Stock Code: 1464

DE LICACY INDUSTRIAL CO., LTD.

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2025 Annual Report

MaR.31, 2026

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, Taishin Securities Corporation
   Address：B1, No. 96, Section 1, Jianguo North Road, Zhongshan District, Taipei City, Taiwan
   Tel：(02)2504-8125
   Website：https://www.tssco.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 fiscal year 2025, the Company achieved a record-high annual revenue of NT$12.5 billion, driven in part by changes in tariff policies. Nevertheless, due to the appreciation of the New Taiwan Dollar and subpar performance in the apparel segment, net profit for the year amounted to only NT$55,552 million, resulting in an earnings per share (EPS) of 0.35.

1. Production and Sales Overview:

(1) Production: In fiscal year 2025, spun fabric production totaled 13,895 thousand yards, a decrease of 10.89% from 15,593 thousand yards in fiscal year 2024. Filament fabric production reached 124,080 thousand yards, an increase of 0.11% compared to 123,948 thousand yards in 2024. Garment output amounted to 5,299 thousand pieces.

(2) Sales: In fiscal year 2025, spun fabric sales totaled 13,339 thousand yards, a decrease of 15.91% from 15,863 thousand yards in fiscal year 2024. Filament fabric sales amounted to 110,937 thousand yards, a decrease of 17.53% from 134,524 thousand yards in 2024. Garment sales totaled 5,537 thousand pieces.

2. Operational Overview:

In fiscal year 2025, consolidated net operating revenue amounted to NT$12,574,863 thousand, representing a growth of 4.84% compared to NT$11,994,022 thousand in fiscal year 2024. However, consolidated net profit after tax was only NT$55,552 thousand, a decrease of 89.23% from NT$515,650 thousand in fiscal year 2024.

For fiscal year 2026, the Company's main business strategy focuses on the development of environmentally friendly, functional, and fashion-forward products that meet sustainability requirements. The Company actively collaborates with upstream raw material suppliers to develop new recycled materials and eco-friendly auxiliaries. By integrating in-house capabilities in false-twist texturizing, weaving, dyeing, finishing, and post-processing lamination and coating technologies, the Company aims to enhance product quality and added value.

In terms of production technology, the Company continues to promote transformation and upgrading. For spun fabrics, the focus will be on producing long-fiber YD fabrics, fine-count cotton fabrics, and innovative blended long-short fiber fabrics, combining functionality with fashion, casual, and comfort features. For filament fabrics, the emphasis will be on high-tech innovation, developing lighter, more elastic, and comfortable functional products that are environmentally friendly, thereby strengthening market competitiveness.

The Company's Future Development Strategy：

1. Deepen Brand Customer Cooperation and Improve Business Stability

We will continue strengthening strategic partnerships with brand customers and actively establish direct cooperation with end buyers (Final Buyers) to increase sales volume and order stability. This aims to fully capture core and potential markets, including GOLF products, UNIFORM products, sports functional products, special abrasion-resistant products, and sustainable products (ocean-recycled fabric series).

Key product directions include:

I. Recycled and bio-based material fabrics
II. Cooling and body temperature-regulating technology fabrics
III. Lightweight, warm fabrics suitable for urban outdoor use

2. Lightweight, warm fabrics suitable for urban outdoor use

Long-fiber products: Focus on elastic sports fabrics (high recovery, high support), soluble yarns, and lightweight brushed fabrics.

Short-fiber products: Promote elastic shirt fabrics, flannel, blended post-dye fabrics, woven fabrics with knit-like hand feel, four-way stretch functional fabrics, thin brushed fabrics, and hollow-fiber structure fabrics. Supply chain integration and process optimization will enhance delivery efficiency and quality stability.

3. Develop Functional Fabrics and Expand Global Markets

Actively expand functional home furnishing fabrics, apparel fabrics, sports, and outdoor fabrics.

Home furnishing fabrics: Focus on China, Northern Europe, and Italy, with BVB yarns and wool-based yarns as main products, emphasizing low-carbon production and recyclability.

Apparel market: Target North American and European brand customers, with applications covering Sports, Casual, Fashion, Yoga, Outerwear, Urban Outdoor, Lightweight but Warm, abrasion-resistant, durable designs, and PFC-Free water-repellent fabrics, enhancing multifunctional product value.

4. Expand Sales Channels and Strengthen Market Coverage

Maintain existing brand and channel partnerships while actively exploring e-commerce brands and regional emerging brands. Implement a Quick Response Model to respond to 2026 market trends, shorten development-to-production cycles, and improve order success rates and market penetration.

5. Enhance R&D and Product Innovation Capabilities

Continuously strengthen R&D and product innovation to accelerate differentiated product development, improving quality and stability to enhance market competitiveness. In response to ASEAN's seven-country duty-free garment policy, focus on high-value functional products such as cooling fabrics, high-elasticity/high-recovery yarns, anti-pilling, and high-durability fabrics. Increase traceable and sustainable material usage, combining with the circular economy trend to create products with both innovation and sustainability value.

6. Develop Sports and Leisure Products to Enhance Environmental Adaptability

Actively develop a sports and leisure product line to improve adaptability across different environments and climates. Products include knit-like elastic fabrics, Tencel-cotton hand-feel processed yarns, high-elasticity/high-recovery yarns, and brushed blended elastic fabrics, balancing comfort and functionality, supporting a "Work × Leisure × Sport" multi-scenario approach, and increasing product value and market competitiveness.

7. Promote Environmental Sustainability in Line with Global Trends

Continue environmental and sustainable strategies by fully incorporating recycled polyester and bio-based materials, increasing the use of fluorine-free water-repellent technology, and implementing ESG management and carbon footprint transparency.

Expand eco-functional fabrics for sports applications, gradually increasing the proportion of sustainable products and aligning with international brand sustainability policies to strengthen long-term competitiveness.

8. Strengthen Competitiveness of the Vietnam Production Base

Continuously enhance the competitiveness of the Vietnam production base, establish a complete local supply chain, shorten delivery times, and improve rapid response capabilities. Through technical cooperation with Japanese trading companies, introduce advanced production processes and quality management experience, improving product quality standards and added value. Support immediate development and small-batch diverse demands from European and American brands, enhance capabilities in flexible and functional fabrics, and increase global deployment efficiency and market expansion momentum.

The Company conducts its operations in full compliance with the applicable laws and regulations of both domestic and overseas investment jurisdictions. The management team will continue to closely monitor any policy or legal changes that may affect the Company's financial performance and business operations. Efforts will be maintained to ensure that products and quality systems meet international regulatory requirements and obtain relevant certifications, thereby enhancing positive operational outcomes.

As we enter the new fiscal year, despite facing various challenging environments, the Company is confident in its ability to overcome obstacles. We sincerely invite our shareholders and board members to continue their support and guidance. The management team will strive to pursue stable growth and deliver improved performance.

Lastly, we wish all shareholders

good health and all the best

Chairman YEH,CHIA-MING

I. Business Report of the Previous Year (2025)

(1) Business Plan Implementation Results:

Unit:; NT$1,000

Year / Items	2025	2024	Increase (decrease) Amount	Changes ratio %
Net sales revenue	12,320,832	11,856,797	464,035	3.91
Other operating revenue	254,031	137,225	116,806	85.12
Total operating revenue	12,574,863	11,994,022	580,841	4.84
Operating costs	10,144,640	9,727,851	416,789	4.28
Gross profit	2,430,223	2,266,171	164,052	7.24
Realized operating margin	2,430,223	2,266,171	164,052	7.24
Sales and marketing	721,982	791,469	(69,487)	(8.78)
General and administrative	908,416	934,813	(26,397)	(2.82)
Research and development	324,336	220,441	103,895	47.13
The expected credit loss impairment	124,546	11,746	112,800	960.33
Total operating expenses	2,079,280	1,958,469	120,811	6.17
Other income and expenses	11,278	284,438	(273,160)	(96.03)
Operating net profit(net loss)	362,221	592,140	(229,919)	(38.83)
Total non-operating income and expenses	(182,124)	94,070	(276,194)	(293.60)
Net income (loss) before income tax	180,097	682,210	(506,113)	(73.75)
Total income tax expense (income)	124,545	170,560	(46,015)	(26.98)
Current net income (loss)	55,552	515,650	(460,098)	(89.23)
Other comprehensive income (Income after tax)	(322,357)	221,089	(543,446)	(245.80)
Current total comprehensive income	(266,805)	736,739	(1,003,544)	(136.21)

Production and sales:

① Production：In 2025, production of staple fiber fabrics totaled 13,895 thousand yards, representing a 10.90% decrease compared with 15,593 thousand yards in 2024. Production of filament fiber fabrics totaled 124,080 thousand yards, representing a 0.10% increase compared with 123,948 thousand yards in 2024. Garment production totaled 5,299 thousand pieces.

② Sales: In 2025, sales of staple fiber fabrics amounted to 13,339 thousand yards, representing a 15.89% decrease compared with 15,863 thousand yards in 2024. Sales of filament fiber fabrics amounted to 110,937 thousand yards, representing a 17.53% decrease compared with 134,524 thousand yards in 2024. Garment sales totaled 5,537 thousand pieces.

(2) Budget execution status: Not applicable

(3) Financial Revenue and Expenditure and Analysis of Profitability

CUnit: %

Item		2025	2024
Financial structure	Debt to asset ratio (%)	66.15	63.23
	Long-term capital to fixed assets ratio (%)	133.81	153.50
Solvency	Current ratio	115.32	132.65
	Quick ratio	52.60	61.73
	Interest coverage ratio	1.72	4.21

Profitability	Return on assets (%)		1.57	4.41
	Shareholders Return on equity (%)		0.95	8.95
	Percentage of paid-in capital (%)	Operating profit	8.08	14.53
		Net profit before tax	4.23	16.83
	Net profit ratio (%)		0.44	4.30
	Earnings per share (NT$)		0.35	0.99

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

II. Overview of Business Plan of the Current Year (2026)

The business direction for 2026 focuses on developing environmentally friendly products that meet sustainability requirements while combining functionality and fashion trends. The company will actively collaborate with upstream raw material suppliers to develop recycled and eco-friendly new materials and additives. By integrating the technical advantages of twisting, weaving, dyeing and finishing, as well as post-processing laminationand coating equipment, we aim to improve product quality and added value.

In terms of production technology, transformation and upgrading will continue. Short-fiber fabrics will focus on producing long-fiber YD fabrics, fine-count cotton fabrics, and new long-short fiber blended fabrics, combining fashion, casual, and comfort for multifunctional use. Long-fiber fabrics will emphasize high-tech innovation, developing lighter, highly elastic, and comfortable functional products while maintaining environmental sustainability, thereby enhancing market competitiveness.

(1) Business Policies and Key Production & Marketing Strategies

1.Deepen Brand Customer Cooperation and Improve Business Stability

We will continue strengthening strategic partnerships with brand customers and actively establish direct cooperation with end buyers (Final Buyers) to increase sales volume and order stability. This aims to fully capture core and potential markets, including GOLF products, UNIFORM products, sports functional products, special abrasion-resistant products, and sustainable products (ocean-recycled fabric series).

Key product directions include:

I. Recycled and bio-based material fabrics
II. Cooling and body temperature-regulating technology fabrics
III. Lightweight, warm fabrics suitable for urban outdoor use

2.Lightweight, warm fabrics suitable for urban outdoor use

Long-fiber products: Focus on elastic sports fabrics (high recovery, high support), soluble yarns, and lightweight brushed fabrics.

Short-fiber products: Promote elastic shirt fabrics, flannel, blended post-dye fabrics, woven fabrics with knit-like hand feel, four-way stretch functional fabrics, thin brushed fabrics, and hollow-fiber structure fabrics. Supply chain integration and process optimization will enhance delivery efficiency and quality stability.

3.Develop Functional Fabrics and Expand Global Markets

Actively expand functional home furnishing fabrics, apparel fabrics, sports, and outdoor fabrics.

Home furnishing fabrics: Focus on China, Northern Europe, and Italy, with BVB yarns and wool-based yarns as main products, emphasizing low-carbon production and recyclability.

Apparel market: Target North American and European brand customers, with applications covering Sports, Casual, Fashion, Yoga, Outerwear, Urban Outdoor, Lightweight but Warm, abrasion-resistant, durable designs, and PFC-Free water-repellent fabrics, enhancing multifunctional product value.

4.Expand Sales Channels and Strengthen Market Coverage

Maintain existing brand and channel partnerships while actively exploring e-commerce brands and regional emerging brands. Implement a Quick Response Model to respond to 2026 market trends, shorten development-to-production cycles, and improve order success rates and market penetration.

5.Enhance R&D and Product Innovation Capabilities

Continuously strengthen R&D and product innovation to accelerate differentiated product development, improving quality and stability to enhance market competitiveness. In response to ASEAN's seven-country duty-free garment policy, focus on high-value functional products such as cooling fabrics, high-elasticity/high-recovery yarns, anti-pilling, and high-durability fabrics. Increase traceable and sustainable material usage, combining with the circular economy trend to create products with both innovation and sustainability value.

6.Develop Sports and Leisure Products to Enhance Environmental Adaptability

Actively develop a sports and leisure product line to improve adaptability across different environments and climates. Products include knit-like elastic fabrics, Tencel-cotton hand-feel processed yarns, high-elasticity/high-recovery yarns, and brushed blended elastic fabrics, balancing comfort and functionality, supporting a "Work × Leisure × Sport" multi-scenario approach, and increasing product value and market competitiveness.

7.Promote Environmental Sustainability in Line with Global Trends

Continue environmental and sustainable strategies by fully incorporating recycled polyester and bio-based materials, increasing the use of fluorine-free water-repellent technology, and implementing ESG management and carbon footprint transparency. Expand eco-functional fabrics for sports applications, gradually increasing the proportion of sustainable products and aligning with international brand sustainability policies to strengthen long-term competitiveness.

8.Strengthen Competitiveness of the Vietnam Production Base

Continuously enhance the competitiveness of the Vietnam production base, establish a complete local supply chain, shorten delivery times, and improve rapid response capabilities. Through technical cooperation with Japanese trading companies, introduce advanced production processes and quality management experience, improving product quality standards and added value. Support immediate development and small-batch diverse demands from European and American brands, enhance capabilities in flexible and functional fabrics, and increase global deployment efficiency and market expansion momentum.

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

Main Products	Long-fiber fabrics	Short-fiber fabrics	Garments
Expected sales quantity this year	122,031 thousand yards	6,670 thousand yards	5,000 thousand pieces

Responsible Person: Chia-Min Yeh Manager: Yi-Nung Yu Accounting Supervisor: Hsiu-Fen Huang

II.Corporate Governance Report

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

1. Directors' Information (1)

March. 31, 2026

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	3,638,831	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	3,075,844	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	33,200,299	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	0	0.00	623	--	--	--	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	--	14,122	--	--	--	--	--	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	

Note1: 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.

Note2: Please list the actual age and express it in intervals, such as 41-50 years or 51-60 years.

Note3: 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.

Note4: 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.

Note5: 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. ：None

Note6: Chairman Yeh Chia-Ming currently concurrently serves as the Chairman of Fu-Fa International Investment Co. Ltd., Well Unique Enterprise Co., Ltd., Yongyi Investment Co., Ltd., and Huarong Trade Co., Limited; the legal representative and Chairman of DNE Energy Inc.; the legal representative 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., Lucky Unique Enterprise Co., Ltd., Fortune Star International Trading Limited, and Well & David Corp.; the legal representative and responsible person of View Best Global Limited, Beauty Plus Ventures Limited, and New Lake (Samoa) Limited; a director of Fuhua Investment Co., Ltd. and Fuson International Co., Ltd.; the responsible person of De Shen (Cayman) Holdings Co., Ltd., De Licacy Holdings Co., Ltd., De Hong Holdings Co., Ltd., and PT Delight Industrial Indonesia; and a supervisor of Tung Ming Textile Co., Ltd.

Note7: Mr. Yeh Chia-Hao currently serves as Vice Chairman of our company. He is also Chairman of Fuson International Co., Ltd. and Apex Textile Co., Ltd., where he serves as the corporate director representative. In addition, he holds corporate director positions at Hangzhou De Licacy Textile Co., Ltd., DNE Energy Inc., and Apex (Nantong) Textile Co., Ltd.; director positions at Fuhua Investment Co., Ltd., Fu-Fa International Investment Co. Ltd., Well Unique Enterprise Co., Ltd., and Beauty Plus Ventures Limited;

corporate supervisor representative roles at Deyang Co., Ltd., Sheng-Bo Technology Corp., Deri Company, and Dexing Company; and serves as an independent director at Brinno Incorporated.

Note8 : Mr. Yu I-Neng, Corporate Director Representative of Fuhua Investment Co., Ltd., currently serves as the General Manager of our company. He also serves as Corporate Supervisor Representative of Hangzhou De Licacy Textile Co., Ltd.; Supervisor of Fuhua Investment Co., Ltd., Fu-Fa International Investment Co. Ltd., Fuson International Co., Ltd., Huarong Trade Co., Ltd., DE Kao Trading Co., Ltd., Rights Industry Equity (Stock) Co., Ltd., and Delight Industrial Co., Ltd.; Responsible Person of Future Tycoon Holdings Co., Ltd. and Future Tycoon Enterprise Co., Ltd.; and Corporate Director Representative of Luck Unique 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, Independent Director, currently serves as Director and General Manager of HONE-STRONG INDUSTRIAL CO., LTD.; Director of Beauty-Strong Dyeing & Finishing Co., Ltd.; and 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 supervisor of LAIEN PARTS TECHNOLOGY CO., LTD.

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

Table 1: Major shareholders of the institutional shareholders

March. 31, 2026

Name of Institutional Shareholders	Major shareholders of the juristic persons
Fuhua Investment Co., Ltd.	YEH,WEI-LI (10.11%), Chenxi International Investment Co., Ltd. (89.89%)

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

March. 31, 2026

Name of Institutional Shareholders	Major shareholders of the juristic persons
Chenxi International Investment Co., Ltd.	YEH,WEI-LI(94%)、HUNG,SHEN-I(0.5%)、YEH-CHEN-RUI(5.5%)

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 corresp onding 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					
		Nationality	Gender	Employee identity	Age			Years served as an independent director (under 3 years)	law	Industry	Accountingand 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
					41-50 years old	51-60 years old	61-70 years old										
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 2025, 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).

(3) Where the proportion of directors of either gender on the Company's Board of Directors is less than one-third, the reasons therefor and the measures adopted to enhance gender diversity on the Board are explained as follows:

Reason: The Company currently has two female directors. Although this complies with the relevant laws and regulations currently in force, the proportion has not yet reached one-third. The composition of the Board primarily takes into consideration candidates' professional backgrounds, experience, level of participation in the Company's future development, and potential contributions, without imposing specific gender ratio restrictions.

Measures Adopted: The Company will give priority consideration to female candidates in the future and actively seek female professionals with industry experience to join the Company, with a view to enhancing corporate governance effectiveness and implementing the Board diversity policy. Achieving a minimum of one-third representation of either gender on the Board will be established as a medium-term objective.

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 Supervisor,De Kao Trading Co., Ltd. Supervisor, Rights Industry Equity (Stock) Co., Ltd. Supervisor, Delight Industrial CO., LTD. Representative of Institutional Supervisor, Hangzhou Delicacy Textile Co.,Ltd. Responsible Person, Future Tycoon Holdings Co., Ltd. Responsible Person, Future Tycoon Enterprise Co., Ltd. Rresentative of the institutional director , LUCKY UNIQUE ENTERPRISE CO.,LTD.	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.	None	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 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)	The Company		Companies in the consolidated financial		The Company	Companies in the consolidated financial statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	YEH,CHIA-MING	0	0	0	0	527	2,112	190	1,520	717 0.48%	3,632 2.42%	2,791	14,870	0	0	0	0	0	0	3,508 2.34%	18,502 12.33%	None
Director	YEH,CHIA-HAO	0	0	0	0	527	1,959	190	630	717 0.48%	2,589 1.72%	0	5,927	0	0	0	0	0	0	717 0.48%	8,516 5.67%	None
Institutional Director	Fuhua Investment Co., Ltd. Representative: YU,I-NENG	0	0	0	0	527	1,387	210	813	737 0.49%	2,200 1.47%	2,485	8,211	0	0	0	0	0	0	3,222 2.15%	10,411 6.94%	None
Independent Director	HUANG,CHUN-JEN	0	0	0	0	250	250	360	360	610 0.41%	610 0.41%	0	0	0	0	0	0	0	0	610 0.41%	610 0.41%	None
Independent Director	SU,PO-CHENG	0	0	0	0	250	250	360	360	610 0.40%	610 0.40%	0	0	0	0	0	0	0	0	610 0.40%	610 0.40%	None
Independent Director	HUANG,SHIH-YING	0	0	0	0	250	250	260	260	510 0.34%	510 0.34%	0	0	0	0	0	0	0	0	510 0.34%	510 0.34%	None
Independent Director	TSAI,LI-JU	0	0	0	0	250	250	260	260	510 0.34%	510 0.34%	0	0	0	0	0	0	0	0	510 0.34%	510 0.34%	None
Total		0	0	0	0	2,581	6,458	1,830	4,203	4,411 2.94%	10,661 7.10%	5,276	29,008	0	0	0	0	0	0	9,687 6.46%	39,669 26.43%	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	YEH,CHIA-MING YEH,CHIA-HAO Representative of Fuhua Investment Co., Ltd.: YU,I-NENG HUANG,CHUN-JEN	HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU	YEH,CHIA-HAO HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU	HUANG,CHUN-JEN SU,PO-CHENG HUANG,SHIH-YING TSAI,LI-JU

	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-HAO Representative of Fuhua Investment Co., Ltd.: YU,I-NENG	Representative of Fuhua Investment Co., Ltd.: YU,I-NENG	
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)		YEH,CHIA-MING	YEH,CHIA-MING	
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)				YEH,CHIA-HAO
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)				Representative of Fuhua Investment Co., Ltd.: YU,I-NENG
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				YEH,CHIA-MING
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 (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	2,128	3,904	0	0	357	4,307	0	0	0	0	2,485 1.66%	8,211 5.47%	None
Deputy General Manager, Production Department	TSAI,CHI-HSIU	1,554	1,794	0	0	279	2,814	0	0	0	0	1,833 1.22%	4,608 3.07%	None
Total		3,682	5,698	0	0	636	7,121	0	0	0	0	4,318 2.88%	12,819 8.54%	

*** 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)		TSAI,CHI-HSIU
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)		YU,I-NENG
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 people	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).

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:

	2024 Ratio of total remuneration to net income after tax (%)		2025 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	15,691 3.72%	53,135 12.59%	9,687 6.46%	39,669 26.43%
General Manager and Deputy General Manager	4,236 1.00%	13,386 3.17%	4,318 2.88%	12,820 8.54%

(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 (2025.01.01~2026.03.31), 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	7	1	87.50	
Independent Director	HUANG,CHUN-JEN	7	1	87.50	
Independent Director	SU,PO-CHENG	8	0	100.00	
Independent Director	HUANG,SHIH-YING	8	0	100.00	
Independent Director	TSAI,LI-JU	7	1	87.50	

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 20&46-48 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
2025/06/10 18th Board 14th Meeting	Chairman YEH, CHIA-MING Vice Chairman YEH, CHIA-HAO	Acknowledgement Case 1 Ratification of the acquisition of rooftop solar power generation equipment from a related party.	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.
2025/12/24 18th Board 18th Meeting	Chairman YEH, CHIA-MING Vice Chairman YEH, CHIA-HAO	Discussion matters Case 2 Discussion on the distribution of 2025 annual bonus for the general manager,YU,I-NENG. 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	Discussion matters Case 3 Discussion on the distribution of 2025 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	Discussion matters Case 5 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.

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

2025/12/24 18th Board 18th Meeting	Representative of institutional director and general manager YU, I-NENG	Discussion matters Case 6 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.
	Representative of institutional director and general manager YU, I-NENG	Discussion matters Case 16 Proposal for the Company to acquire 100% equity of Future Tycoon Holdings Co., Ltd.	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	2025.01. 01～2025.12. 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 Performance Evaluation by External Professional Organizations
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 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 and Performance Evaluation by External Professional Organizations for 2025.

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.

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

(4).For 2025 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-19th Board Meeting held at March 5, 2026.

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 (2025.01.01~2026.03.31), there are 8 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	1	87.50	
Independent Director	SU,PO-CHENG	8	0	100.00	
Independent Director	HUANG,SHIH-YING	8	0	100.00	
Independent Director	TSAI,LI-JU	7	1	87.50	

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. 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 proposal for the 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. May 09.2025 (3nd Committee 11th Meeting) Audit Committee:
   (1) Discussions on 2025 Q1 consolidated financial statements.
   (2) Discussion on the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE CO., LTD.
   (3) Discussion on the endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED(Place of registration: Hong Kong).
   (4) Discussion on the endorsement and guarantee for Vietnam DE LICACY INDUSTRIAL CO., LTD.
   (5) Discussion on the Delicacy donate TWD 3 million to Delicacy foundation.
   (6) No longer going to the mainland to invest in APEX (NANTONG) TEXTILE CO.,LTD. to discuss the project.
   (7) Discussion on Investment Discussion in Indonesia.
   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.June 10.2025 (3nd Committee 12th Meeting) Audit Committee

(1) Ratification of the acquisition of rooftop solar power generation equipment from a related party.

(2) Discussion on the endorsement and guarantee for Vietnam DE LICACY INDUSTRIAL 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.

4. August 08.2025 (3nd Committee 13th Meeting) Audit Committee

(1) Discussion on the Company's second quarter of 2025consolidated financial statements.

(2) Discussion on the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE CO., LTD.

(3) Discussion on the endorsement and guarantee for WELL & DAVID CORP.

(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 2024 corporate sustainability report

(7) Discussion on amending the company's "Rules of Procedure for Board of Directors Meetings."

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. September 05.2025 (3nd Committee 14th Meeting) Audit Committee

(1) Discussion on loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD.

(2) Discussion on the endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL 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.

6. November 6, 2025 (3nd Committee 15th Meeting) Audit Committee:

(1) Ratification of the endorsement and guarantee provided for APEX (NANTONG) TEXTILE CO.,LTD.

(2) Discussion on the Company's third quarter of 2025 consolidated financial statements.

(3) Discussion on the budget proposal of 2026.

(4) Discussion on the audit proposal of 2026.

(5) Discussion on the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE 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.

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. December 24, 2025 (3nd Committee 16th 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) Discussion on the Delicacy donate TWD 2 million to Delicacy foundation.

(4) Discussion on hiring accountant and evaluate independent of accountant in 2026.

(5) Discussion on the procedure of accountant offer uncertain service needs to be approved.

(6) Discussion on roposal to amend the company's "Internal Control System"

(7) Discussion on investment in Mainland China.

(8) Proposal for the Company to acquire 100% equity of Future Tycoon Holdings 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.

8. March 6, 2026 (3nd Committee 17th Meeting) Audit Committee:

(1) Discussion on the Company's 2025 business report and financial statements.

(2) Discussion on the Company's 2025 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 endorsement and guarantee for LUCKY UNIQUE ENTERPRISE CO., LTD.

(9) Discussion on the renewal insurance for board members by CATHAY insurance

(10) Discussion on the proposal to amend the company's "Articles of Association".

(11) Discussion on the proposal to amend the company's "Corporate Governance Best-Practice Principles ".

(12) Discussion on the proposal to amend the company's "Internal Control System"

(13) Discussion on the non-repatriation of earnings before 2025 by overseas reinvestment companies.

(14) Discussion on the proposal for the distribution of 2025 profits.

(15) Discussion on the distribution of cash from the Company's capital surplus.

(16) Discussion on the definition and scope of the company's grassroots employees.

(17) Discussion on the proposal for the removal of non-compete restrictions on newly elected directors.

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 2025 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. 10, 2025	2024 Season 4 Implementation Report on Internal Audit Business
	2024 “Statement of Internal Control System”
May. 09, 2025	2025 Season 1 Implementation Report on Internal Audit Business
Aug. 08, 2025	2025 Season 2 Implementation Report on Internal Audit Business
Nov. 06, 2025	2025 Season 3 Implementation Report on Internal Audit Business
	2026 Audit Plan
Mar. 05, 2026	2025 Season 4 Implementation Report on Internal Audit Business
	2025 “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 2025 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
Mar. 10, 2025	To discuss the audit of the financial statements for the year 2024, including the problems encountered in the audit process and the explanations for adjusting the financial statements.
Nov. 06, 2025	Audit planning for the 2025 financial statements, including issues encountered during the audit process and explanations of adjusting journal entries.

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 page7- 8 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 July 12, 2026, the Most recent year (2025.01.01 to 2026.03.31) the Salary and Compensation Committee held three 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	3	0	100.00	
Committee member	SU,PO-CHENG	3	0	100.00	

Committee member	CHIANG,SHU-CHING	3	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 2025 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 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 2025 2025.12.24 6th Committee 5th meeting	1. Deliberation on the distribution of 2025 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 2026. 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 2026 2026.03.04 7th Committee 5th meeting	1. Review the various proposed remuneration projects to be implemented in 2026. 2. Deliberation of the Company's employee remuneration and directors' remuneration in 2025. 3. Review the implementation status of the performanceself-evaluations of 2025 Board meeting, Board member and functional committees. 4.Review the definition and scope of the company's junior employees agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have Approved

(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? (2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Has the Company established and implemented risk management and firewall mechanisms with its affiliates? (4) Has the Company established internal rules against insiders trading with undisclosed information?	✓ ✓ ✓ ✓		(1) In addition to the Company's shareholder suggestions, questions and disputes, the Company has a speaking system and the Company's share agent, Taishin 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) 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. (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) 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	No major difference

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 23-24 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 2025 and submit the evaluation results to the 19th Meeting of the 18th Board of Directors on March 05, 2026. 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 December 24, 2025, 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, Taishin 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.	
(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.	We will discuss the feasibility with the checking accountant in the future.
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 12th (2025) 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 2026 are as follows:

Items not yet improved	Improvement Measures
Employee welfare and satisfaction.	he Company formulates training programs to enhance employees' career capabilities and regularly conducts "Employee Satisfaction Surveys," with improvement plans and implementation status publicly disclosed.
Does the Company disclose employee turnover rates by gender and age for the past two years, and explain the trends and underlying reasons?	The Company will disclose the relevant information in the 2026 Sustainability Report.
Has the Company established a dedicated (or concurrent) unit to promote corporate integrity management, responsible for formulating integrity policies and prevention programs, as well as supervising their implementation? Please also describe the operation and execution status of such unit, and whether it reports to the Board of Directors at least once a year.	The Company reports at least annually to the Board of Directors on its integrity management policies, anti-corruption prevention programs, and the status of supervision and implementation.

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

2026 CPA Dependency and Competency Assessment Form
Date of assessment: December 15, 2025

(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 2025 financial notarization for the Company as scheduled.
2. Finished subsidiaries' 2025 financial notarization including DE SHEN (CAYMAN) HOLDINGS CO., LTD., 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:

2026CPA Dependency and Competency Assessment Form

Date of assessment: December 15, 2025

(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 2025inancial notarization for the Company as scheduled.
2. Finished subsidiaries' 2025 financial notarization including DE-FA INTERNATIONAL 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 2026 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 2025

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	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3
Vice Chairman YEH,CHIA-HAO	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3
Representative of Institutional Director: YU,I-NENG	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3
Independent Director HUANG,CHUN-JEN	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3
Independent Director SU,PO-CHENG	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3
Independent Director HUANG,SHIH-YING	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3
Independent Director TSAI,LI-JU	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Response Strategies	3
	2025/09/19	2025/09/19	Taiwan Corporate Governance Association	How directors and supervisors review internal control and internal audit	3

Note 3. The status of Manager taking advanced study courses in 2025

List of Managers	Date of the Advanced Studies		Organizer	Name of the Course	Hours of the Course
	Start	End			
Governance Supervisor YU,I-NENG	2025/12/04	2025/12/05	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuing Securities Firms and Stock Exchanges	12

Financial Supervisor Huang,Hsiu-Fen	2025/09/25	2025/09/26	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	2025/08/11	2025/08/11	Accounting Research and Development Foundation	Practical Analysis of Internal Control Management for Corporate Greenhouse Gas Inventory	6
	2025/09/12	2025/09/12	Accounting Research and Development Foundation	Key Points of Internal Control and Audit in 'Management of Sustainable Information' and Analysis of Practical Cases	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 Management” and “Code of Ethical Conduct”, and has established</td></tr>
</table></td><td>No major difference.</td></tr>
</table>

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Deviations from “the Corporate Social Responsibility (Sustainable Development)est Practice Principles” and Reasons</td></tr>
<tr><td>Yes</td><td>No</td><td>Abstract Illustration(Note 2)</td></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td></td><td>preventive measures and conducted education and promotion to implement the policy of ethical management.</td></tr><tr><td>Corporate Governance</td><td>Legal compliance</td><td>Through the implementation of internal control mechanisms, we ensure that all of our employees and operations comply with the relevant laws and regulations.</td></tr></table></td><td></td></tr>
<tr><td>3. Environment issues
(1) Has the Company established an appropriate environmental management system according to its industrial characteristics?

(2) Is the company committed to improving energy efficiency and using recycled materials that have a low impact on the environment?

(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?

(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?</td><td>✓

✓

✓

✓</td><td></td><td>(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.
(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 2025, approximately 57.14% 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.
(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)1.The Company obtained the “Greenhouse Gas Emission Verification Statement” issued by AFNOR ASIA LTD. on July 30, 2025 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 has already 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.</td><td>No major difference.</td></tr>
<tr><td>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?

(2) Has the Company established and implemented reasonable</td><td>✓</td><td></td><td>(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.
(2) The Company's Employee Benefit Committee arranges employee activities such as</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)	
employee welfare measures (including remuneration, vacations and other welfares, etc.) and reflected management performances or outcomes on employees' remuneration?	✓		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. 4.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 5.The Company has established an Occupational Safety and Health Committee and convenes meetings on a quarterly basis. In the event of any occupational injury incident, the relevant information will be posted on the Company's bulletin board, and awareness, improvement, and preventive measures against recurrence will be strengthened through education and training programs. Statistics of employee occupational injuries and fire incidents for the Company in 2025 are as follows: <table><tr><td>Item</td><td>Occupational Injuries</td><td>Fire Incidents</td></tr><tr><td>Number of Occupational Injury Cases</td><td>-</td><td>-</td></tr><tr><td>Percentage of Total Employees (%)</td><td>-</td><td>-</td></tr></table>	
(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	✓		(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	

Evaluation Item	Implementation Status (Note 1) Yes	No	Abstract Illustration(Note 2)	Deviations from "the Corporate Social Responsibility (Sustainable Development)est Practice Principles" and Reasons
labeling of products and services? (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?	 ✓		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) 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 2024 Sustainability Report of the Company for details. Regarding human rights issues, the company has implemented a 'zero-fee 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 2025, the company prepared a sustainability report with reference to internationally accepted reporting standards, which was verified by Afano International Co., Ltd. Please refer to 2024 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
2025	Sponsored the Tainan City Association for the Sustainable Development of Taiwan Indigenous Peoples' 2025After-school Support Program for Taiwan Indigenous Students.
	75 scholarships of NT$20,000 each were awarded for the second semester of the 2024 school year.
	To the Fortune Social Welfare & Charity Foundation, we donated 5,000 pounds of rice to the disadvantaged groups and low-income families.

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)	
			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.	
			58 scholarships of NT$20,000 each were awarded for the first semester of the 2025 school year.	
			The association purchased casual hoodies and crewneck shirts to donate to the social affairs bureaus (offices) of Taipei City and six other counties/cities, with each social affairs bureau (office) responsible for distributing them to disadvantaged residents.	
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. In 2023, the Company obtained ISO 50001 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.

Items	Implementation status
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.
Items	Implementation status
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. Autonomously reduce emissions based on an average carbon emission of about 79,000 metric tons over the five years from 2018 to 2022. Short-term target: Reduce greenhouse gas emissions by 5% within 5 years. Mid-term target: 50% reduction by 2030 Long-term target: Greenhouse gas emissions at all operating sites to be zero by 2050
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 2023.)

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.	
2025 Total emissions(Metric tons CO2e)：38,216.1027 CO2e； Revenue: NT$3,377 billion Scope 1：18,906.1314 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 5.60 Scope 2：19,309.9713 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 5.72	2024 Total emissions(Metric tons CO2e)：56,988.167 CO2e ; Revenue: NT$3,953 billion Scope 1：32,683.3981 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 8.27 Scope 2：24,304.7684 CO2e Intensity (Metric tons CO2e/NT$ 1 million) 6.15

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.	
2025 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.	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.

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 upholds the principles of integrity in its operations and has established the "Ethical Management Procedures and Behavior Guidelines," along with related operating procedures, which have been approved by the Board of Directors and duly implemented. The Administration Department is responsible for promoting the ethical management policy and regularly reports the implementation status to the Board of Directors. The Company has also established a comprehensive internal control system and risk management mechanisms. Through education and training, it strengthens employees' awareness and compliance with ethical management. In addition, a whistleblowing system and complaint channels have been put in place to ensure that any violations of ethical conduct can be promptly reported and properly Addressed.	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?	✓ ✓ ✓ ✓ ✓		(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. The Company has compiled the actual implementation results of ethical management and the risk assessment of unethical conduct for the most recent fiscal year. No material violations of ethical management were identified. The results were reported to the Board of Directors on March 5, 2026, to enable the Board to oversee the overall risk status and fulfill its supervisory responsibilities. 2025 ical Management Implementation Results (Outcome-Oriented): 1.The ethical management-related systems and internal control rocesses operated effectively, with no material failures identified. 2.During the year, there were no cases involving directors or senior executives in material unethical conduct, nor were there any penalties imposed by regulatory authorities. 3.Ethical management and legal compliance training programs were completed	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	
(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 ethical management?			as planned, with overall participation meeting expectations. 2025 Whistleblowing Cases – Acceptance and Handling Results: 1.Number of ethical-related whistleblowing cases received during the year: 0 2.Substantiated cases: 0; unsubstantiated or without evidence: 0 3.No ethical-related whistleblowing cases or unethical incidents were reported during the year, and there was no impact on the Company's financial position or reputation. 4.The whistleblower protection mechanism functioned effectively, with no incidents of retaliation or related complaints. (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 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 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) Other Important Information for the Enhancing the Understanding of the Company's Corporate Governance Operations may be disclosed: None.

(9) Implementation of internal control system

1. Statement of Internal Control System

DE LICACY INDUSTRIAL CO., LTD.

Statement of Internal Control System

Date: Mar. 05, 2026

The internal control system from January 1 to December 31, 2025, 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, 2025 (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 05, 2026, 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.

(10) 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
2025.06.10	1.2024 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 2024	The proposal was approved by the shareholders present and voting by electronic ballot.	Set August 11, 2025 as the Base date for dividend allocation and distribute cash dividends on September 19, 2025.

(2) Resolutions of the Board of Directors

Committee No.	Meeting Time	Important Resolutions
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 the proposal for the distribution of 2024 earnings. 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
18th Committee 13th meeting	2025.05.09	1. Approved the adoption of bank loan guarantee line and its usage as of April 30, 2025. 2. Approved the discussions on 2025 Q1 consolidated financial statements. 3. Approved the discussion item on the credit line of the bank. 4. Approved the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE 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 DE LICACY INDUSTRIAL CO., LTD. 7. Approved the Delicacy donate TWD 3 million to Delicacy foundation. 8. Approved the proposal to discontinue the investment in APEX (Nantong) Textile Technology Co., Ltd. in Mainland China. 9. Approved the proposal to invest in Indonesia.

Committee No.	Meeting Time	Important Resolutions
18th Committee 14th meeting	2025.06.10	1. Approved the ratification of the acquisition of rooftop solar power generation equipment from a related party. 2. Approved the endorsement and guarantee for Vietnam DE LICACY INDUSTRIAL CO., LTD. 3. Approval of the record date for stock dividends and cash dividends distribution from 2024 earnings.
18th Committee 15th meeting	2025.08.08	1. Approved the adoption of bank loan guarantee line and its usage as of July 31, 2025. 2. Approved the discussions on 2025 Q2 consolidated financial statements. 3. Approved the discussion item on the credit line of the bank. 4. Approved the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE CO., LTD. 5. Approved the endorsement and guarantee for for WELL & DAVID CORP. 6. Approved the endorsement and guarantee for Vietnam DE LICACY INDUSTRIAL CO., LTD. 7. Approved the endorsement and guarantee for APEX (Nantong) Textile Technology Co., Ltd. 8. Approved the Company's 2024 Corporate Sustainability Report. 9. Approved the proposal to amend the company's " Rules of Procedure for Board of Directors Meetings ".
18th Committee 16th meeting	2025.09.05	1. Approved loaning of fund to LUCKY UNIQUE ENTERPRISE CO., LTD. 2. Approved the endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD.
18th Committee 17th meeting	2025.11.06	1. Approved the adoption of bank loan guarantee line and its usage as of October 31, 2025. 2. Approved the ratification of the endorsement and guarantee provided for APEX (NANTONG) TEXTILE CO.,LTD. 3. Approved the discussions on 2025 Q3 consolidated financial statements. 4. Approved the discussion item on the credit line of the bank 5. Approved budget proposal of 2026. 6. Approved audit proposal of 2026. 7. Approved the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE CO., LTD. 8. Approved the endorsement and guarantee for Vietnam DE LICACY 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.
18th Committee 18th meeting	2025.12.24	1. Approved the discussion item on the credit line of the bank. 2.Approved the discussion item on the distribution of 2025 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). 3. Aproved the discussion item on the distribution of 2025 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). 4. Approved the discussion item on the distribution of 2025 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. 5. 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). 6. 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). 7. 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. 8. Approved the endorsement and guarantee for Vietnam DeLicacy industrial Co.,Ltd. 9. Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 10. Approved the Delicacy donate TWD 2 million to Delicacy foundation. 11. Approved hiring accountant and evaluate independent of accountant in 2026. 12. Approved the procedure of accountant offer uncertain service needs to be approved. 13. Approved the proposal to amend the company's "internal control." 14. Approved the proposal to amend the company's "i Sustainable Development Committee Charter." 15. Approved the proposal to invest in Mainland China. 16. Approved the proposal for the Company to acquire 100% equity of Future Tycoon Holdings Co., Ltd.

Committee No.	Meeting Time	Important Resolutions
18th Committee 19th meeting	2026.03.05	1. Approved the adoption of bank loan guarantee line and its usage as of February 28, 2025. 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 2026. 4. Approved the discussion item on the Company's employee remuneration and directors' remuneration in 2025. 5.Approved the discussion item on the Business Report and 2025 Parent Only Financial Statement and Consolidated Financial Statement. 6.Approved the discussion item on the submitted proposal of 2025 "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 for DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD. 11.Approved the endorsement and guarantee for APEX (NANTONG) TEXTILE CO.,LTD. 12.Approved the endorsement and guarantee for LUCKY UNIQUE ENTERPRISE CO., LTD. 13. Approved the discussion for proposed renewal of insurance on directors and supervisors' liability insurance with cathay Century Insurance Co., Ltd. 14.Approved the implementation status of the performanceself-evaluations of 2024 Board meeting, Board member and functional committees. 15.Approved the proposal to amend the company's "Articles of Association". 16.Approved the proposal to amend the company's "Corporate Governance Best-Practice Principles ". 17.Approved the proposal to amend the company's "Internal Control System" 18. Approved the discussion item on the non-repatriation of surplus from overseas investment companies prior to 2025. 19.Approved the proposal for the distribution of 2025 earnings. 20.Approved the proposal for the distribution of cash from capital surplus. 21.Approved the definition and scope of the company's grassroots employees. 22.Approved the proposal for the general re-election of directors 23.Approved the proposal for the nomination and review of the candidates for directors (including independent directors). 24.Approved the proposal for discussion removal of non-competition restrictions on newly elected directors. 25.Approved the discussion item on the matters involving 2026 General Shareholders' Meeting

(11) 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	2025.01.01 ~ 2025.12.31	8,070	Business registration	35	9,204	
				Human Resources	289		
				Others (Note2)	810		
				Subtotal	1,134		

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 2025.

(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	2025		As of Mar. 31, 2026	
		Shares Increase (decrease)	Number of pledged shares Increase (decrease)	Shares Increase (decrease)	Number of pledged shares Increase (decrease)
Chairman	YEH,CHIA-MING	153,360	0	0	0
Directors and Deputy Chairman	YEH,CHIA-HAO	129,633	0	0	0
Directors	Fuhua Investment Co., Ltd. Representative: YU,I-NENG	1,399,246	0	0	0
Independent Director	HUANG,CHUN-JEN	0	0	0	0
Independent Director	SU,PO-CHENG	595	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	29	0	0	0
Associates	CHU,YIN-CHU	30	0	0	0
Financial and Accounting Supervisor	HUANG,HSIU-FEN	26	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. 10, 2026; 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	33,203,533 3,638,831	7.80% 0.86%	--	--	--	--	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	
Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI	33,200,299 3,199,254	7.80% 0.75%	-- --	-- --	-- --	-- --	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	
FUSON INTERNATIONAL CO., LTD. Representative: YEH,CHIA-HAO	33,199,689 3,075,844	7.80% 0.72%	-- --	-- --	-- --	-- --	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	
Yongyi Investment Co., Ltd. Representative: YEH,CHIA-MIN	20,778,781 3,638,831	4.88% 0.86%	-- --	-- --	-- --	-- --	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	
Chenxi International Investment Co., Ltd. Representative: YEH,WEI-LI	19,548,098 3,199,254	4.59% 0.75%	-- --	-- --	-- --	-- --	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	

Property Investment (Stock) Company Representative: YEH,CHIA-HAO	12,896,936	3.03%	--	--	--	--	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	
	3,075,844	0.72%	--	--	--	--			
Entrusted trust property account, CTBC Bank	8,832,438	2.07%	--	--	--	--	De Licacy Industrial Co., Ltd.	With control (Employee Stock Ownership Association)	
Fuwen Industrial Co.,Ltd. Representative: YEH,CHIA-MIN	7,538,459	1.77%	--	--	--	--	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	
	3,638,831	0.86%	--	--	--	--			
Song Nian Investment Co., Ltd. Representative: WANG,CHIEN-LIANG	6,028,009	1.41%	--	--	--	--	WANG,CHIEN-LIANG	Responsible for the company	
	3,882,014	0.91%	--	--	--	--			
WANG,CHIEN-LIANG	3,882,014	0.91%	243,106	0.06%	--	--	Loong Hsin Investment Co., Ltd.	Responsible for the company	

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, 2025; 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.	29,819,125	100.00	--	--	29,819,125	100.00
LUCKY UNIQUE ENTERPRISE CO., LTD.	45,531,536	67.96	--	--	45,531,536	67.96
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD.	5,500,000	100.00	--	--	5,500,000	100.00
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
PT DELIGHT INDUSTRIAL INDONESIA	44,550	99.00	450	1.00	45,000	100.00
BEST ALLIANCE INTERNATIONAL LIMITED	--	--	20,264,743	100.00	20,264,743	100.00
VANTAGE GAIN HOLDINGS LIMITED (Note1)	--	--	--	--	--	--
DE HONG HOLDINGS CO.,LTD.	--	--	4,000,000	100.00	4,000,000	100.00
BEAUTY PLUS VENTURES LIMITED	--	--	13,025,645	85.00	13,025,645	85.00
NEW LAKE (SAMOA) CO., LTD.	--	--	39,300,000	100.00	39,300,000	100.00
DE LICACY (ANGUILLA)HOLDINGS CO., LTD. (Note2)	--	--	--	--	--	--
NEW LAKE CO., LTD. (Note3)	--	--	--	--	--	--
DE HONG INTERNATIONAL CO.,LTD (DH)	--	--	2,500,000	100.00	2,500,000	100.00
BRIGHT WISDOM HOLDINGS LIMITED	--	--	4,936,410	61.71	4,936,410	61.71
HONG KONG EDEN ROAD INTERNATIONAL LTD.	--	--	150,000	100.00	150,000	100.00
TOTAL EXPRESS LIMITED(SAMOA)			1,000,000	100.00	1,000,000	100.00
TOTAL EXPRESS LIMITED(Seychelles)	--	--	1	100.00	1	100.00
FUTURUS CO., LTD. (Note4)	--	--	--	--	--	--
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
ATAGO GARMENT VIETNAM CO.,LTD	--	--	1,915,070	30.00	1,915,070	30.00
GLORY WEALTHY CORPORATION LIMITED	--	--	38	38.00	38	38.00
APEX TEXTILE CO.,LTD.	--	--	8,000,000	61.71	8,000,000	61.71
HANGZHOU DE LICACY TEXTILE CO.,LTD.	--	--	500,000	100.00	5000,000	100.00
APEX (NANTONG) TEXTILE CO.,LTD.	--	--	40,000,000	100.00	40,000,000	100.00
TUNG MING TEXTILE CO., LTD.	--	--	15,936,000	95.20	15,936,000	95.20
GAIN FAITH INVESTMENTS LTD.	--	--	12,448,448	100.00	12,448,448	100.00
DE KAO TRADING CO., LTD.	--	--	720,000	60.00	720,000	60.00
WELL & DAVID CORP.	--	--	34,596,898	82.37	34,596,898	82.37
CIBIZO INTERNATIONAL LIMITED	--	--	625,000	25.00	625,000	25.00
LUCKY UNIQUE ENTERPRISE (VIETNAM) CO., LTD	--	--	10,000,000	100.00	10,000,000	100.00
FORTUNE STAR TRADING LIMITED	--	--	50,000	100.00	50,000	100.00
LUCKY UNIQUE ENTERPRISE CO., LTD	--	--	850	100.00	850	100.00
W & D (CAMBODIA) CO., LTD.	--	--	3,600,000	100.00	3,600,000	100.00

KWANDIN CORP.	--	--	17,000,000	100.00	17,000,000	100.00
GOOD AND WELL COMPANY LIMITED	--	--	500,000	100.00	500,000	100.00
BESTEX CORP.	--	--	10,000,000	100.00	10,000,000	100.00
GOLD WELL HOLDINGS LIMITED	--	--	5,833,000	100.00	5,833,000	100.00
LI QIANG CORP.	--	--	3,000,000	100.00	3,000,000	100.00
SHANHUA (CAMBODIA) CO., LTD.	--	--	6,980,000	100.00	6,980,000	100.00

Note: investment under the equity method.

Note1: VANTAGE GAIN HOLDINGS LIMITED has conducted liquidation and remitted back the payments for investment in 2024. As of December 31, 2025, the relevant liquidation procedures haven't been completed.

Note2: DE LICACY (ANGUILLA)HOLDINGS CO., LTD. Company has conducted liquidation and remitted back the payments for investment in May 2024. As of December 31, 2025, the relevant liquidation procedures haven't been completed.

Note3: NEW LAKE CO., 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, 2025, the relevant liquidation procedures haven't been completed.

Note4:FUTURUS CO., LTD. has conducted liquidation for investment in 2024. Approved dissolution on February 10, 2025.

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	None	None

2025.09	10	480,000,000	4,800,000,000	425,575,733	4,255,757,330	Capital increase from retained earnings 179,361,420元	None	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.
The effective date of the declaration of the capitalization of the 2025 surplus is 2025.07.15.

2. Types of stock

Type of Shares	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Common Stock	425,575,733	54,424,267	480,000,000	

Note: Of the shares issued 425,575,733 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

Shares / Shareholder's Name	Shares	Percentage
Fufa International Investment Co., Ltd.	33,203,533	7.80%
Fuhua Investment Co., Ltd.	33,200,299	7.80%
FUSON INTERNATIONAL CO., LTD.	33,199,689	7.80%
Yongyi Investment Co., Ltd.	20,778,781	4.88%
Chenxi International Investment Co., Ltd.	19,548,098	4.59%
Property Investment (Stock) Company	12,896,936	3.03%
Employee Stock Ownership Association Trust Property Account in CTBC entrusted by DE LICACY INDUSTRIAL CO., LTD for custody	8,832,438	2.07%
Fuwen Industrial Co.,Ltd.	7,538,459	1.77%
Song Nian Investment Co., Ltd.	6,028,009	1.41%
WANG,CHIEN-LIANG	3,882,014	0.91%

(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 2025 on Mar. 05, 2026. The proposed dividend distribution includes a cash dividend of NT$0.2 per share and a cash distribution from capital surplus of NT$0.05 per share, totaling NT$0.25 per share. As of Mar. 31, 2026, It is still pending the resolution of the regular shareholders' meeting expected to be held on June 09, 2026.

(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:

If the company earns a profit for the year, at least 4% shall be allocated for employee remuneration, and between 0.05% and 10% may be allocated for salary adjustments or bonuses for rank-and-file employees. Employee remuneration may be distributed in cash or stock, as determined by the Board of Directors, to eligible employees of subsidiaries. The Board may also allocate up to 3% of such profits for directors' remuneration. All proposals for employee and directors' remuneration shall be reported to the shareholders' meeting.

If the company has accumulated losses, an amount sufficient to cover such losses shall be reserved first, and employee and directors' remuneration shall then be allocated according to the aforementioned percentages.

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$172,051,121, and 4% of the profit is intended to be paid to employees in the amount of NT$6,882,045 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$2,580,767, resulting in a net profit before tax of NT$162,588,309.

(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	2025Operating Ratio
Short-Fiber Fabric	9.98%
Long- Fiber Fabric	75.02%
Garments	12.88%
Other	2.12%
Total	100.00%

3. Our current products
   (1) Staple-fiber fabrics: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) Short-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) Global Textile Industry Development Trends
①The global apparel market decreased by 0.9% in 2022, reaching approximately USD 1.37 trillion. The Russia–Ukraine war led to shortages in energy and food supplies, driving prices sharply higher and fueling global inflation. However, apparel is not a necessity, resulting in weakened consumer demand. Key factors influencing these changes include: a slowdown in global economic growth in 2023, albeit with some improvement compared to the previous year; high inflation and continuous interest rate hikes exerting pressure on economic growth in the United Kingdom, the United States, and the Eurozone; and continued robust growth of the textile market in emerging economies.
②The EU's sustainable circular strategy is redefining the fashion industry and enhancing competitiveness. Through various textile sustainability initiatives, the EU continues to inject R&D momentum into the European textile industry while also serving as a forward-looking model for the global textile sector. Overall, these initiatives focus on two major themes: bio-based textiles and low-carbon sustainability. Efforts include developing high-performance bio-based textiles to enhance competitiveness, encouraging cross-industry applications (such as digital smart textiles), and expanding market applications for bio-based fibers. In textile recycling programs, in addition to supporting green manufacturing hardware, there is an ongoing emphasis on improving closed-loop capabilities. Through collaboration across industries, brands, and upstream and downstream supply chains,

the textile value chain is being transformed to enhance circularity, reduce greenhouse gas emissions, alleviate environmental pressure, and achieve the EU's 2050 carbon neutrality vision.

③Recycled polyester fiber remains a key product for carbon reduction globally. According to data from Textile Exchange, recycled polyester accounts for the largest share among all types of fibers produced worldwide. In 2021, approximately 15% of global polyester fiber production was from recycled sources, of which 99% was derived from recycled PET bottles. While global recycled fiber production increased by 775,000 tons in 2021, virgin fiber production increased by 3.4 million tons, far exceeding the growth in recycled fibers. Therefore, as countries strive to achieve net-zero emissions by 2050 and driven by international textile brands, there remains significant growth potential for recycled fibers in the global textile industry.

④The EU's low-carbon sustainability initiatives further define the direction of low-carbon textile materials. The EU has approved the long-term budget for 2021–2027 along with the NextGenerationEU program, totaling approximately EUR 2.018 trillion. This has led to numerous sustainable textile initiatives, including CISUTAC (Circular and Sustainable Textile and Apparel Chain), T-REX (Textile Recycling Excellence), and WHITECYCLE (cross-industry recycling transformation using mechanical and enzymatic technologies). These initiatives focus on recycling and reusing textile waste. Among them, WHITECYCLE specifically targets complex blended textiles, converting them into high value-added polyester products, with a goal of recycling more than 2 million tons annually by 2030.

(2) Taiwan Textile Industry Development Trends

①Polyester and nylon remain the primary materials for Taiwan's textile industry in advancing low-carbon recycling and textile regeneration. Taiwanese textile manufacturers produce eco-friendly circular garments using recycled polyester yarns and adopt a three-pronged strategy of "production, recycling, and regeneration" to optimize low-carbon practices, driving the industry toward sustainability and environmental goals.

②In response to global net-zero carbon trends and to achieve the 2050 net-zero emissions target, the government has established a clear implementation framework. The industrial sector will adopt a strategy of "reducing emissions first, then achieving net zero." State-owned enterprises will take the lead, while industry associations, research institutions, and key supply chain companies collaborate to help SMEs establish carbon inventory and reduction capabilities. This approach drives upstream and downstream companies to engage in green procurement and green production, forming a green supply chain and enhancing Taiwan's competitiveness in the net-zero transition.

③According to the "Taiwan 2050 Net Zero Emissions Pathway and Strategy," the textile industry's key approaches to achieving net-zero carbon emissions include three main actions: process improvement, energy transition, and circular economy. These are also the primary directions currently being actively pursued by Taiwan's textile industry.

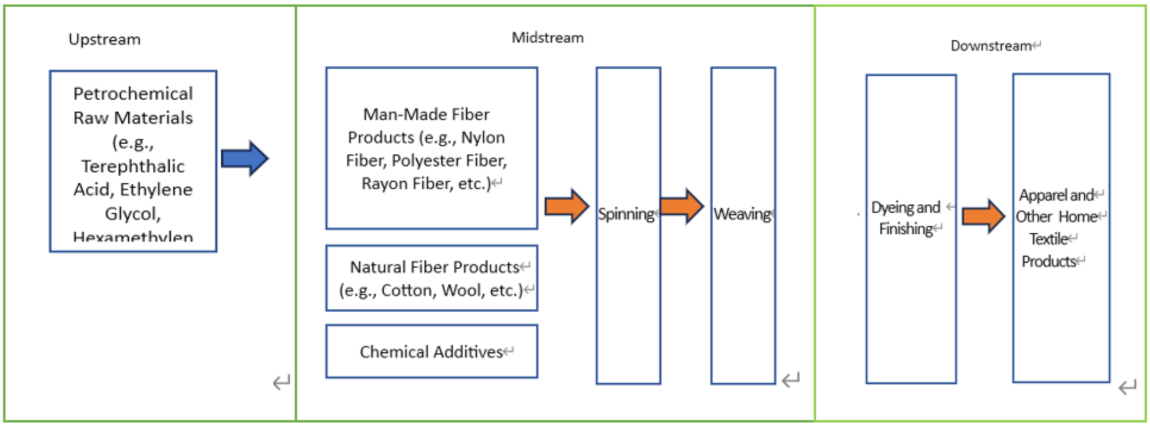
(3) Sports Apparel Market Analysis

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.

(4)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.



Source: Industry Value Chain Platform

(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	2025	As of Mar. 31, 2026
Expenses	NT$324,336 thousand	NT$66,471 thousand
Percentage of turnover %	2.58%	2.25%

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

Item / Year	Description of R&D results
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
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

Item / Year	Description of R&D results
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	(1)SHARP MEMORY STRETCH FABRIC (2)GARMENT RECYCLE COOLMAX STRETCH COMPOSIT YARN FABRIC (3)CUPRA-LIKE HANDFEEL STRETCH FABRIC (4)LINEN-LIKE SLUB OUTLOOK COMPOSIT STRETCH YARN FABRIC. (5)AERO TECH SUEDE STRETCH FABRIC (6)SEA-ISLAND FIBER WITH SHIMMERING OUTLOOK FABRIC (7)Y/D RECYCEL WOOL FABRIC. (8)EVOLUTION FLEECE FABRIC WITH SYNTHETIC AND STAPLE FIBER INTERWOVEN. (9)2-LAYER LAMINATION RE-TPU WHITE FILM(recycling content 25%)WITH STRETCH FABRIC. (10)3-LAYER LAMINATION JACQUARD KNITTED FABRIC.
2026 Up to now	(1)WATER-RESISTANT WATER BASE PU COATING PROCESSING . (2)TPEE COMPOSIT YARN YARN DYE STRETCH FABRIC.

(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		2024		2025	
		Sales amount	Percentage	Sales amount	Percentage
Foreign Sales	Asia	7,382,258	61.55%	8,364,408	66.52%
	Europe	496,066	4.14%	194,231	1.54%
	Americas	157,663	1.31%	1,208,418	9.61%
	Other	387,322	3.23%	577,754	4.60%
Domestic Sales		3,570,713	29.77%	2,230,052	17.73%
Total		11,994,022	100.00%	12,574,863	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

Our customers include European sports, outdoor, and leisure brands, as well as North American sportswear and fashion brands for men and women, and Japanese brands, primarily includingUA、LuLu、ADIDAS、5.11、POLO、EXPRESS、VAUDE, in recent years, the company has continuously invested in equipment upgrades to enhance product quality and production efficiency, while actively optimizing its product mix. By leveraging the strengths of domestically produced eco-friendly functional synthetic fibers, the company has developed differentiated new products. These products have gradually gained market acceptance, contributing to improved export performance.

(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 2024and 2025, the Company's main sales regions were29.77% and 17.73% for domestic sales1.31% and 9.61% for the U.S. and Canada, 4.14% and 1.54% for Europe, 61.55% and66.52% for Asia, and 3.23% and 4.60% 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, in 2025, the company completed the full conversion of coal-fired boilers to natural gas boilers. Through process optimization, fuel switching from coal to natural gas, and equipment upgrades, the Company applied for a voluntary carbon reduction project, which has been approved by the ministry of environment. 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 export market for cooperation between the textile and garment industries increasingly narrow.	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. 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) Short-fiber fabrics

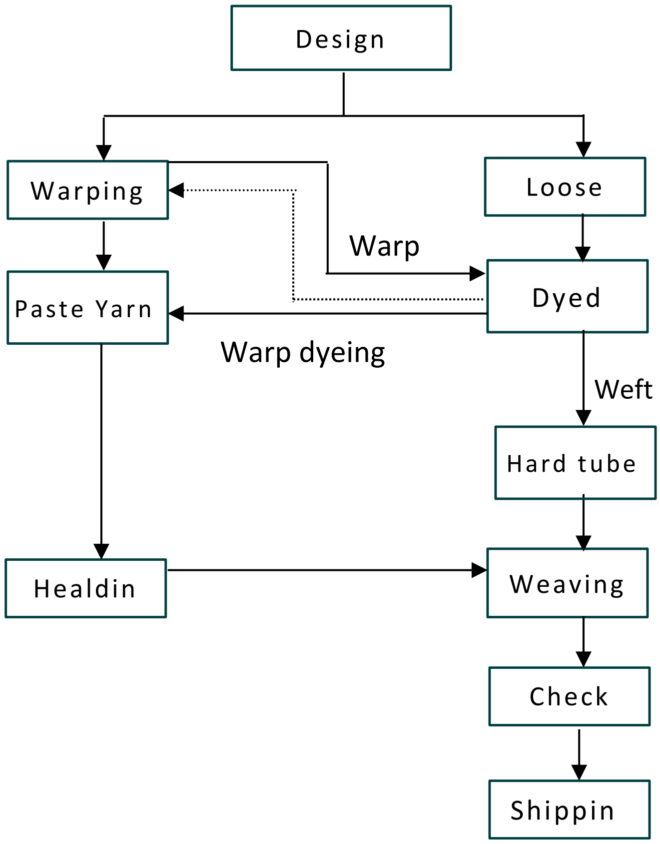
Product items	Features	Usage
Stretch fabric (SPANDEX) A.Nylon66 Tactel Elastomeric Stretch Fabric B.Polyester ATY/Nylon ATY medium and thick elastic stretch fabric C. Bubble fabric elastic stretch fabric D. Warp/weft, two-way stretch fabric	Comfortable and easy to wear without binding the free elasticity, 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

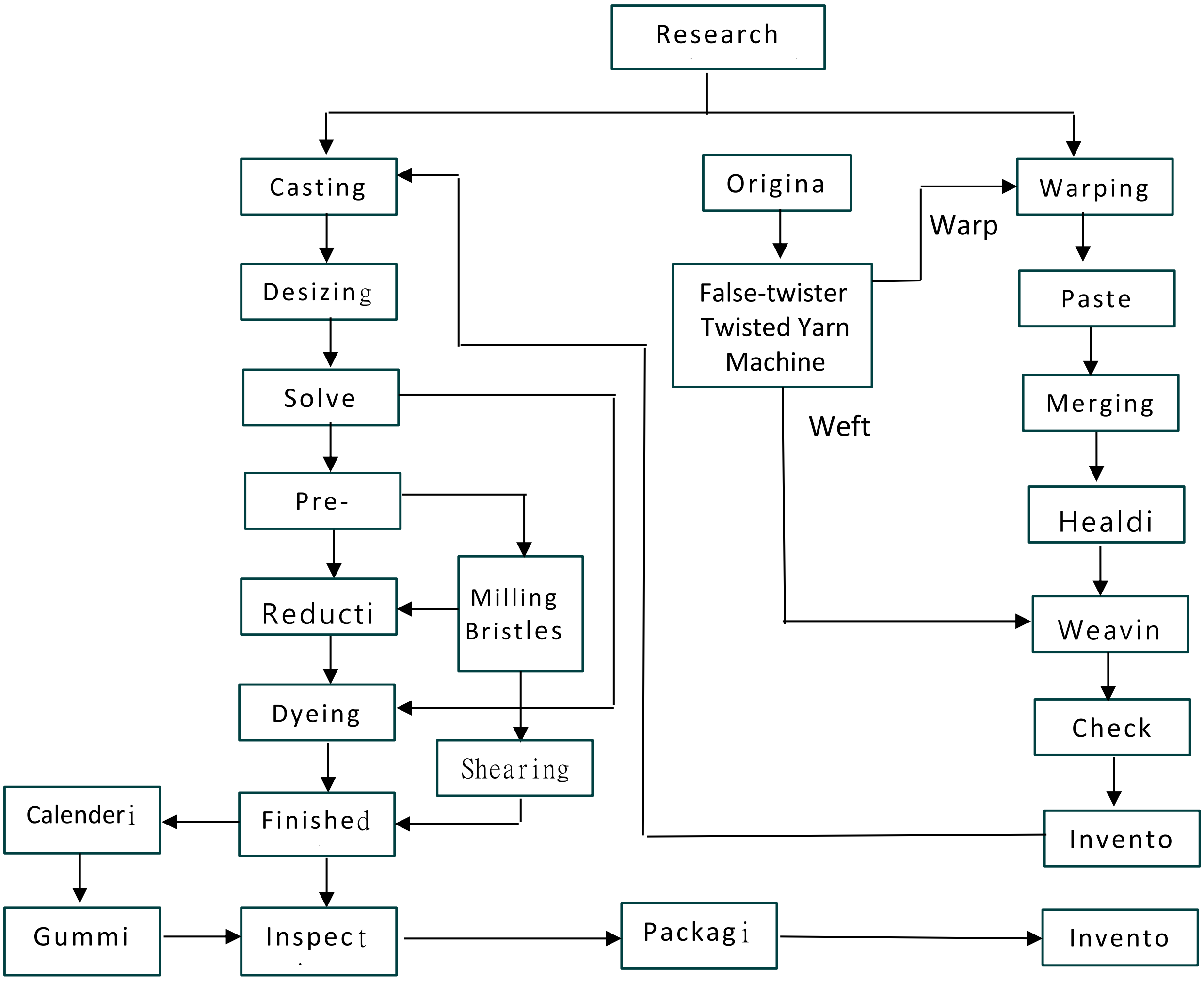
Product items	Features	Usage
Super Fine Denier Lightweight Series	Compact and light weight for easy storage	Packable Windbreaker Jacket
Silk-like series	Silk luster hand feel delicate draping like silk	Blouse, suit, pants skirt
<u>Faux plush series</u> T/CD compound yarn	The fabric surface twist mixed color velvet effect and good sense of rich thickness	Furniture & Accessories
<u>Cotton-like feeling series</u> 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

	2024Year				2025Year				
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.	809,120	11.37%	The vice chairman of the Company is the major shareholder of the company.	1	Anqing Defa Textile Co., Ltd.	646,493	11.40%	The vice chairman of the Company is the major shareholder of the company.
	Others	6,306,081	88.63%			Others	5,026,411	88.60%	
	Net purchases	7,115,201	100%			Net purchases	5,672,904	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, 2026

Year		2024	2025	As of Mar. 31, 2026
Number of employees	Production Department	1,850	4,644	4,730
	Work Affairs Division	153	239	248
	Others	443	842	888
	Total	2,446	5,725	5,866
Average age		41.40Years old	42.72Years old	46.96Years old
Average Length of Service		6.95years	5.08years	5.16years
Percentage of employees at each level	PhD	0.00%	0.00%-	0.00%
	Master	8.16%	4.58%	3.34%
	College	36.76%	40.10%	34.59%
	Senior High School	23.10%	21.32%	18.08%
	Below Senior High School	31.98%	34.00%	43.99%

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
2025.12.14	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0446-02	2025.12.14~2030.12.13	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)
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)
2025.06.27	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No.D1333-00	2025.06.27~2030.06.26	Hot Coal Heating Procedure (M08)

(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	5	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	3,308	0	Used for wastewater treatment to meet discharge standards
Long fiber water treatment pool	Type 1	1994.01	4,046	48	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	2,670	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

	2026	2027	2028
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$294 thousands was spent on training in 2025. Participated in the government's advocacy meetings for a total of 5 sessions in16 hours.

(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's employee retirement fund has been over-deposited in a special account at Taiwan Bank.

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 2025, the balance of the pension reserve account was NT$180,586 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 241 people were trained in fire safety drills in 2025. 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 Regulations, occupational medicine physicians and family medicine physicians conduct on-site visits every month. Each session accommodates consultations for 15–20 employees, and the services provided include:1. Health education and training guidance ,2. Medical services,3. Individual case care,4. Health assessment and management for new employees,5. Blood pressure measurement,6. M edical consultation and health education services,7. Health education guidance for medical personnel,8. Recommendations related to employee placement and job assignment,9. On-site workplace inspections,10. Health promotion programs,etc.

(4) In 2025, the Company conducted training programs on the prevention of workplace violence, emergency response procedures, and chemical safety. A total of 11 sessions were held, with 194 employees participating. These programs helped employees understand the definition of unlawful workplace conduct and appropriate response measures, emergency handling procedures, as well as precautions and standard operating procedures for the use of chemicals.

(5) To raise employees' awareness of traffic safety during commuting to and from work and to promote traffic safety promotion, a total 81 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) In 2025, the Company statutory dangerous equipment annual periodic inspection, including: 130 first type of pressure vessels, 1 high pressure gas specific equipment ,5 boilers, all passed the inspection to ensure that the plant dangerous equipment are in line with the law and the safety of operation.

(7) In 2024, the Company continued to promote environmental improvement initiatives. Various enhancement measures were implemented, focusing on material stacking within the plant, floor leveling, odor control, equipment insulation, and chemical management. These ongoing efforts have improved workplace safety and hygiene, providing employees with a safer working environment.

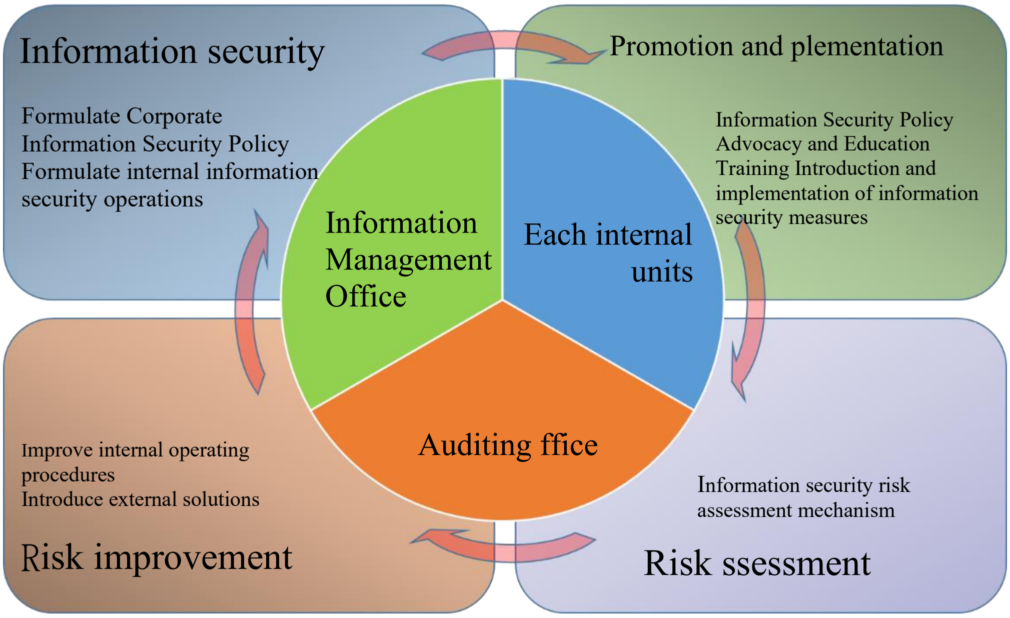
(2) Losses suffered from labor disputes in the most recent year and up to the date of printing of the annual report, and disclosure of the estimated amount of current and potential future losses and measures to address them: None.

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

Management item	Description	Relevant management operation
		and conduct information security audits on a 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	● 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,

Management item	Description	Relevant management operation
	systems	starting and ending IP, and protocol of the event, etc., to facilitate real-time management and future 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	● 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

Management item	Description	Relevant management operation
	computers	handle it for you after the supervisor approves it. ● 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, Mega Bank, Hua Nan Bank, First Commercial Bank, National Agricultural Bank, Bank of Taiwan, Kaohsiung Bank, Land Bank of Taiwan, Wing Fung Bank, An Tai Bank and Taichung Commercial Bank.	Apr. 22, 2025 ~ Apr. 22, 2030	A joint credit agreement with a total amount of NT$2.2 billion.	None

(2) 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	2025	2024	Difference	
			Amount	%
Current assets	8,473,805	9,258,316	(784,511)	(8.47)
Property, Plant and Equipment	6,507,626	5,457,945	1,049,681	19.23
Investment real estate	57,053	64,033	(6,980)	(10.90)
Intangible assets	152,831	16,223	136,608	842.06
Equity-method investments	416,113	568,236	(152,123)	(26.77)
Right-of-use assets	551,069	370,137	108,932	48.88
Other assets	828,358	492,091	336,267	68.33
Total assets	16,986,855	16,226,981	759,874	4.68
Current liabilities	7,348,347	6,979,594	368,753	5.28
Non-current liabilities	3,888,547	3,280,572	607,975	18.53
Total liabilities	11,236,894	10,260,166	976,728	9.52
Capital stock	4,255,757	4,076,396	179,361	4.40
Capital surplus	626,253	581,654	44,599	7.67
Retained earnings	877,520	1,104,321	(226,801)	(20.54)
Other interests	(534,764)	(242,791)	(291,973)	(120.26)
Non-controlling interests	552,667	447,235	105,432	23.57
Total shareholders' equity	5,749,961	5,966,815	(216,854)	(3.63)

The changes in assets, liabilities and shareholders' equity of 20% or more for the years 2024 and 2025 are described below:

1. Increase in intangible assets: Mainly due to the goodwill recognized from the acquisition of the subsidiary-LUCKY UNIQUE CO., LTD. during the current year.
2. Decrease in investments accounted for using the equity method: Investments accounted for using the equity method decreased compared to the end of last year, primarily because Fufa was reclassified from an equity-method investee to a subsidiary.
3. Increase in right-of-use assets and other assets: Mainly due to the consolidation of Fufa as a subsidiary, resulting in an increase in total assets.
4. Decrease in retained earnings: Primarily due to an increase in expected credit loss provisions recognized in 2025, which led to a decline in operating profit.
5. Decrease in other equity: Mainly attributable to reduced profitability during the year and the depreciation of the U.S. dollar, which resulted in a significant increase in foreign currency translation losses from overseas operations compared to 2024.

Comparative analysis of individual financial status (IFRS applicable)

Unit: NT$1000

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	2,354,945	2,579,460	(224,515)	(8.70)
Equity-method investments	7,685,628	8,409,066	(723,438)	(8.70)
Property, Plant and Equipment	670,956	699,102	(28,146)	(4.03)
Intangible assets	--	--	--	--
Other assets	530,545	448,377	82,168	18.33
Total assets	11,242,074	12,136,005	(893,931)	(7.37)
Current liabilities	3,846,084	4,848,074	(1,001,990)	(20.67)
Non-current liabilities	2,198,696	1,768,351	430,345	24.34
Total liabilities	6,044,780	6,616,425	(571,645)	(8.64)
Capital stock	4,255,757	4,076,396	179,361	4.40
Capital surplus	626,253	581,654	44,599	7.67
Retained earnings	877,520	1,104,321	(226,801)	(20.54)
Other interests	(534,764)	(242,791)	(291,973)	(120.26)
Total shareholders' equity	5,197,294	5,519,580	(322,286)	(5.84)

Analysis of changes in the percentage of increase or decrease:

1. Decrease in current assets: Mainly due to easing short-term funding needs, the company continued to release pledged time deposits and repay borrowings during the current period.
2. Increase in other assets: Primarily attributable to the depreciation of the U.S. dollar, which led to an increase in deferred income tax assets recognized from cumulative translation adjustments.
3. Decrease in current liabilities: Mainly due to the commencement of repayments under the syndicated loan facility, resulting in a reduction in the current portion of long-term borrowings.
4. Increase in non-current liabilities: Mainly due to the drawdown of the syndicated loan facility initiated in the prior year, leading to an increase in long-term bank borrowings.
5. Decrease in retained earnings and other equity: Primarily due to reduced profitability during the year and the depreciation of the U.S. dollar, which resulted in a significant increase in foreign currency translation losses from overseas operations compared to 2024.

2. Financial Performance:

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

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

Item \ Year	2025	2024	Increase (decrease) Amount	Changes ratio(%)
Operating revenue	12,574,863	11,994,022	580,841	4.84
Operating costs	10,144,640	9,727,851	416,789	4.28
Gross profit	2,430,223	2,266,171	164,052	7.24
(Un-) realized gain on sales	--	--	--	--
Gross realized operating income	2,430,223	2,266,171	164,052	7.24
Operating expenses	2,079,280	1,958,469	120,811	6.17
Net other income and expenses (notes 29 and 37)	11,278	284,438	(273,160)	(96.03)
Operating income (loss)	362,221	592,140	(229,919)	(38.83)
Non-operating income and expenses	(182,124)	94,070	(276,194)	(293.60)
Net income (loss) before income tax	180,097	686,210	(506,113)	(73.75)
Net income (loss) of continuing business units	180,097	686,210	(506,113)	(73.75)
Total income tax expense (income)	124,545	170,560	(46,015)	(26.98)
Net income (loss)	55,552	515,650	(460,098)	(89.23)
Other comprehensive income (Income after tax)	(322,357)	221,089	(543,446)	(245.80)
Total comprehensive income	(266,805)	736,739	(1,003,544)	(136.21)
Net income attributable to shareholders of the parent company	150,063	422,003	(271,940)	(64.44)
Net income (loss) attributable to noncontrolling interests	(94,551)	93,647	(188,198)	(200.97)
Total comprehensive income attributable to stockholders of the parent	(135,593)	616,479	(752,072)	(121.99)
Total comprehensive income attributable to non-controlling interests	(131,212)	120,260	(251,472)	(209.11)
Earnings (net loss) per share	0.35	0.99	(0.64)	(64.65)

Analysis of changes in the percentage of increase or decrease:

1. Decrease in other income and expenses: This was mainly due to the closure of APEX TEXTILE CO., LTD. and HANGZHOU DE LICACY TEXTILE CO., LTD., plants in 2024, resulting in approximately NT$200 million in expenses related to employee severance payments and associated dismantling. Corresponding relocation compensation income was also recognized.
2. Decrease in non-operating income and expenses: This was primarily due to the depreciation of the U.S. dollar during the year, which led to higher foreign exchange losses for the Company.
3. Decrease in income tax expense: The higher effective tax rate was mainly attributable to the expiration of local tax incentives in Vietnam at the end of 2024, as well as additional income tax payments for prior years in Mainland China as assessed by local auditors.
4. Increase in other comprehensive income: This was mainly due to the depreciation of the U.S. dollar during the quarter, resulting in higher cumulative translation adjustment losses for the Company.

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

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

Item \ Year	2025	2024	Increase (decrease) Amount	Changes ratio(%)
Operating revenue	3,377,265	3,953,906	(576,641)	(14.58)
Operating costs	3,086,060	3,524,262	(438,202)	(12.43)
Gross profit	291,205	429,644	(138,439)	(32.22)
Unrealized losses with subsidiaries and affiliates	6,376	6,376	--	--
Realized losses with subsidiaries and affiliates	(6,376)	(6,361)	(15)	(0.24)
Realized operating margin	291,205	429,659	(138,454)	(32.22)
Operating expenses	394,509	513,149	(118,640)	(23.12)
Net other income and expenses (Notes 26 and 33)	(5,219)	(14,256)	9,037	63.39
Operating net profit	(108,523)	(97,746)	10,777	11.03
Non-operating income and expenses	271,111	646,378	(375,267)	(58.06)
Net income before income tax	162,588	548,632	(386,044)	(70.36)
Net income (loss) of continuing business units	162,588	548,632	(386,044)	(70.36)
Loss of suspended business unit	--	--	--	--
Total income tax expense	12,525	126,629	(114,104)	(90.11)
Net income	150,063	422,003	(271,940)	(64.44)
Other comprehensive income (Income after tax)	(285,656)	194,476	(480,132)	(246.88)
Total comprehensive income	(135,593)	616,479	(752,072)	(121.99)

Analysis of changes in the percentage of increase or decrease:

1.Gross Operating Profit Decreased : Sales of long- and short-fiber fabrics were affected by changes in order mix and tariffs. Overall sales orders decreased compared to the same period last year, resulting in a decline in gross profit; however, the gross margin remained relatively stable compared to the previous period.

2.Operating Expenses Decreased : This was mainly due to weaker overall operating performance this year compared to last year. In addition, the number of employee departures decreased compared to the same period last year, leading to a reduction in salary expenses year over year.

3.Non-Operating Income and Expenses Decreased : This was primarily due to the impact of tariffs on overseas subsidiaries, which led to a decrease in sales orders and consequently lower investment income.

4.Income Tax Expense Decreased : The decrease in income tax expense compared to the same period last year was mainly due to lower profits in the current period, resulting in reduced taxable income.

5.Other Comprehensive Income Decreased : This was mainly due to the depreciation of the U.S. dollar (exchange rate: 32.785 → 31.43), which led to an increase in translation losses from 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	$ 164,052	$ 1,314,980	$ (664,340)	$ (53,629)	$ (486,588)
Explanation	1. Increase in gross profit for the current period: Gross profit increased by NT$164,052 thousand compared to the same period last year, mainly due to the addition of garment products and an increase in shipments of higher-priced items, which drove overall gross profit growth. 2. Increase in price and cost variances: The increase in sales volume of higher-priced fabric products resulted in a favorable sales price variance of NT$1,314,980 thousand and a cost variance of NT$664,340 thousand.				

3. Cash Flow

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

Item \ Year	2025	2024	Increase (decrease) percentage(%)
Cash flow ratio	18.07	11.03	7.04
Cash flow adequacy ratio	100.28	81.47	18.81
Cash reinvestment ratio	7.81	5.04	2.77

Analysis of changes in the percentage of increase or decrease:
1.Increase in cash flow ratio: This was mainly due to improved collection of receivables and a reduction in inventory levels as a result of decreased order volume.
2.Increase in cash flow adequacy ratio: This was attributable to an increase in cash flows generated 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
$ 1,527,742	$ (300,000)	$ (300,000)	$ 844,742	-	-

1.Analysis on cash flow situation for the coming year
(1) Operating activities: In 2026, the New Taiwan dollar depreciated and stabilized, resulting in a net cash inflow.
(2) Investment activities: Cash outflows increased mainly due to the acquisition of the Juheng Group and the investment in PT DELIGHT INDUSTRIAL INDONESIA.
(3) Financing activities: Increased repayments of bank borrowings led to a net cash outflow.
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	
				2025	2026
Civil engineering works for the storage area of dyeing auxiliaries and chemical substances	Own funds	2025/01	335	0	335
Office partition renovation and improvement works for the insurance powder preparation area	Own funds	2025/11	755	0	755
Lighting, power distribution, and piping works for stenter machines	Own funds	2025/05	1,648	1,080	568
Automatic weft yarn adjuster	Own funds	2025/06	1,749	1,664	85
Six-chamber tensionless dryer and related works	Own funds	2025/08	15,512	7,852	7,660
Power distribution for dryer and dismantling/replacement of existing equipment	Own funds	2025/08	3,591	954	2,637
Fabric dust and lint suction machine	Own funds	2025/04	1,790	1,223	567
Chishin high-temperature high-speed dyeing machine	Own funds	2025/01	800	0	800
Official vehicle (used)	Own funds	2025/01	150	0	150
Replacement of No. 7 deep well and associated power distribution and piping works	Own funds	2025/05	1,620	0	1,620
Horizontal thermal oil boiler and related works	Own funds	2025/08	30,956	9,472	21,484
Solar power generation systems (263.4 kW and 483.84 kW)	Own funds	2025/08	21,970	0	21,970
Spectrophotometer CI7880	Own funds	2025/10	1,455	0	1,455
Resin replacement for water softening tanks and installation of an additional 30HP hard water pressurization system	Own funds	2025/04	748	135	613
Carbon reduction project: independent air compressor system for false-twisting process	Own funds	2025/08	970	0	970
Continuous stenter drying machines and related equipment	Own funds	2025/07	2,411	347	2,064
Rack-mounted servers and miscellaneous equipment	Own funds	2025/08	2,694	0	2,694
Used diesel forklift (2.5 tons)	Own funds	2026/01	168	0	168

(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, 2025; 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.	868,961	(21,862)	None	None
LUCKY UNIQUE ENTERPRISE CO., LTD.	730,344	(69,899)	None	None
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD	59,878	54,352	None	None
CHADTEX INDUSTRIAL CO., LTD.	--	244	None	None
BEST ALLIANCE INTERNATIONAL LIMITED	USD 108,040,000	396,607	None	None
VIEW BEST GLOBAL LIMITED	USD 1,935,000	11,429	None	None
PT DELIGHT INDUSTRIAL INDONESIA.	USD 1,089,000	--	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 2024 and 2025 were NT$ 213,776 thousand and NT$250,931 thousand. The ratio of interest expense to net operating income was1.78% andand 2.00% 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 2024 and 2025, the Company and its subsidiaries recognized exchange gains (losses) of $139,453 thousand and (84,546)thousand.

(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 2024 and 2025, resulted in valuation (loss) gains and losses of 22,617 thousand and 763 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.62-64The new products will be developed by the company.

2. Estimated R&D expenses: The estimated R&D expenses for 2026 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(Including information security risks)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：None

VI. Special Disclosure

1. Summary of Affiliated Companies:
   Please visit the Market Observation Post System (https://mops.twse.com.tw/mops/#/web/home) and follow the path below to search for Company Code: 1464 and access the relevant information:
   Homepage > Individual Company > Electronic Document Download > Affiliated Enterprises Reports Section

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