY PLUS VENTURES LIMITED

(4) Reorganization: None.

(5) Acquisition or disposal of significant assets:

On January 14, 2020, the board of directors approved the purchase of 1.22% of Fufa Company from its subsidiary Tung Ming Company for $6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%. On March 12, 2020, the board of directors approved the sale of 60% of the shares held by Deguo Company to Fufa Company for $12,000 thousand. On April 20, 2020, the board of directors approved the sale of 91.28% of the shares held by Tung Ming Company to Fufa Company for $258,989 thousand. On June 19, 2020, the Board of Directors approved the sale of 35.94% of Fufa Company to an unrelated party for $195,227 thousand, resulting in a decrease in shareholding to 24.98%. The transaction price was determined by reference to the equity value valuation report of EVERMORE CONSULTING CO., LTD., an independent non-related party, as of March 31, 2020, using the net equity method and the cost-benefit ratio method. The closing of the equity transfer between the seller and the buyer was completed on July 8, 2020, which

resulted in the Consolidated Company losing control of Fufa Company and its subsidiaries.

Changxing Fufa Company had completed the liquidation on October 31, 2020 and remitted the liquidation amount of NT$77,739 thousand (USD2,706 thousand) to Haowang Company on November 30, 2020 and then remitted to De Licacy (Samoa) Holdings Co., LTD.

At the Board of Directors meeting on March 15, the Board approved the re-investment from De Licacy (Samoa) Holdings Co. Ltd. to BEST ALLIANCE INTERNATIONAL LIMITED, and the re-investment in NANTONG DE LICACY TEXTILE TECHNOLOGY CO. This investment project was established due to the proposed demolition, relocation or name change of Hangzhou De Licacy Textile Co., Ltd. And Zhejiang Fu Fa Textile Co., Ltd. The Chairman is authorized to handle the details of this investment within the limit of US$60 million. According to MOEAIC approval letter 11000129360, audited on Aug. 27, 2021 、 approval letter 11100151020, audited on Nov. 3, 2022 and approval letter 1120007510, audited on Feb.13, 2023, They will be invested on December 3, 2021, July 19, 2022, December 12, 2022, May 16, 2023, June 8, 2023 and September 26, 2023 respectively. USD 5,000,000 yuan, USD10,000,000 yuan, USD10,000,000 yuan, USD5,000,000 yuan, USD5,000,000 yuan and USD5,000,000 yuan.

On May 7, 2024, our company, through its wholly owned subsidiary DE LICACY (SAMOA) HOLDINGS CO., LTD., established a new wholly owned investment, NEW LAKE LIMITED (registered in Samoa), with an investment amount of USD 42.5 million.

In response to future development of operation ,expanding oversea production sites, and entering into the wearing apparel business, the Company purchased 27,841 thousands of shares of Lucky Unique Enterprise on January 10, 2025 by $15.5 per share, totally amounting to $431,529 thousand. The percentage of ownership has increased from 23.62% to 70.02%. Lucky Unique Enterprise and its subsidiaries will be included into the consolidated entities since the first quarter of 2025.

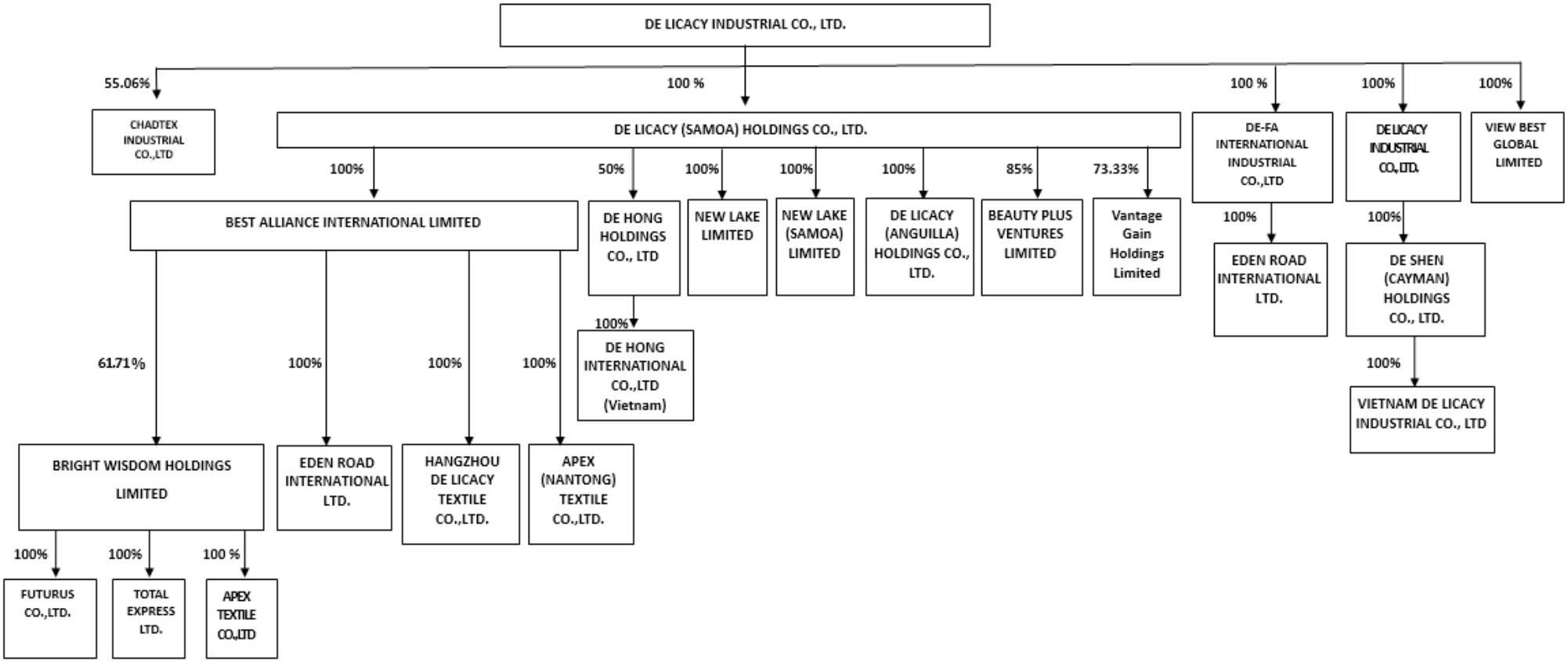
(6) Significant changes in the method of operation or business content: None.

VI. Special Disclosure

(1) Summary of Affiliated Companies:

(一)Consolidated Business Reports of Affiliated Companies

1. Organizational Chart of Affiliated Companies:



2. Profile of each Affiliated Companies:

Unit: NT$1000

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Main business or production items
BEST ALLIANCE INTERNATIONAL LIMITED	1997/04/29	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	1,570,402	General Investment Industry
HANGZHOU DE LICACY TEXTILE CO.,LTD	1997/06/24	Xiasha Economic and Technological Development Zone, Hangzhou, Zhejiang, ChinaM-12-3-1	885,195	Production and sales of long and short fiber fabric processing and finishing
DE LICACY (SAMOA) HOLDINGS CO., LTD	2002/06/24	P.O. Box 217, Apia, Samoa	1,829,899	General Investment Industry
DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	1997/12/01	10F,No.188,Sec.5,Nanjing East Road, Songshan District, Taipei City, Taiwan	55,000	General Import and Export Trade
EDEN ROAD INTERNATIONAL LTD.	1997/08/22	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	--	General Import and Export Trade
CHADTEX INDUSTRIAL CO., LTD.	2004/04/10	No. 240, Sanshe Village, Xinshi Dist., Tainan City	43,824	Textile manufacturing, dyeing and finishing, and trading of various textile products
Vantage Gain Holdings Limited	2004/04/14	P.O.BOX 1225 , Apia , Samoa	1,439	General Investment Industry
BRIGHT WISDOM HOLDINGS LIMITED	2003/12/23	P.O.BOX 217, APIA, SAMOA	426,205	General Investment Industry
APEX TEXTILE CO.,LTD	2006/12/21	167-171 WO YI HOP RD,7/F,FLAT A,KINGSWAY IND,BUILD	426,205	Manufacture and sale of textile products and dyeing and finishing
TOTAL EXPRESS LTD	2008/01/30	P.O. BOX 1239, OFFSHORE INCORPORATIONS CENTRE, VICTORIA, MAHE', REPUBLIC OF SEYCHELLES	--	International Trade Business
De Licacy (Anguilla) Holdings Co., Ltd.	2015/10/16	P.O.Box 850 Offshore Incorporations Centre The Valley Anguilla Vritish West Indies	--	General Investment Industry
DE LICACY OLDINGS CO., LTD.	2015/09/23	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island	3,542,091	General Investment Industry
DE SHEN (CAYMAN) HOLDINGS CO., LTD.	2015/10/09	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	3,541,852	General Investment Industry
VIETNAM DE LICACY INDUSTRIAL CO., LTD	2015/10/07	Plot A_10_CN, Bao Pang Industrial Zone, Bao Pang County, Binh Duong Province	3,759,144	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials
DE HONG HOLDINGS CO.,LTD	2017/01/27	P.O. Box 217, Apia, Samoa	118,026	General Investment Industry
New Lake Ltd.	2017/02/15	Vistra Corporate Services Centre, Albert Lake Drive, The Valley, Anguilla, British West Indies.	--	General Import and Export Trade
VIEW BEST GLOBAL LIMITED	2017/08/18	Ground Floor NPF Building, Beach Road, Apia, Samoa	63,439	General Investment Industry
DE HONG INTERNATIONAL CO.,LTD (DH)	2017/09/11	P.O. Box 217, Apia, Samoa	81,963	Printing and finishing of various types of garments and cloths
Beauty Plus Ventures. Limited	2018/03/26	Vistra Corporate Services Centre, Wickhams Cay II Road Town, Tortola, VG1110, British Virgin Islands	420,625	General Investment Industry
Hong Kong Edin Roda International Co., Ltd.	2019/11/18	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	34,424	General Import and Export Trade

FUTURUS CO., LTD.	2020/04/22	5F-3, No. 188, Sec. 5, Nanjing East Road, Songshan District, Taipei City, Taiwan	10,000	General Import and Export Trade
Nantong De Licacy Industrial Co., Ltd.	2020/07/05	Haian Economic and Technological Development Zone, Lifa Avenue and scenic West Road intersection	1,311,400	Production and sales of long and short fiber fabric processing and finishing
NEW LAKE (SAMOA) LIMITED	2024/03/28	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	1,393,363	General Import and Export Trade

3. Information on the same shareholders presumed to have a relationship of control and subordination: None.

4. The businesses covered by the affiliated companies are: plaid, blended, jacquard, bubble, stretch, chemical fiber, polyester cotton, silk, satin, etc. The Company is engaged in various textile, manufacturing, dyeing and finishing, trading, general import and export business, and general investment business, etc.

5. Information on directors, supervisors and general managers of affiliated companies

Name of the Company	Title(Note 1)	Name or representative	Shareholdings(Note 2)(Note 3)	
			Number of shares	Shareholding %
BEST ALLIANCE INTERNATIONAL LIMITED	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD.	46,900,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
HANGZHOU DE LICACY TEXTILE CO.,LTD	Responsible person	YEH, FU-LIN	0 shares	0.00%
	General Manager	Huang Jingwen	0 shares	0.00%
	Institutional Director	BEST ALLIANCE INTERNATIONAL LIMITED	42,000,000 shares	100.00%
	Representative of Institutional Director	YEH, FU-LIN	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Representative of Institutional Director	Huang Jingwen	0 shares	0.00%
	Institutional Supervisor	BEST ALLIANCE INTERNATIONAL LIMITED	0 shares	0.00%
	Representative of Institutional Supervisor	Wu Zheng-cheng	0 shares	0.00%
	Representative of Institutional Supervisor	YU,I-NENG	0 shares	0.00%
	Representative of Institutional Supervisor	YEH,SHU-JEN	0 shares	0.00%
DE LICACY (SAMOA) HOLDINGS CO., LTD.	Responsible person	YEH,CHIA-MING	--	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	59,404,382 shares	100.00%
	Representative of Institutional Director	YEH, FU-LIN	--	0.00%
DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	Responsible person	YEH, FU-LIN	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	5,500,000 shares	100.00%
	Representative of Institutional Directo	YEH,CHIA-MING	0 shares	0.00%

Edem Road International Co., Ltd.	Responsible person	YEH,CHIA-HAO	--	0.00%
	Institutional Director	DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD	639,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	--	0.00%
CHADTEX INDUSTRIAL CO., LTD.	Responsible person	TSAI,CHI-HSIU	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	2,412,968shares	55.06%
	Representative of Institutional Director	TSAI,CHI-HSIU	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Institutional Director	CHIA HER INDUSTRIAL CO., LTD.	1,470,937 shares	33.56%
	Representative of Institutional Director	Weng, Weixiang	0 shares	0.00%
	Institutional Supervisor	Jiuxin Industrial Co., Ltd.	290,371 shares	0.00%
	Representative of Institutional Supervisor r	Weng, MAO-CHIN	0 shares	0.00%
Vantage Gain Holdings Limited	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD.	43,906 shares	73.33%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
Apex Textile Co.,Ltd.	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	General Manager	YEH,SHU-JEN	0 shares	53.22%
	Institutional Director	BRIGHT WISDOM HOLDINGS LIMITED	13,000,000 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Representative of Institutional Director	YEH,SHU-JEN	0 shares	0.00%
	Representative of Institutional Supervisor	BRIGHT WISDOM HOLDINGS LIMITED	0 shares	0.00%
	Institutional Supervisor	Wu Zheng-cheng	0 shares	0.00%
	Institutional Supervisor	TSAI,WEI-CHEN	0 shares	
Gain Faith Investments Ltd	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Directors	YEH,CHIA-MING	0 shares	0.00%
	Directors	KUO,CHUN-HSIUNG	0 shares	0.00%
BRIGHT WISDOM (SAMOA) HOLDINGS LIMITED	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,SHU-JEN	0 shares	0.00%
TOTAL EXPRESS LTD	Responsible person	YEH, FU LIN	0 shares	0.00%
	Directors	YEH, FU LIN	0 shares	0.00%
	Directors	YEH,SHU-JEN	0 shares	0.00%
De Licacy (Anguilla) Holdings Co., Ltd.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD.	0 shares	100.00%
DE LICACY OLDINGS CO., LTD.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	USD108,040,000元 (Equivalent to 27,010shares)	100.00%
DE SHEN (CAYMAN) HOLDINGS CO., LTD	Responsible person	YEH,CHIA-MING	0 shares	0.00%

	Institutional Director	DE LICACY OLDINGS CO., LTD.	USD108,032,701shares	100.00%
VIETNAM DE LICACY INDUSTRIAL CO., LTD	Responsible person	YEH,WEI-LI	0 shares	0.00%
	Institutional Director	DE SHEN (CAYMAN) HOLDINGS CO., LTD.	USD114,660,489.50元	100.00%
DE HONG HOLDINGS CO.,LTD.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD.	1,800,000 shares	50.00%
	Directors	HSIAO,YU-SHAN	0 shares	0.00%
	Directors	HSIAO,YIN-CHEN	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
New Lake Ltd.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD	0 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
VIEW BEST GLOBAL LIMITED	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	USD1,935,000 shares	100.00%
DE HONG INTERNATIONAL CO.,LTD (DH)	Responsible person	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	DE HONG HOLDINGS CO.,LTD.	USD2,500,000	100.00%
BEAUTY PLUS VENTURES LIMITED	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD	12,829,807 shares	85.00%
	Directors	CHO SIU KWAN	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Directors	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,WEI-LI	0 shares	0.00%
EDEN ROAD INTERNATIONAL LTD(HK)	Responsible person	YEH FU LIN	--	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	1,050,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	--	0.00%
FUTURUS CO., LTD.	Responsible person	YEH FU LIN	0 shares	0.00%
	Institutional Director	BRIGHT WISDOM (SAMOA) HOLDINGS LIMITED	1,000,000 shares	100.00%
APEX (NANTONG) TEXTILE CO.,LTD.	Responsible person	YEH,SHU-JEN (also serving as General Manager	0 shares	0.00%
	Institutional Director	BEST ALLIANCE INTERNATIONAL LIMITED	40,000,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Representative of Institutional Director	YEH, FU LIN	0 shares	0.00%
	Representative of Institutional Director	YEH,SHU-JEN	0 shares	0.00%
	Institutional Director	TSAI,WEI-CHEN	0 shares	0.00%
	Representative of Institutional Supervisor	BEST ALLIANCE INTERNATIONAL LIMITED YEH,Junde	0 shares	0.00%
NEW LAKE (SAMOA) LIMITED	Responsible person	YEH,CHIA-MING	0 shares	0.00%

	Institutional Director	DE LICACY (SAMOA) HOLDINGS CO., LTD.	42,500,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%

Note1: If the affiliated company is a foreign company, the position is listed as equivalent.

Note2: If the investee company is a limited company, please enter the number of shares and the percentage of shareholding; for others, please enter the amount of capital and the percentage of capital contribution and specify.

Note3: If the director or supervisor is a legal entity, the relevant information of the representative should be disclosed.

6. Business Overview of Affiliates

Name of the Company	Capital	Total assets	Total liabilities	Net Value	Operating revenue	Operating profit (losses)	Net income (loss) (after tax)	Net earnings per share (NT$)(after-tax)
BEST ALLIANCE INTERNATIONAL LIMITED	1,570,402	2,745,375	93,720	2,651,655	--	(152)	206,013	4.30
HANGZHOU DE LICACY TEXTILE CO.,LTD.	885,195	1,382,138	758,552	623,586	108,025	(89,822)	(84,859)	(3.14)
DE LICACY (SAMOA) HOLDINGS CO., LTD.	1,829,899	4,609,183	57,826	4,551,357	68,702	3,025	358,239	6.03
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD	55,000	200,334	131,236	69,098	269,270	(25,444)	1,064	0.19
EDEN ROAD INTERNATIONAL LTD	--	--	--	--	--	(1,311)	1,690	--
DE LICACY (ANGUILLA) HOLDINGS CO., LTD.	--	--	--	--	--	(89)	(105)	--
HANGZHOU DE LICACY TEXTILE CO.,LTD.	43,824	316,176	251,043	65,133	169,605	(20,518)	(13,930)	(3.18)
Vantage Gain Holdings Limited	1,439	2,557	557	2,000	--	(197)	80,097	1,824.29
BRIGHT WISDOM HOLDINGS LIMITED	426,205	857,622	0	857,622	0	(87)	202,404	16.95
APEX TEXTILE CO.,LTD	426,205	720,332	390,623	329,709	1,499,600	(45,041)	(22,496)	(1.73)
TOTAL EXPRESS LTD.	--	559,718	52,039	507,679	2,364,887	243,200	242,666	--
DE LICACY OLDINGS CO., LTD	3,542,091	3,701,966	8,749	3,693,217	--	(103)	309,893	2.87
DE SHEN (CAYMAN) HOLDINGS CO., LTD.	3,541,852	3,822,291	197,096	3,625,195	--	(2,619)	305,109	2.82
VIETNAM DE LICACY INDUSTRIAL CO., LTD	3,759,144	6,002,773	2,186,589	3,816,184	4,344,423	493,195	337,267	2.94
DE HONG HOLDINGS CO.,LTD.	118,026	71,691	6,600	65,091	4,676	(4,362)	(5,400)	(3.00)
NEW LAKE LTD	--	--	--	--	(13,525)	2,455	22,465	--
VIEW BEST GLOBAL LIMITED	63,439	30,524	--	30,524	--	(43)	1,347	0.70
DE HONG INTERNATIONAL CO.,LTD (DH)	81,963	76,085	16,295	59,790	33,038	(1,070)	(1,942)	(0.78)
BEAUTY PLUS VENTURES LIMITED	420,625	390,457	--	390,457	--	(136)	(10,030)	(0.78)
FUTURUS CO., LTD.	10,000	10,551	552	9,999	34,801	(992)	221	0.22
EDEN ROAD INTERNATIONAL LTD(HK)	34,424	205,326	38,475	166,851	358,633	58,761	70,221	66.88
APEX (NANTONG) TEXTILE CO.,LTD.	1,311,400	3,873,847	2,548,703	1,325,144	2,953,739	88,174	75,514	1.89
NEW LAKE (SAMOA) LIMITED	1,393,363	1,383,638	41,153	1,342,485	--	(94,994)	(33,034)	(0.78)

Note 1: All affiliated companies should be disclosed regardless of their size.

Note 2: If the related party is a foreign company, the relevant figures should be presented in New Taiwan dollars using the exchange rate as of the reporting date.

(二)Consolidated Financial Statements of Affiliated Companies:

For the year 2024 (from January 1, 2024 to December 31, 2024), the companies that should be included in the preparation of consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies, Consolidated Financial Statements of Affiliated Companies, and Related Party Reports" are the same as those that should be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with SFAS No. 7. The information required to be disclosed in the consolidated financial statements of the related companies has been disclosed in the consolidated financial statements of the former parent and subsidiary. Hence, the Company will not prepare separate consolidated financial statements of affiliated companies.

(三) Affiliation Reports: Not applicable.

2. Private Placement Securities during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report:

None.

3. Other Necessary Supplementary Notes: None

VII. In the event of any matter which has had a significant impact on shareholders rights or the price for the securities referred to Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, items should be stated in order: None.

DE LICACY INDUSTRIAL CO., LTD.

Chairman YEH,CHIA-MING