Stock Code: 4439

TST Group Holding Ltd.

Annual Report 2024

Published on April 21, 2025
Company Website: http://www.tstco.com.hk
MOPS Website: http://mops.twse.com.tw

Note to Readers:

If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language version shall prevail.

I. Name, Title, Telephone and Email of Company Spokesperson, Deputy Spokesperson and Domestic Agent:

Name of Spokesperson: Ching-Wei Lin	Title: General Manager
Telephone: +886-2-2507-9938	Email address: IR@tstco.com
Name of Deputy Spokesperson: Hsiang-Ming Hung	Title: Chief Operating Officer (COO)
Telephone: +886-2-2507-9938	Email address: IR@tstco.com
Name of Domestic Agent: Hsiang-Ming Hung	Title: Chief Operating Officer (COO)
Telephone: +886-2-2507-9938	Email address: IR@tstco.com

II. Address and Telephone of Headquarters, Subsidiaries and Factories

(I) The Company

Name: TST Group Holding Ltd.
Address: P.O. Box 472 Harbour Place, 2nd Floor 103 South Church Street George Town, Grand Cayman Cayman Islands KY1-1106
Website: http://www.tstco.com.hk
Telephone: +852-2947-0218

(II) Subsidiary in British Virgin Islands

Name: TST International Group Limited
Address: Jayla Place,2nd Floor, P.O Box 216, Road Town, Tortola, British Virgin Islands
Website: http://www.tstco.com.hk
Telephone: +852-2947-0218

Name: Bumper World Group Holdings Limited
Address: Jayla Place, 2nd Floor, P.O Box 216, Road Town, Tortola, British Virgin Islands
Website: http://www.tstco.com.hk
Telephone: +852-2947-0218

Name: Thrive Nation Group Limited
Address: Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Website: http://www.tstco.com.hk
Telephone: +852-2947-0218

(III) Subsidiary in Hong Kong

Name: Top Star Textile Limited
Address: Room 1301, 13F, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong
Website: http://www.tstco.com.hk
Telephone: +852-2947-0218

Name: T-Tron Investment Holdings Limited
Address: Room 1301, 13F, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong
Website: http://www.tstco.com.hk
Telephone: +852-2947-0218

(IV) Subsidiary in China

Name: Chintex Enterprises Limited
Address: Room 3076, Building B, No. 555, Dongchuang Rd., Minxing Dist., Shanghai City
Website: http://www.tstco.com.hk
Telephone: +8621-3251-3055

Name: Guangzhou Runwell Knits Textile
Address: Room 2007-2010, No. 140-148, Tiyu E. Rd., Tianhe Dist., Guangzhou City
Website: http://www.tstco.com.hk
Telephone: +8620-3887-8266

Name: Guangzhou Chintex Management Consulting Co., Ltd.
Address: Room 1901-1905,1907-1912, No.140-148, Tiyu E. Road, Tianhe Dist., Guangzhou City
Website: http://www.tstco.com.hk
Telephone: +8620-3887-8258

Name: Zhen Jiang Tuntex Garment Co., Ltd.
Address: Building 9-10, Fuda Venture Park, Shishi Road, Jurong Economic Development Zone, Zhenjiang City
Website: http://www.tstco.com.hk
Telephone: +86511-8811-2235

(V) Subsidiary in Cambodia
Name: Top Sports Textile Ltd.
Address: Manhattan (Svay Rieng) Special Economic Zone, National Road# 1, Sangkat Bavet, Krong Bavet, Svay Rieng Province, Cambodia
Website: http://www.tstco.com.hk
Telephone: +855-44-715-188

(VI) Taiwan Branch
Name: TST Group Holding Ltd. TAIWAN BRANCH
Address: 7F, No. 178, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104
Website: http://www.tstco.com.hk
Telephone: +886-2-2507-9938

(VII) Subsidiary in Vietnam
Name: TOP STAR TEXTILE VIETNAM COMPANY LIMITED
Address: Road No. 3, Xuyen A Industrial Park, My Hanh Bac Commune, Duc Hoa District, Long An province, Vietnam
Website: http://www.tstco.com.hk
Telephone: None
Name: Top Sports Textile Vietnam Co., Ltd.
Address: Lot B17.1, B17.2, Street N11, Thanh Thanh Cong Industrial Zone, An Hoi Quarter, An Hoa Ward, Trang Bang Town, Tay Ninh Province, Vietnam
Website: http://www.tstco.com.hk
Telephone: Setting up

III. Name, Address, Website and Telephone of Stock Transfer Agency:
Name: Transfer Agency Department, CTBC Bank Co., Ltd.
Website: http://www.ctbcbank.com
Address: 5F., No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
Telephone: +886-2-6636-5566

IV. Name of CPA for the latest certified annual financial statements; Name, Address, Website and Telephone. of Accounting Firm:
Name of CPA: Ya-Hui Lin, Po-Chuan Lin
Name of Accounting Firm: PwC Taiwan
Website: http://www.pwc.tw
Address: 27F, No.333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City
Telephone: +886-2-2729-6666

V. Name of stock exchange for overseas listed securities and method for enquiry of overseas securities information: None

VI. Company Website: http://www.tstco.com.hk

VII. Names, titles, telephone numbers and emails of the representatives for litigations and for non-litigation matters in the Republic of China:
Name: Cheng-Ming Lin
Title: Executive Assistant to Chairman of the Company
Telephone: +886-2-2507-9938
Email: IR@tstco.com

VIII. List of Board of Directors

Title	Name	Representative
Chairman	Xingmao Group Holdings Limited	Chin-Mao Lin
Director	Chia Mei Investment Co., Ltd.	Chiung-Shiung Tung
Director	Sunny Earn International Holdings Limited	Ching-Wei Lin
Director	Xingmao Group Holdings Limited	Hsiang-Ming Hung

Title	Name	Nationality	Academic Qualifications/Experience
Independent Director	King-Biau Lien	Republic of China	President, Tuntex Incorporation Independent Director, Tainan Enterprises Co., Ltd.
Independent Director	Kun-Ming Lee	Republic of China	CPA of BOYANG CPAs Firm CPA Partner, K & B CPAs Firm Independent Director, The Leofoo Development Co., Ltd.
Independent Director	Heng-Yih Liu	Republic of China	Full-time Associate Professor, College of Management, Yuan Ze University Supervisor, Sinfu Asset Management Company Independent Director, WHA YU Industrial Co., Ltd. Director, TCM Biotech International Corp.

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One. Letter to Shareholders

Dear Shareholders:

2024 proved to be the most challenging since the Company's inception. The silver lining, however, lies in completing the integrated textile mill in Vietnam - an important cornerstone for the Company′s future development. The facility has officially begun mass production and deliveries. Nevertheless, as the plant remains in its ramp-up phase, the Group′s overall profitability has been impacted due to the lack of economies of scale. TST Group fully recognizes that this is a critical step toward transformation and long-term growth, and we remain committed to progressing even in the face of adversity.

(1) Overview of 2024 Business Plan Implementations and Explanation of Operating Results and Achievements

1. Implementation of 2024 Business Plan
   (1) Regional supply chains enable rapid supply from diverse production sites: In early 2024, the Vietnam plant officially commenced mass production and delivery, producing an average of one million pounds per month. The Company possesses diverse production sites including Cambodia, Vietnam, and China, offering customers more flexibility in allocating their regional orders and catering to their needs.
   (2) Delivery to new customers: In addition to the existing 4 major brand customers in 2024, the Company has achieved a new customer development rate of approximately 60%. Looking ahead, we will continue to provide high-quality, high-value-added services to reinforce customer relations and drive the Company′s growth momentum.
2. Achievements of Implementation of 2024 Business Plan and Execution of Budget
   The Company posted net sales of NT$5,418 million in 2024, up by 4.44% or NT$230 million from 2023. The operating profit was NT$173 million in 2024, down by 65.40% or NT$326 million from 2023. The net income reached NT$66 million in 2024, down by 83.92% or NT$343 million from 2023. The earnings per share was NT$1.73 in 2024.

   Comparison with guidance: According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not provide financial forecast for 2024. Hence, there is no comparison with guidance.

3. Income Statement and Profitability Analysis

Unit: NT$1,000

Item	Year	2024	2023
Income Statement (Summary)	Revenues	5,417,556	5,187,113
	Gross profits	882,394	1,239,016
	Operating profits	172,723	499,160
	Current profit/loss after-tax	65,657	408,198
Profitability	Return on assets (%)	1.90	8.99
	Return on equity (%)	2.05	13.20
	Operating profits as a percentage of paid-in capital (%)	45.41	130.35
	Net profits before-tax as a percentage of paid-in capital (%)	28.32	136.75
	Net margin (%)	1.21	7.87
	Basic EPS (NT$)	1.73	10.82

(2) 2025 Business Plan

1. Reach out to brand customers in different countries in response to geopolitical risks
   Under the influence of high inflation and high interest rates, end consumers tend to remain conservative when spending. With the fluctuating retail market, competition is bound to intensify in the foreseeable future. Besides our existing European and US brand customers, we are vigorously tapping into new regions in search of new customers such as Japanese brand customers. Furthermore, we have capitalized on the resources of our garment and fabric plants to secure domestic sales orders from China, thereby lowering the risk of over-reliance on a single, centralized region. Additionally, we will select customers with strong financial performances to bolster partnerships with our customers and expand our range of collaborative products.

2. Increase production performance of the Cambodian and Vietnamese plants
   We strive to optimize the maximize the production performance of our plants in Cambodia and Vietnam while optimizing our product mix to balance production capacity between peak and off-peak seasons. We will also introduce new product lines to enrich and diversify our offerings, as well as enhance the added-value fabric types.

3. Strengthen our plant management capabilities
   In terms of hardware, we will continue to engage in digital and automation transformation, while also bolstering our personnel training to improve man-machine collaboration and performance. At the same time, we will promote local talent, cultivate management trainees, and advance localized production.

4. Refine our R&D skills and capabilities
   The Company is expected to establish an R&D center in Vietnam to research and develop fabrics to meet market needs. We will also seek more eco-friendly and efficient production methods while paying attention to our products′ appearance, quality, and performance.

(3) R&D Initiatives

1. Research in market demands
   We will continue to expand external communication, actively engaging with peers, suppliers, and brand customers. We will conduct thorough research on market trends and preferences and requirements of brand customers for knitted fabrics, ensuring our newly developed products meet the market needs.

2. Continued investment in R&D resources
   We continue to focus on the application of new materials in the markets, as well as on improving production processes and technologies. We aim to seek more environmentally friendly and efficient production methods while also concentrating on enhancing the appearance, quality, and performance of our products. We strive to minimize bulk delivery issues caused by using exclusive materials by primarily using conventional material compositions and yarn counts in our development process.

3. Continued to improve in Digital database of fabrics
   We will continue to improve our 3D digital data to create a more extensive digital database of fabrics, allowing us to offer more competitive and different products and services, and expand the production and sales channels.

(4) The impact of external competition, regulatory environment, and overall business landscape on the Company's development strategies

1. Customers are enhancing rapid responses to market needs by deploying regional supply chains and risk diversification measures
   Due to geopolitical uncertainties as well as the increased operating cost caused by an overall economic environment with high interest rates and high inflation, customers are adopting a dispersed procurement strategy. This shift is impacting the deployment of production sites, making it essential to strengthen the capabilities of our regional supply chains. As a result, the Company has established production sites in Vietnam, Cambodia, and China, providing us with greater flexibility to meet our customers′ demand for diverse production sites and ensuring the stability and efficiency of our supply chain.

2. Global trade and geopolitical tension
   The US-China trade war remains an important issue in the global economy. As countries around the globe gradually shift towards a protectionist policy, tariffs, trade barriers, and other measures have further increased the complexity of global trade and undermined the stability of multinational operations and international markets. Various countries′ trade policies (including tariff policies and import/export restrictions) will have a direct impact on the trade and circulation of fabrics. This has also catalyzed the trend towards regional supply chains, forming sound supply chains that ensure the supply of goods and operational stability.

3. Sustainability and green initiatives
   As the world becomes more environmentally conscious, many countries and regions have enforced more rigorous regulations on various aspects of the textile industry such as pollution emissions, energy consumption, and wastewater treatment. TST Group will continue to increase our competitiveness in ESG while keeping pace with international trends to meet local regulatory requirements and the demands of our brand customers.

Finally, allow me to wish all our shareholders all the best. Thanks for your support.

Chairman
XINGMAO GROUP HOLDINGS LIMITED
LIN, CHIN-MAO

Two. Company Overview

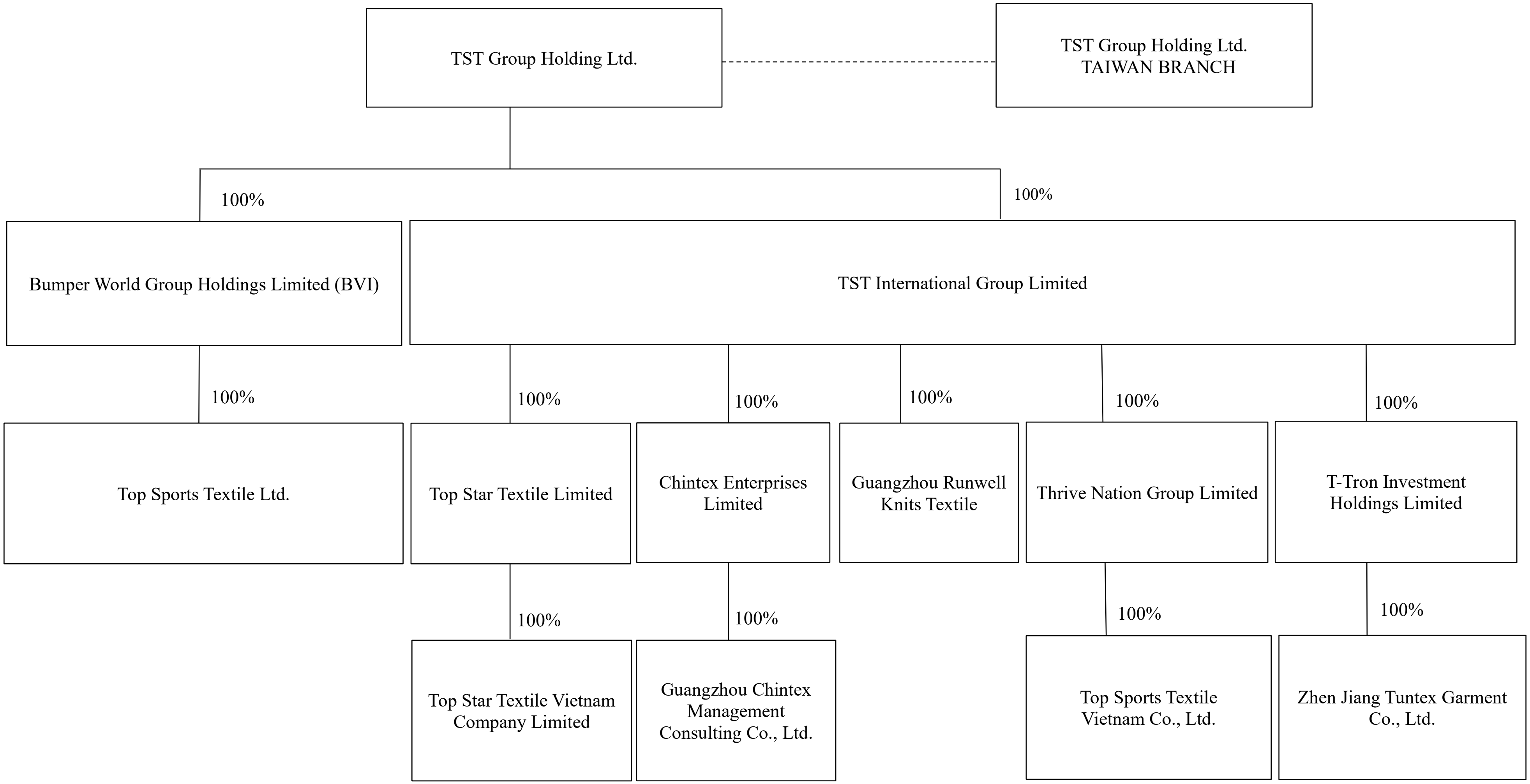
I. Company Profile

(I) Date of establishment and the Group profile:

TST Group Holding Ltd. (hereinafter referred to as the Company) is a holding company incorporated in the British Cayman Islands (hereinafter referred to as the Cayman Islands) on May 21, 2013, and is engaged in the business of manufacturing, processing and sales of knitted fabrics. The country of incorporation and the main functions of each of the Group's subsidiaries are summarized below:

Company name	Registration place	Main business functions in the Group
TST Group Holding Ltd. (hereinafter referred to as TST Group)	British Virgin Islands	General investment business
TST International Group Limited (hereinafter referred to as TST(BVI))	British Virgin Islands	General investment business
Bumper World Group Holdings Limited (hereinafter referred to as Bumper (BVI))	British Virgin Islands	General investment business
Thrive Nation Group Limited (hereinafter referred to as Thrive)	British Virgin Islands	General investment business
T-Tron Investment Holdings Limited (hereinafter referred to as T-Tron)	Hong Kong	General investment business
Top Star Textile Limited (hereinafter referred to as Top Star)	Hong Kong	International trading business
Guangzhou Chintex Management Consulting Co., Ltd. (hereinafter referred to as Guangzhou Chintex)	China	Management of processing plants in Southern China
Chintex Enterprises Limited (hereinafter referred to as Chintex)	China	Production and sale of fabrics in the China and management of the Group's contractors
Guangzhou Runwell Knits Textile (hereinafter referred to as Guangzhou Runwell)	China	Order management outside China
Top Sports Textile Ltd. (hereinafter referred to as TSP)	Cambodia	Fabric production base
Top Star Textile Vietnam Company Limited (hereinafter referred to as TSV)	Vietnam	Under dissolution and liquidation
Top Sports Textile Vietnam Co., Ltd. (hereinafter referred to as TSPV)	Vietnam	Fabric production base
Zhen Jiang Tuntex Garment Co., Ltd. (hereinafter referred to as Zhen Jiang Tuntex)	China	Garment production base

(II) The Group Structure:



II. Risk Assessments

(I) Risk Factor

1. During the most recent year and as of the date of publication of the annual report, the impact of interest rates, exchange rates and inflation on the Company’s profitability and the proposed responding measures:

(1) Interest rate changes

The Company and its subsidiaries recognize interest income from demand deposits with banks and interest expenses due to borrowing from financial institutions to fund working capital. The Company and its subsidiaries reported interest expenses of NT$7,377 thousand and NT$56,050 thousand (or 0.14%及 1.03% of sales), respectively, in 2023 and 2024. This suggests show that influence of interest rate changes has an impact on the Company’s operations, so the company issues corporate bonds to repay loans with high interest rates in advance to reduce the impact of interest rate changes. As the Company and its subsidiaries continue to expand its scale and boost profitability, the increasing internal funds will gradually reduce our reliance on bank loans.

If interest rates fluctuate dramatically and the Company still needs to borrow, we will consider fund raising from the capital market. The Company will also select either fixed or floating rates, depending on the trend of interest rate, to mitigate the risks of interest rates volatility. We maintain good relations with banks to access favorable borrowing rates. The Company and its subsidiaries will also strictly control and manage our currency exposures, to respond to exchange rate fluctuations.

(2) Exchange rate changes

The Company and its subsidiaries book revenues mainly in USD and some in CNY. We pay for our procurements primarily in CNY. In sum, our functional currencies for daily operations are USD and CNY. We seek to reduce currency exposure and exchange rate risks via natural hedging and when appropriate forward contracts. Below are the exchange gains recognized by the Company and its subsidiaries during the most recent years.

Unit: NT$ thousand

	2023	2024
Exchange gains (loss)	(15,299)	(36,603)
As a percentage of sales (%)	(0.29%)	(0.68%)

The fluctuations in the exchange loss and proportion of the Company and its subsidiaries were mainly due to the unrealized exchange losses caused by the depreciation of the Vietnamese Dong due to that the Company's subsidiary in Vietnam had new borrowings in US dollars for the construction of the factory. To mitigate the risks to profitability due to currency rate fluctuations, the Company collects market information to interpret the trends and assess the risks. We also maintain close conversations with banks to stay on top of exchange rate movements, to make timely adjustments if necessary. We also adopt the following measures to reduce the impact of currency fluctuations on our topline and bottom line:

A. The financial department of the Company and its subsidiaries maintain a good relationship with financial institutions to access their insight into exchange rate movements. We also stay on top of the international currency market and financial updates. We manage and adjust, when appropriate, our foreign currency positions, to mitigate the adverse impact of currency fluctuations on our profitability.

B. Depending on our forecast of the currency movement, the Company and its subsidiaries enter into forward contracts, when appropriate, to hedge the currency risks.

C. When providing quotes to customers, the sales department should take into consideration the currency fluctuations to mitigate currency risks.

D. Depending on the assets and liabilities denominated in foreign currencies, the Company seeks to maintain a certain level of position as a buffer against the impact of exchange rate fluctuations.

(3) Inflation

As of the date of publication of the annual report, the Company has not experienced any major impact of inflation or deflation despite rapid changes in the global economy. Going forward, the Company plans to maintain good interactions with suppliers and keep abreast of market price movements. We adjust procurement strategies and cost structures in a timely manner, to mitigate the impact of inflation on our profitability.

2. During the most recent year and as of the date of publication of the annual report, the policy regarding highly risky and highly leveraged investments, lending to others, endorsements/guarantees, and derivative instruments, main reasons for gains/losses and proposed responding measures:

(1) Reasons for gains/profits from highly risky and highly leveraged investments and proposed responding measures:

The Company has not engaged in any highly risky and highly leverage investments.

(2) Reasons for gains/profits from lending to others and proposed responding measures:

The Company lends primarily to overseas subsidiaries directly or indirectly controlled with 100% voting rights as part of business dealings or funding requirements. This is processed according to the Guidelines for Lending to Other Parties.

(3) Reasons for gains/profits from endorsements/guarantees and proposed responding measures:

The Company provides endorsements/guarantees primarily to overseas subsidiaries directly or indirectly controlled with 100% voting rights or engages in mutual guarantees with such subsidiaries for credit facilities offered by banks.

This is processed according to the Guidelines for Endorsements/Guarantees.

(4) Reasons for gains/profits from derivatives transactions and proposed responding measures:

The Company has not engaged in derivatives transactions during the most recent years and as of the date of publication of the annual report. Going forward, we will primarily be engaged in USD/CNY or USD/VND forward contracts for hedging purposes, to mitigate the exchange rate risks associated with our assets and liabilities denominated in foreign currencies. This will be processed according to the Procedures for Asset Acquisitions/Disposals and the Guideline for Lifecycle of Investment – Control Operations for Derivatives Transactions.

3. During the most recent year and as of the date of publication of the annual report, R&D plans and budgets:

Item	Specific Content	Additional R&D spending expected
Theoretical Fundamental Research	1.Research on a Method of Dyeing Wool with a Natural Plant Dye	USD 150,000
	2.Research on a Method of Dyeing Cellulose Fibers with Reactive Dye Liquid Ammonia	
	3.Research on Development of Long-haired Loop Stand-up Eared Hoodie Fabric	
	4.Research on Dyeing Technology of Liquid Wax Low-water Polyester Cotton	
	5.Research on Green Dyeing Technology with Natural Plant Dyes	
Fabric Development and Improvement	1.Development of High-quality and High Value-added Sports, Fashionable, and Functional Knitted Fabrics	USD 300,000
	2.Development and Application of Moisture-absorbing and Fast-drying Cotton Knitted Fabrics	
	3.Modification of Air Layer Fabric - Development and Application of Long-haired Loop Stand-up Eared Hoodie Fabric	
Product Operation Promotion	1.Fabric digitalization and product packaging	USD 250,000
	2.Organization and Participation in Ho Chi Minh City SAIGON TEX Exhibition	
	3.Participation in Customer Visits and Brand Fabric Recommendations, Understanding of Popular Trends, and Making of the Best Product Development Direction	

4. During the most recent year and as of the date of publication of the annual report, influence of changes in government policies and laws/regulations domestic and overseas on the Company's financials and operations and the proposed responding measures:

The Company is registered in the Cayman Islands and operates in China, Hong Kong, Cambodia and Vietnam. We adhere to the laws/regulations and relevant government policies in the jurisdiction where the Company is registered, and in the jurisdictions where the Company operate. We keep a close eye on any change and development so that we can respond to market conditions and adopt appropriate measures in a timely manner. As of the date of publication of the annual report, the Company has not suffered significant and adverse impacts on its financials or operations due to change in government policies or laws/regulations domestic or overseas.

5. During the most recent year and as of the date of publication of the annual report, influence of technological changes (Including information security risks) and industrial evolution on the Company's financials and operations and the proposed responding measures:

   The Company watches closely the advancement of technologies and stays informed of the most up-to-date market information, to assess how the industry dynamics affect our business and operations. In respect of cyber security risks, information technology evolves rapidly, and related cyber-attacks are frequently reported. The relative protection mechanisms established by existing technologies cannot completely prevent them. Follow-up recovery and encryption mechanisms for confidential data are established to reduce the impact of Influence of technological changes (Including information security risks) and industrial evolution on the Company's financials and operations and the proposed responding measures. During the most recent year and as of the date of publication of the annual report, the Company has not seen any significant impact on its financials or operations due to technological changes (including information security risks) or industry evolution.

6. During the most recent year and as of the date of publication of the annual report, influence of corporate image change on crisis management and the proposed responding measures:
   The Company is committed to its business philosophy of integrity, trust, and sustainability. Since inception, we have been dedicated to our core business and we have a good corporate image as we comply with all the relevant laws and regulations and endeavor to protect our reputation. During the most recent year and as of the date of publication of the annual report, the Company has not experienced any crisis management events due to changes in the corporate image.

7. During the most recent year and as of the date of publication of the annual report, expected benefits and potential risks of ongoing M&As, and the proposed responding measures:

   As of the date of publication of the annual report, the Company has no plan to acquire other companies. However, if there are any merger and acquisition plans in the future, the Company will adopt a prudent evaluation attitude and consider whether the merger can bring specific synergies to the Company in order to truly protect the interests of shareholders.

8. During the most recent year and as of the date of publication of the annual report, expected benefits and potential risks of capacity expansions, and the proposed responding measures:

   As of the date of publication, the Company has no plan to expand the plant.

9. During the most recent year and as of the date of publication of the annual report, risks and response measures of procurement or sale concentration:

   (1) Risk and response measures of procurement concentration：
   As of the date of publication, the Company and its subsidiaries, none of the single suppliers accounted for 30% or higher of the group's procurements.
   (2) Risk and response measures of sale concentration
   As of the date of publication, the Company and its subsidiaries, none of the single customers accounted for 30% or higher of the group's revenues.

   In sum, the Company and its subsidiaries are not exposed to the risk of procurement or sale concentration.

10. During the most recent year and as of the date of publication of the annual report, influence of significant ownership transfer or change by directors, supervisors or shareholders with 10% stakes or higher on the Company, associated risks, and the proposed responding measures: None

11. During the most recent year and as of the date of publication of the annual report, influence of control change on the Company, associated risks, and the proposed responding measures：As of the date of publication, there has been no change of control for the Company.

12. Other important risks and responding measures:

    (1) Risks arising from macroeconomy, political and economic environment, foreign exchange and laws and regulations

    The Company is registered in the Cayman Islands, with operations in the Hong Kong, China, Cambodia, and Vietnam. Any change in the macroeconomy and political environments and volatility of exchange rates will affect the operations of the Company.

    (2) Risk of protection of shareholders' equity

    There are many differences between the laws in the Cayman Island and the Company Act of the Republic of China. Whilst the Company has amended its Articles of Incorporation according to the Checklist for Protection of Shareholders of Securities Issued by Foreign Entities published by the Taiwan Stock Exchange, there are still many discrepancies in the regulatory frameworks between the Cayman Islands and Taiwan in relation to how companies operate. Investors should establish a good understanding and consult with experts regarding the differences in investments in the companies in Cayman Islands and the protection of shareholders' equity.

    (3) Risks relating to statements in annual report

    A.Facts and statistical information

    Certain external information and external statistics in the Annual Report have been obtained from different statistical publications. However, such information may be inaccurate, incomplete or not up-to-date. The Company makes no representation as to the authenticity or accuracy of such statements, and investors should not place undue reliance on such external information in making investment judgments.

    B.Forward-looking statements in the Annual Report and their risks and uncertainties

    The Annual Report contains certain forward-looking statements and information about the Company and its affiliated companies. These statements and information are based on the beliefs and assumptions of the Company's management and information currently available. In the Annual Report, the words “anticipate,” “believe,” “could,” “expect,” “future,” “intend,” “may,” “must,” “plan,” “estimate,” “seek,” “should,” “will,” “can,” “expected” and similar expressions, when used with respect to the Company or the Company's management, identify forward-looking statements. Such statements reflect the current views of the Company's management with respect to future events, operations, liquidity and funding sources, some of which may not be realized or may change. Such statements are subject to a number of risks, uncertainties and assumptions, including other risk factors described in the Annual Report. Investors should consider carefully that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The Company is subject to such risks and uncertainties that may affect the accuracy of the forward-looking statements, including, but not limited to, the following:

(A) Descriptions in V. Business Performance in Brief.

(B) Certain statements in the Annual Report relating to trends in prices, volumes, operations and profits, general market trends, risk management and exchange rates.

The Company does not intend to update the forward-looking statements in the Annual Report or revise them to reflect future events or information. In light of these and other risks, uncertainties and assumptions, the forward-looking statements and circumstances in the Annual Report may not occur in the manner anticipated by the Company or at all. Therefore, investors should not rely on any forward-looking statement.

For other important risks and responding measures relating to the Company's operations, please refer to the Annual Report under the heading “Positive/negative factors for business prospects and responding measures”. However, despite the existence of such responding measures, they may not be fully implemented due to factors such as force majeure, and the related risks may still have an impact on the Company's business, operating results and financial position.

(II) Litigations or non-litigation events

1. Any judgments or litigations ongoing, non-litigation or administrative litigations regarding the Company during the most recent two years and as of the date of publication of the annual report, and the results of such judgments or litigations may have material impact on the rights of the Company’s shareholders or the prices of its securities, the facts in contention, the value of underlying targets, start date of litigations, key parties involved and actions taken currently should be disclosed: None

2. Any judgments or litigations ongoing, non-litigation or administrative litigations regarding the Company’s directors, supervisors, general manager, beneficial owners, major shareholders with 10% stakes or higher, and affiliated companies during the most recent two years and as of the date of publication of the annual report, and the results of such judgments or litigations may have material impact on the rights of the Company’s shareholders or the prices of its securities: None

3. Circumstances stipulated in Article 157 of the Securities and Exchange Act that have occurred to the Company’s directors, supervisors, managers, and major shareholders with 10% stakes or higher during the most recent two years and as of the date of publication of the annual report, and the current handling situation of the Company: None

Three. Corporate Governance

I. Information on the Directors, Supervisors, General Manager, Vice General Managers, Senior Managers and the Managers of Each Department and Branch

(I) Information on Directors and Supervisors

1. Names, education, experience, shareholdings, and nature of such shareholders of directors (no supervisors in the Company)

As of April 21, 2025；Unit: shares；%

Title	Nationality or registration place	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholdings When Elected		Current Shareholdings		Spouse, Minor Children Current Shareholding		Shareholding by Nominee Arrangement		Main Experience (Education)	Current Positions in this Group and Other Companies	Other Managers, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	HK	Xingmao Group Holdings Limited	-	Jun. 15, 2022	3 yrs	Jan. 09, 2019	10,640,000	33.78	12,768,000	33.57	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Chin-Mao Lin	M (61-70)				2,570,000	8.16	2,450,000	6.44	-	-	16,356,000 (Note1)	43.00	Currently studying in the Master's Program of Graduate Institute of International Business Management of NTU Study in Dept. of Commerce, Daojiang High School of Commerce President of TST Group Holding Ltd.	President of TST Group Holding Ltd. Chairman of Bumper World Group Holdings Limited、TST International Group Limited、Top Star Textile Limited、 Thrive Nation Group Limited、Top Sports Textile Ltd.、 Top Sports Textile Vietnam Co., Ltd. Director of T-Tron Investment Holdings Limited Chairman of Domus Limited Chairman of Tat Cheong International Company Limited Chairman of Wise Sky International Limited Chairman of Chintex Investment Company Limited Chairman of Happy Time International Investment Limited Chairman of Big Loyal Group Limited Chairman of Xingmao Group Holdings Limited Chairman of Numerous Stars Limited Director of NEWA INSURANCE (CAMBODIA) PLC. Chairman of Pong Fu (Shanghai) Investment Consulting Co., Ltd. Director of Pong Fu (Shanghai) Investment Co., Ltd.	-	-	-	-

Title	Nationality or registration place	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholdings When Elected		Current Shareholdings		Spouse, Minor Children Current Shareholding		Shareholding by Nominee Arrangement		Main Experience (Education)	Current Positions in this Group and Other Companies	Other Managers, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	BVI	Sunny Earn International Holdings Limited	-	Jun. 15, 2022	3 yrs	Jun. 15, 2022	1,380,000	4.38	1,656,000	4.35	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Ching-Wei Lin	M (41-50)			Serve as a director from May 27, 2019 to June 14, 2022; as a representative of the director from June 15, 2022	90,000	0.29	105,000	0.28	-	-	1,656,000 (Note 2)	4.35	Study in Bachelor of Social Sciences in the University of Natal General Manager of TST Group Holding Ltd.	General Manager of TST Group Holding Ltd. R&D Chief of TST Group Holding Ltd. Director of Sunny Earn International Holdings Limited Director & General Manager of Top Star Textile Limited	-	-	-	-
Director	HK	Xingmao Group Holdings Limited	-	Jun. 15, 2022	3 yrs	Jun. 15, 2022	10,640,000	33.78	12,768,000	33.57	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative: Hsiang-Ming Hung	M (41-50)			Serve as a director from May 27, 2019 to June 14, 2022; as a representative of the director from June 15, 2022	79,000	0.25	4,800	0.01	-	-	-	-	Bachelor of Dept. of Information Management, Da-Yeh University COO of TST Group Holding Ltd.	COO of TST Group Holding Ltd. COO of Top Star Textile Limited Director of T-Tron Investment Holdings Limited	-	-	-	-

Title	Nationality or registration place	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholdings When Elected		Current Shareholdings		Spouse, Minor Children Current Shareholding		Shareholding by Nominee Arrangement		Main Experience (Education)	Current Positions in this Group and Other Companies	Other Managers, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Chia Mei Investment Co., Ltd.	-	Jun. 15, 2022	3 yrs	May 27, 2019	150,000	0.48	180,000	0.47	-	-	-	-	-	-	-	-	-	-
	R.O.C.	Representative：Chiung-Shiung Tung	M (81-90)				-	-	-	-	-	-	-	-	Bachelor of Dept. of Business Administration, National Taipei University Representative of the juristic-person Chairman of Toshiba International Co., Ltd.	Representative of the juristic-person Chairman of Toshiba International Co., Ltd. Representative of the juristic-person Supervisor of Abico International Co., Ltd. Representative of the juristic-person Supervisor of Yichan Investment Co., Ltd. Representative of the juristic-person Director of Ability Investment Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	King-Biau Lien	M (71-80)	Jun. 15, 2022	3 yrs	Jan. 09, 2019	-	-	-	-	-	-	-	-	Bachelor of Dept. of Statistics, NCCU Executive President of Tuntex Incorporation	-	-	-	-	-
Independent Director	R.O.C.	Kun-Ming Lee	M (41-50)	Jun. 15, 2022	3 yrs	Jan. 09, 2019	-	-	-	-	-	-	-	-	Master of Business Administration - Tiffin University Assistant Manager of Deloitte & Touche CPA Partner, K & B CPAs Firm CPA of BOYANG CPAs Firm	CPA of BOYANG CPAs Firm Independent Director, The Leofoo Development Co., Ltd.	-	-	-	-
Independent Director	R.O.C.	Heng-Yih Liu	M (51-60)	Jun. 15, 2022	3 yrs	Jan. 09, 2019	-	-	-	-	-	-	-	-	Ph.D., Dept. of International Business, National Taiwan University Supervisor, Sinfu Asset Management Company	Full-time Associate Professor, College of Management, Yuan Ze University Supervisor, Sinfu Asset Management Company Independent Director, WHA YU Industrial Co., Ltd. Director, TCM Biotech International Corp.	-	-	-	-

The Company’s Board of Directors consists of seven directors, including three independent directors. Each term is three years. No independent director has served three consecutive terms.

Note 1: Chin-Mao Lin owns 100% of Xingmao Group Holdings Limited, 100% of Big Loyal Group Limited and 100% of Happy Time International Investment Limited.

Note 2: Ching-Wei Lin owns 100% of Sunny Earn International Holdings Limited.

2. Major shareholders of juristic person shareholders:

As of April 21, 2025

Name of juristic person shareholder	Major shareholders of juristic person shareholders
Xingmao Group Holdings Limited	Chin-Mao Lin (100%)
Sunny Earn International Holdings Limited	Ching-Wei Lin (100%)
Chia Mei Investment Co., Ltd.	Yi-Chun Tung (20.00%)、Chun-Jen Tung (20.00%)、Chun-Yi Tung (20.00%)、Pei-Yu Chen (5.00%)、Hsiao-Chi Chang (5.00%)、Hsin-Yi Chou (5.00%)、JUST EARN INVESTMENT CO., LTD. (8.35%)、KAIJUN INVESTMENT CO., LTD. (8.325%)、SKY CENTURY CORP. (8.325%)

3. Where the major shareholder of juristic person shareholders is a representative of juristic person shareholder: None

4. Disclosure of professional qualification of directors and supervisors and independence of independent directors:

Condition / Name	Professional qualification and experience (Note 1)	Independence status	Number of companies for adjunct independent directors of other public offering companies
Xingmao Group Holdings Limited Representative: Chin-Mao Lin	1. Experience in the textile industry and related products. Possess operational judgment, operational management, decision-making and crisis management capabilities. 2. Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	Regarding the independence of the board of directors, please refer to the following description of diversity and independence of the board of directors (2) Independence of the board of directors.	0

Name \ Condition	Professional qualification and experience (Note 1)	Independence status	Number of companies for adjunct independent directors of other public offering companies
Sunny Earn International Holdings Limited Representative: Ching-Wei Lin	1. More than 20 years of practical experience in the textile industry and related products. 2. Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	Same as above	0
Xingmao Group Holdings Limited Representative: Hsiang-Ming Hung	1. More than 20 years of practical experience in the textile industry and related products. 2. Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	Same as above	0
Chia Mei Investment Co., Ltd. Representative： Chiung-Shiung Tung	1. Possess rich qualifications in commercial and financial affairs. 2. Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	Same as above	0

Condition / Name	Professional qualification and experience (Note 1)	Independence status	Number of companies for adjunct independent directors of other public offering companies
Heng-Yih Liu	1.Have more than five years of work experience, rich experience in organization management, industry, government and education. 2.Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	1.Myself, my spouse, and relatives within the second degree have not served as directors, supervisors, or employees of the Company or other affiliated companies. 2.Myself, my spouse, and relatives within the second degree (or in the name of others) do not hold any shares in the Company. 3.Not serving as a director, supervisor or employee of any company with which the Company has a specific relationship. 4.Having not provided any services of business, legal, finance or accounting to the Company and its affiliates and received no remuneration for the last two years.	2

Condition / Name	Professional qualification and experience (Note 1)	Independence status	Number of companies for adjunct independent directors of other public offering companies
King-Biau Lien	1.Have more than five years of work experience, rich industry experience, operational judgment and management capabilities. 2.Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	1.Myself, my spouse, and relatives within the second degree have not served as directors, supervisors, or employees of the Company or other affiliated companies. 2.Myself, my spouse, and relatives within the second degree (or in the name of others) do not hold any shares in the Company. 3.Not serving as a director, supervisor or employee of any company with which the Company has a specific relationship. 4.Having not provided any services of business, legal, finance or accounting to the Company and its affiliates and received no remuneration for the last two years.	0

Name \ Condition	Professional qualification and experience (Note 1)	Independence status	Number of companies for adjunct independent directors of other public offering companies
Kun-Ming Lee	1.Have more than five years of work experience, a certified accountant, good at finance, accounting, taxation and corporate governance. 2.Not subject to any conditions defined in subparagraphs of Article 30 of the Company Act.	1.Myself, my spouse, and relatives within the second degree have not served as directors, supervisors, or employees of the Company or other affiliated companies. 2.Myself, my spouse, and relatives within the second degree (or in the name of others) do not hold any shares in the Company. 3.Not serving as a director, supervisor or employee of any company with which the Company has a specific relationship. 4.Having not provided any services of business, legal, finance or accounting to the Company and its affiliates and received no remuneration for the last two years.	1

Note1: Please refer to Page 13 Table 1 Data on Directors (1) for shareholdings, education and experience and other positions concurrently held by individual directors with the Company or other companies.

5. Board diversity and independence

(1) Board diversity:

a. Diversity policy:

Diversity of the Board of Directors: According to the operation points of corporate governance and the procedure of director election at the Company, the election of directors at the Company must consider the overall arrangement of the Board of Directors. The members of the Board of Directors must be equipped with knowledge, skills and literacy required by the duty execution. The overall abilities must include abilities of operation judgment, accounting and finance analysis, operation management, crisis handling, industry knowledge, prospective of international market, leadership and decision-making. The nomination and election of the members of the Board of Directors at the Company abide by company regulations, adopting the system of candidate nomination. Apart from the evaluation of candidate education, experience and qualification, consult stakeholders and comply with “Procedures for Election of Directors” and “Corporate Governance Best Practice Principles” to ensure the diversity and independence of the members of the Board of Directors.

b. Specific management goals:

The board of directors of the Company shall guide the company's strategy, supervise the management, and be accountable to the Company and its shareholders. The various procedures and arrangements of the corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, the Articles of Incorporation, and the resolutions adopted by the shareholder meetings. All directors of the Company have the necessary knowledge, skills, literacy and industry decision-making and management capabilities to carry out business. In addition to the aforementioned contents, the Company also attaches great importance to gender equality in the composition of the Board of Directors. The Company will increase the number of female directors in the comprehensive re-election of directors in 2025, and gradually improve the structure of the Board of Directors, thus achieving the goal of diversified board members.

c. The current implementation of diversity among board members is as follows:

The Company's the second 7 directors list, including 3 members, who are the representative of Xingmao Group Holdings Limited Chin-Mao Lin and the representative of Sunny Earn International Holdings Limited Ching-Wei Lin as well as the representative of Xingmao Group Holdings Limited Hsiang-Ming Hung, that have been deeply involved in the industry for a long time, have deep industry knowledge, and have international market views on operation and management. Good at commercial and financial affairs, the representative of Chia Mei Investment Co., Ltd. Chiung-Shiung Tung. The three independent directors are good at industry knowledge, accounting and finance, and business management, namely King-Biau Lien, Kun-Ming Lee and Heng-Yih Liu.

The proportion of directors who are employees of the Company is 43%, and the proportion of independent directors is 43%. 2 directors are over 70-year-old, 2 directors are 51-69-year-old, and 3 directors are under 50-year-old.

The current Please refer to the " The diversity of the board composition and the tasks carried out by board directors" on page 44 for relevant diversification implementation.

(2) Board independence:

Independence of the Board of Directors: The Board of the Company is composed of 7 Directors with experience operating companies or academic related experience, including 3 Independent Directors (taking up 43% of all Board members). An Audit Committee and Remuneration Committee involving all Independent Directors have been established for collaborating with the Board for decision making.

The Company has obtained written statements from three of the Independent Directors, which indicate that they fulfill the criteria in as regulated in Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and they follow regulations specified in Provision 14 item 2 of Securities and Exchange Act.

None of the above 3 independent directors concurrently serving as more than independent director of three companies which is other public offering companies

The Company is not engaged in businesses with the companies where they serve as Independent Directors. Also, a review on report of internal personnel indicates that none of the 7 Directors are spouses of or relatives within second degree kinship of the other Directors. Thus, it is regarded that the Company’s Independent Directors can remain unbiased while performing their duties.

(II) Information on General Manager, Vice General Managers, Senior Managers and the Managers of Each Department and Branch

As of April 21, 2025；Unit: shares；%

Title	Nationality	Name	Gender	Date Effective (yy/mm/dd)	Shareholdings		Spouse, Minor Children Current Shareholding		Shareholding by Nominee Arrangement		Main Experience (Education)	Current Positions in Other Companies	Other Managers, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C.	Chin-Mao Lin	M	1992.01	2,450,000	6.44	-	-	16,356,000	43.00	Currently studying in the Master's Program of Graduate Institute of International Business Management of NTU Study in Dept. of Commerce, Daojiang High School of Commerce President of TST Group Holding Ltd.	President of TST Group Holding Ltd. Chairman of Bumper World Group Holdings Limited、TST International Group Limited、Top Star Textile Limited、 Thrive Nation Group Limited、Top Sports Textile Ltd.、 Top Sports Textile Vietnam Co., Ltd. Director of T-Tron Investment Holdings Limited Chairman of Domus Limited Chairman of Tat Cheong International Company Limited Chairman of Wise Sky International Limited Chairman of Chintex Investment Company Limited Chairman of Happy Time International Investment Limited Chairman of Big Loyal Group Limited Chairman of Xingmao Group Holdings Limited Chairman of Numerous Stars Limited Director of NEWA INSURANCE (CAMBODIA) PLC. Chairman of Pong Fu (Shanghai) Investment Consulting Co., Ltd. Director of Pong Fu (Shanghai) Investment Co., Ltd.	-	-	-	-
General Manager	R.O.C.	Ching-Wei Lin	M	2000.04.01	105,000	0.28	-	-	1,656,000	4.35	Study in Bachelor of Social Sciences in the University of Natal General Manager of TST Group Holding Ltd.	Director of Sunny Earn International Holdings Limited Director & General Manager of Top Star Textile Limited	-	-	-	-
Chief Operating Officer (COO)	R.O.C.	Hsiang-Ming Hung	M	2000.11.01	4,800	0.01	-	-	-	-	Bachelor of Dept. of Information Management, Da-Yeh University COO of TST Group Holding Ltd.	COO of Top Star Textile Limited Director of T-Tron Investment Holdings Limited	-	-	-	-
Chief Financial Officer (CFO)	HK	Ta-Shing Tang	M	2017.03.01	36,000	0.09	-	-	34,200	0.09	Immaculate Heart of Mary College Audit Manager of James K.K. Chan & Co. CPA, ERIC T. S. TANG & CO. Certified Public Accountant of Bright Brilliance CPA Limited	-	-	-	-	-
Chief Corporate Governance Officer	R.O.C.	Chun-Ju Yang	F	2023.05.11	9,400	0.02	-	-	-	-	Bachelor of Department of Accounting, Chinese Culture University Audit Manager of PwC Taiwan	Senior Manager of IR Department of TST Group Holding Ltd.	-	-	-	-
Audit Supervisor	R.O.C.	Jing-Yi Wang	F	2017.03.01	30,000	0.08	-	-	-	-	Master of Business Administration in Accounting, Chung Yuan Christian University Audit Manager of PwC Taiwan	-	-	-	-	-

II. Remuneration Paid to Directors, Supervisors, General Manager and Vice General Managers in the most recent year

(I) Remuneration Paid to general Directors, Independent Directors, Supervisors, General Manager and Vice General Managers in the most recent year (2024)

1. Remuneration of general Directors & Independent Directors

Unit: NT$ thousand；thousand shares

Title	Name	Directors' Remuneration								Ratio (%) of the Aggregate Amount of A, B, C and D to the Net Income After-Tax		Remuneration Received by Concurrent Employees								Ratio (%) of the Aggregate Amount of A, B, C, D, E, F and G to the Net Income After -Tax		Receiving Remuneration from any Investees or parent company other than the Subsidiaries of the Company
		Remuneration (A)		Pension (B)		Directors' Remuneration from the Distribution of Earnings (C)		Fees for Performance of Business (D)				Wages, Bonus and Special Allowance, etc. (E)		Pension (F)		Employee Bonus from the Distribution of Earnings (G)						
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements	
																Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
Chairman	Xingmao Group Holdings Limited	-	960	-	-	-	-	-	110	-	1,070 1.63%	-	-	-	-	-	-	-	-	-	1,070 1.63%	-
	Representative: Chin-Mao Lin	-	-	-	-	-	-	-	-	-	-	-	10,775	-	-	-	-	-	-	-	10,775 16.41%	-
Director	Sunny Earn International Holdings Limited	-	480	-	-	-	-	-	40	-	520 0.79%	-	-	-	-	-	-	-	-	-	520 0.79%	-
	Representative: Ching-Wei Lin(Note1)	-	-	-	-	-	-	-	-	-	-	-	8,424	-	-	-	-	-	-	-	8,424 12.83%	-
Director	Xingmao Group Holdings Limited	-	960	-	-	-	-	-	110	-	1,070 1.63%	-	-	-	-	-	-	-	-	-	1,070 1.63%	-
	Representative: Hsiang-Ming Hung (Note1)	-	-	-	-	-	-	-	-	-	-	-	6,416	-	-	-	-	-	-	-	6,416 9.77%	-
Director	Chia Mei Investment Co., Ltd.	-	480	-	-	-	-	-	60	-	540 0.82%	-	-	-	-	-	-	-	-	-	540 0.82%	-
	Representative: Chiung-Shiung Tung	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	King-Biau Lien	-	1,440	-	-	-	-	-	60	-	1,500 2.28%	-	-	-	-	-	-	-	-	-	1,500 2.28%	-
Independent Director	Kun-Ming Lee	-	720	-	-	-	-	-	60	-	780 1.19%	-	-	-	-	-	-	-	-	-	780 1.19%	-
Independent Director	Heng-Yih Liu	-	720	-	-	-	-	-	60	-	780 1.19%	-	-	-	-	-	-	-	-	-	780 1.19%	-

The remuneration of independent directors of the Company refers to the Company's overall operating performance, future business risks and development trends of the industry, and also refers to the individual's performance achievement rate and contribution to the company's performance. Reasonable remuneration is provided. The relevant performance appraisal and remuneration are reasonable. The compensation will be paid after being reviewed by the Remuneration Committee and submitted to the board of directors for resolution.

2. Remuneration to Supervisor: This Company has established the Audit Committee so that there is no supervisor.
3. Remuneration to General Manager and Vice General Manager

Unit: NT$ thousand

Title	Name	Wages (A)		Pension (B) (Note)		Bonus and Special Allowance t, etc. (C)		Employee Bonus Amount from Earnings Distribution (D)				Ratio (%) of the Aggregate Amount of A, B, C and D to the Net Income After-Tax		Receiving Remuneration from any Investees or parent company other Than the Subsidiaries of the Company
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Chin-Mao Lin	-	9,573	-	-	-	1,202	-	-	-	-	-	10,775 16.41%	-
General Manager	Ching-Wei Lin	-	7,484	-	-	-	940	-	-	-	-	-	8,424 12.83%	-
Chief Operating Officer (COO)	Hsiang-Ming Hung	-	5,699	-	-	-	717	-	-	-	-	-	6,416 9.77%	-

4. The remuneration of the top five executives of listed companies

Unit: NT$ thousand

Title	Name	Wages (A)		Pension (B) (Note)		Bonus and Special Allowance t, etc. (C)		Employee Bonus Amount from Earnings Distribution (D)				Ratio (%) of the Aggregate Amount of A, B, C and D to the Net Income After-Tax		Receiving Remuneration from any Investees or parent company other Than the Subsidiaries of the Company
		The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company	All Companies Specified in the Financial Statements	The Company		All Companies Specified in the Financial Statements		The Company	All Companies Specified in the Financial Statements	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Chin-Mao Lin	-	9,573	-	-	-	1,202	-	-	-	-	-	10,775 16.41%	-
General Manager	Ching-Wei Lin	-	7,484	-	-	-	940	-	-	-	-	-	8,424 12.83%	-
Chief Operating Officer (COO)	Hsiang-Ming Hung	-	5,699	-	-	-	717	-	-	-	-	-	6,416 9.77%	-
Chief Financial Officer (CFO)	Tat-Shing Tang	-	4,099	-	-	-	516	-	-	-	-	-	4,615 7.03%	-

5. Names of the managers allocated with bonus to employees and the facts in allocation:

Unit: NT$ thousand

	Title	Name	Share Bonus	Cash Bonus	Total	Ratio of the Aggregate Amount to the Net Income After-Tax (%)
Manger	President	Chin-Mao Lin	-	-	-	-
	General Manager	Ching-Wei Lin				
	Chief Operating Officer (COO)	Hsiang-Ming Hung				

(II) The analyses of the percentages of the aggregate total compensations paid to the Company's directors and supervisors, General Managers and Vice General Manager of the Company to the net profit after taxes over the past two years in the Company and all companies covered in the consolidated financial statements and explain the policies, criteria, portfolio of remuneration payment, procedures to fix remuneration, business performance and interrelationship to the future risks (The Company does not have any supervisor)

1. Analyses of the percentages of the aggregate total compensations paid to the directors and supervisors, General Managers and Vice General Manager of the Company and all companies covered in the consolidated financial statements to the net earnings after taxes:

Unit: NT$ thousand

Item	Year 2023		Year 2024	
	Amount	%	Amount	%
Director	5,130	1.26%	5,190	7.90%
General Manager and Vice General Manager	43,657	10.70%	25,615	39.01%
Net income (consolidated)	408,198	-	65,657	-

2. The Policies, criteria, and Portfolios for the Payment of Remuneration, the Procedures for Determining Remuneration, and the Correlation with Business Performance and future risks.

A. The Policies, criteria, and Portfolios for the Payment of Remuneration
Subject to Article 30 of the Articles of Incorporation, A Director (except for Independent Director) may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the compensation committee shall present its recommendations to the board of Directors for discussion and approval. The Directors may be paid remuneration only in cash. The amount of such remuneration shall be recommended by the compensation committee and determined by the board of Directors, and take into account the extent and value of the services provided for the management of the Company and the standards of the industry in the R.O.C. and overseas.

B. The Procedures for Determining Remuneration, and the Correlation with Business Performance

The Company has established Remuneration Committee, responsible for the design and review of performance assessments on directors and managers, as well as the remuneration policy, system, standard and structure. Periodic evaluations are conducted and remunerations to directors and managers are determined in reference to industry levels. The remunerations set by Remuneration Committee should not deviate significantly from financial performance. In case of a major decline in profits or long-term losses, the remuneration should not be higher from the previous. If the remuneration exceeds the prior year level, it is necessary to report to the shareholders' meeting.

The Company evaluated the performance of directors, independent directors, and managers according to Guidelines on Performance Assessments of Board of Directors. In addition to the Company's overall operating performance, industry outlook, business risks and trends, it is also necessary to provide reasonable remunerations by referring to personal performance achievement and contribution to the corporate performance. Relevant performance assessments and remuneration reasonableness are reviewed by Audit Committee. Payments are made after approval from the Board of Directors.

C. Correlation between operation performance and future risks

The Company's remunerations are determined in accordance with the Company's Articles of Incorporation and factors such as contributions to the Company and reference to the levels of the same industry. The relevant performance assessment and the rationality of remuneration are reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system is reviewed from time to time in accordance with the actual operating conditions and relevant laws and regulations, to seek for the balance between the Company's sustainable operation and risk control.

III. Corporate Governance

(I) Functioning of the Board of Directors

A total of 6【A】meetings of Directors was convened in 2024. Director attendance was as follows:

Title	Name	Times of Actual Attendance in Person【B】	Times of Attendance by Proxy	Actual Attendance Ratio (%)【B/A】	Remarks
Chairman	Xingmao Group Holdings Limited Representative: Chin-Mao Lin	5	1	83.33	-
Director	Sunny Earn International Holdings Limited Representative: Ching-Wei Lin	4	2	66.67	-
Director	Xingmao Group Holdings Limited Representative: Hsiang-Ming Hung	6	0	100.00	-
Director	Chia Mei Investment Co., Ltd. Representative: Chiung-Shiung Tung	6	0	100.00	-
Independent Director	King-Biau Lien	6	0	100.00	-
Independent Director	Kun-Ming Lee	6	0	100.00	-
Independent Director	Heng-Yih Liu	6	0	100.00	-

Other entries as required:

I. Where the operations by the Board of Directors meet any one among those circumstances enumerated below, the date, term, contents of the agenda, opinions of all independent directors and the handling of the independent directors' opinions shall be expressly remarked:

(I) Issues to be enumerated under Article 14-3 of the Securities and Exchange Act:

Meeting date/session	Discussions	Opinions from all independent directors and the Company's response to these opinions
Mar. 13, 2024/ the 11th meeting for the 2nd Board	● Review 2023 consolidated financial statements and business report. ● Review 2023 distribution of earnings. ● The evaluation of independence of the external CPAs who certifies the Company's financial reports. ● Approve the proposal for the loaning of funds made by the Group. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit and derivatives trading limit provided through SinoPac Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd.	Approved by all independent directors

Meeting date/session	Discussions	Opinions from all independent directors and the Company's response to these opinions
Mar. 13, 2024/ the 11th meeting for the 2nd Board	●Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through SinoPac Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd. ●Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Chinatrust Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd. ●Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Chinatrust Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd. ●Approve the proposal of the role of the Company acting as financing co-guarantor that provides the common bank financing limit and derivatives trading limit provided through Taishin International Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd. ●Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit, foreign exchange and derivatives trading limit provided through Citibank (Taiwan) to Top Star Textile Limited. ●Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the credit line provided through Citibank, N.A., Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd. ●Approve the proposal of the role of the Company and Top Star Textile Limited acting as the financing co-guarantor that provides the financing limit provided through Taipei Fubon Bank, Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd. ●Approve the proposal of the role of the Company, Top Star Textile Limited and Guangzhou Runwell Knits Textile acting as the financing co-guarantor that provides the financing limit provided through Standard Chartered Bank (China) Limited to Chintex Enterprises Limited.	Approved by all independent directors
	Resolution result: Approved with consent of all attending directors	
May 9 2024/ the 12th meeting for the 2nd Board	●Review Q1 of 2024 consolidated financial statements.	Approved by all independent directors

Meeting date/session	Discussions	Opinions from all independent directors and the Company's response to these opinions
May 9 2024/ the 12th meeting for the 2nd Board	● Approve the proposal of the role of the Company and TST International Group Limited acting as the financing co-guarantor that provides the financing limit provided through Taipei Fubon Bank, Hong Kong Branch to Top Star Textile Limited. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Cathay United Bank (China) to Chintex Enterprises Limited.	Approved by all independent directors
	Resolution result: Approved with consent of all attending directors	
Jun. 19, 2024/ the 13th meeting for the 2nd Board	● Approve the proposal for the loaning of funds to Top Sports Textile Vietnam Co., Ltd. as provided by the subsidiary, Top Star Textile Limited. ● Approve the proposal that provides the financing limit provided through Taipei Fubon Bank to TST Group Holding Ltd. TAIWAN BRANCH. ● Approve the proposal that provides the financing limit provided through Cathay United Bank to TST Group Holding Ltd. TAIWAN BRANCH.	Approved by all independent directors
	Resolution result: Approved with consent of all attending directors	
Aug. 26, 2024/ the 14th meeting for the 2nd Board	● Review Q2 of 2024 consolidated financial statement. ● Approve the proposal for 2024 budget amendment. ● Approve the proposal for the loaning of funds made by the Group.	Approved by all independent directors
	Resolution result: Approved with consent of all attending directors	
Nov. 13, 2024/ the 15th meeting for the 2nd Board	● Review Q3 of 2024 consolidated financial statement. ● Approve the proposal for 2025 operation plan and budget. ● Amendment of the Internal Control System of the Company. ● Amendment of the implementation rules for internal audits of the Company. ● Approve the proposal of 2025 audit plan. ● Capital reduction by cancellation of new restricted employee shares. ● Approve the proposal for subsidiary Top Star Textile Limited intends to acquire right-of-use assets from a related party. ● Approve the proposal that provides the financing limit provided through Cathay United Bank, Hong Kong Branch to Top Star Textile Limited. ● Approve the proposal that provides the hedging line for financial transactions provided through Cathay United Bank to Top Star Textile Limited.	Approved by all independent directors

Meeting date/session	Discussions	Opinions from all independent directors and the Company's response to these opinions
Nov. 13, 2024/ the 15th meeting for the 2nd Board	●Approve the proposal that provides the financing limit provided through Cathay United Bank, Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd. ●Approve the proposal for the loaning of funds made by the Group.	Approved by all independent directors
	Resolution result: Approved with consent of all attending directors	
Dec. 11, 2024/ the 16th meeting for the 2nd Board	●Approve the proposal for the equipment procurement case of Top Sports Textile Vietnam Co., Ltd. ●Approve the proposal for the Company will change the functional currency from USD to NTD. ●The Company's proposal for issuing the first unsecured convertible corporate bonds in the R.O.C. ●Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through SinoPac Bank, China Branch to Chintex Enterprises Limited.	Approved by all independent directors
	Resolution result: Approved with consent of all attending directors	

(II) Issues other than the aforementioned ones where the independent directors voice objection or reserved opinions as backed up with records or written declarations in the minutes of the Board of Directors meeting: None of the above applicable to the functioning of the Company's Board of Directors

II. Abstaining from voting by directors who are stakeholders, with details of the directors' names, proposals, reasons for abstaining and results of votes by other directors:

Meeting date/session	Abstaining director(s)	Proposal	Reason for abstaining	Results of votes by other directors
Mar. 13, 2024/ the 11th meeting for the 2nd Board	Chin-Mao Lin Hsiang-Ming Hung	Review the proposal for 2023 remunerations to employees and remunerations to directors	The director's own interests	Absent when voting. Other attending directors approved unanimously
		Proposal for 2023 performance evaluation of management and 2024 remunerations to management		
Nov. 13, 2024/ the 15th meeting for the 2nd Board	Chin-Mao Lin Chiung-Shiung Tung Ching-Wei Lin Hsiang-Ming Hung	Proposal for 2025 remunerations to directors	The director's own interests	Absent when voting. Other attending directors approved unanimously
	King-Biau Lien Kun-Ming Lee Heng-Yih Liu	Proposal for 2025 remunerations to independent directors		

III. TWSE/TPEx-listed companies are required to shall disclose the evaluation cycle and period, scope of evaluation, method and evaluation content for the self-evaluation of the Board of Directors, and the Board of Director evaluation execution status shall be indicated in the following table:

The board of directors adopted “Regulations on Performance Assessment of Board of Directors" on August 13, 2020. The board of directors of the Company shall periodically conduct the performance evaluation on the entire board, each functional committee and individual directors at the end of each year.

The Board of Director evaluation execution status

Evaluation circle	Evaluation period	Evaluation scope	Evaluation method
Once a year	From January 1, 2024 to December 31, 2024	Board of directors, individual directors and each functional committee	Internal self-evaluation of the board of directors, self-evaluation of individual directors
Evaluation contents			
1.Evaluation of performance of board of directors: Items and contents of “Questionnaire of Self-Evaluation of Performance of the Board” includes five aspects: participation in the company’s operation, improvement on the quality of the board's decision making, makeup and structure of the board of directors, election of directors and continued knowledge development, and internal control. 2.Evaluation of performance of individual directors: Items and contents of “Questionnaire of Self-Evaluation of Performance of Board Members” includes six aspects: understanding of company goals and missions, director's understanding of their duties and responsibilities, participation in the company's operation, internal relation maintenance and communications, directors' professionalism and continued knowledge development, and internal control. 3.Evaluation of performance of Remuneration Committee: Items and contents of “Questionnaire of Self-Evaluation of Performance of Remuneration Committee” includes five aspects: participation in the company's operation, understanding of duties and responsibilities of Remuneration Committee, improvement on quality of decision-making at Remuneration Committee, makeup of Remuneration Committee and election/appointment of members, and internal control. 4.Evaluation of performance of Audit Committee: Items and contents of “Questionnaire of Self-Evaluation of Performance of Audit Committee” includes five aspects: participation in the company's operation, understanding of duties and responsibilities of Audit Committee, improvement on quality of decision-making at Audit Committee, makeup of Audit Committee and election/appointment of members, and internal control.			
Evaluation Result			
The result of 2024 self-evaluation of performance has been submitted to the Board of Directors and each functional committee on March 12, 2025. The results are as follows: 1.The performance of the entire Board of Directors was “Medium”. 2.The performance of the entire Remuneration Committee was “Excellent”. 3.The performance of the entire Audit Committee was “Excellent”. 4.The self-evaluation result of 7 directors the performance of individual was “Excellent”.			

IV. Measures to enhance the functionality of the Board of Directors during the current year and the prior years:

(1) The supervisors have been replaced with Audit Committee, to strengthen corporate governance. All the members of Audit Committee are independent directors, and they convene meetings according to the Company’s Charter of Audit Committee. All the proposals from Audit Committee are forwarded to the Board of Directors.

(2) Core curricula or professional training programs are planned regularly for directors, to enhance their expertise and competences.

(3) To increase information transparency, the Company has continued to implement the real-time publication of significant resolutions of board of directors.

(4) By evaluating the cross-industry-field board members required for diversity of directors, the Company aims to enhance the quality of decision-making. The Company will increase the number of female directors in the comprehensive re-election of directors in 2025, and gradually improve the structure of the Board of Directors, thus achieving the goal of diversified board members.

(II)Functioning of Audit Committee

1. The Company's Audit Committee consists of three independent directors and the Audit Committee's function is to assist Board of Directors in fulfilling its oversight of the quality and integrity of the Company's performance in relation to accounting, auditing, financial reporting processes and financial controls. The major auditing items by the Audit Committee include:

   (1) Review the financial statements

   (2) Review the Internal Audit Plan

   (3) Capital reduction by cancellation of new restricted employee shares

   (4) Review the material monetary loan, endorsement, or provision of guarantee and derivatives transaction

   (5) Review the acquisition of right-of-use assets from a related party

   (6) Review of issuance of unsecured convertible corporate bonds

   (7) Conduct the evaluation of independence of CPAs

●Review of financial reports

The Board of Directors has prepared 2024 Business Report, financial statements and the proposal for earnings distribution. The financial statements have been audited by PwC Taiwan and issued with an audit report. The abovementioned Business Report, financial statements and the proposal for earnings distribution have been reviewed by Audit Committee and no non-compliance was found.

●Assessment of the internal control system effectiveness

Audit Committee reviews the periodic reports from the Company's audit department, CPAs and management, in order to assess the effectiveness of the Company's internal control system and procedures.

●Appointment and assessment of independence of CPAs

Audit Committee is tasked to supervise the independence of CPAs, to reasonably ensure the reliability of financial statements. Audit Committee designs the form of independence assessment by referring to No. 10 Bulletin of the Norm of Professional Ethics for Certified Public Accountants, to evaluate whether CPAs are related parties or have business relations or financial interest with the Company. On March 12, 2025, Audit Committee has reviewed and the Board of Directors approved that CPA Ya-Hui Lin and Po-Chuan Lin of PwC Taiwan all meet the assessment standard for independence.

2. A total of 6【A】meetings of Audit Committee was convened in 2024. Independent Director attendance was as follows:

Title	Name	Times of Actual Attendance in Person【B】	Times of Attendance by Proxy	Actual Attendance Ratio (%)【B/A】	Remarks
Independent Director	Heng-Yih Liu	6	0	100%	-
Independent Director	King-Biau Lien	6	0	100%	-
Independent Director	Kun-Ming Lee	6	0	100%	-

Other entries as required:

I. Where the operations by the Audit Committee meet any one among those circumstances enumerated below, the date, term, contents of the agenda, result of decision resolved in Audit Committee and the handling of the Audit Committee' opinions shall be expressly remarked:

(I) Matters as set forth under Article 14-5 of Securities and Exchange Act:

Meeting date/session	Proposal	Audit Committee Resolution Results
Mar. 13, 2024/ the 9th meeting for the 2nd Term	● Review 2023 statement of internal control statement. ● Review 2023 consolidated financial statements and business report. ● Review 2023 distribution of earnings. ● The evaluation of independence of the external CPAs who certifies the Company's financial reports. ● Approve the proposal for the loaning of funds made by the Group. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit and derivatives trading limit provided through SinoPac Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through SinoPac Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Chinatrust Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Chinatrust Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd. ● Approve the proposal of the role of the Company acting as financing co-guarantor that provides the common bank financing limit and derivatives trading limit provided through Taishin International Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit, foreign exchange and derivatives trading limit provided through Citibank (Taiwan) to Top Star Textile Limited. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the credit line provided through Citibank, N.A., Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd.	Approved by all Audit Committee

	Meeting date/session	Proposal	Audit Committee Resolution Results
	Mar. 13, 2024/ the 9th meeting for the 2nd Term	● Approve the proposal of the role of the Company and Top Star Textile Limited acting as the financing co-guarantor that provides the financing limit provided through Taipei Fubon Bank, Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd. ● Approve the proposal of the role of the Company, Top Star Textile Limited and Guangzhou Runwell Knits Textile acting as the financing co-guarantor that provides the financing limit provided through Standard Chartered Bank (China) Limited to Chintex Enterprises Limited.	Approved by all Audit Committee
		The Company's handling of Audit Committee's opinions: all present directors agreed	
	May 9, 2024/ the 10th meeting for the 2nd Term	● Review Q1 of 2024 consolidated financial statements. ● Approve the proposal of the role of the Company and TST International Group Limited acting as the financing co-guarantor that provides the financing limit provided through Taipei Fubon Bank, Hong Kong Branch to Top Star Textile Limited. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Cathay United Bank (China) to Chintex Enterprises Limited.	Approved by all Audit Committee
		The Company's handling of Audit Committee's opinions: all present directors agreed	
	Jun. 19, 2024/ the 11th meeting for the 2nd Term	● Approve the proposal for the loaning of funds to Top Sports Textile Vietnam Co., Ltd. as provided by the subsidiary, Top Star Textile Limited. ● Approve the proposal that provides the financing limit provided through Taipei Fubon Bank to TST Group Holding Ltd. TAIWAN BRANCH. ● Approve the proposal that provides the financing limit provided through Cathay United Bank to TST Group Holding Ltd. TAIWAN BRANCH.	Approved by all Audit Committee
		The Company's handling of Audit Committee's opinions: all present directors agreed	
	Aug. 26, 2024/ the 12th meeting for the 2nd Term	● Review Q2 of 2024 consolidated financial statement. ● Approve the proposal for 2024 budget amendment. ● Approve the proposal for the loaning of funds made by the Group.	Approved by all Audit Committee
		The Company's handling of Audit Committee's opinions: all present directors agreed	
	Nov. 13, 2024/ the 13th meeting for the 2nd Term	● Review Q3 of 2023 consolidated financial statement. ● Approve the proposal for 2025 operation plan and budget. ● Amendment of the Internal Control System of the Company. ● Amendment of the implementation rules for internal audits of the Company. ● Approve the proposal of 2025 audit plan.	Approved by all Audit Committee

Meeting date/session	Proposal	Audit Committee Resolution Results
Nov. 13, 2024/ the 13th meeting for the 2nd Term	● Capital reduction by cancellation of new restricted employee shares. ● Approve the proposal for subsidiary Top Star Textile Limited intends to acquire right-of-use assets from a related party. ● Approve the proposal that provides the financing limit provided through Cathay United Bank, Hong Kong Branch to Top Star Textile Limited. ● Approve the proposal that provides the hedging line for financial transactions provided through Cathay United Bank to Top Star Textile Limited. ● Approve the proposal that provides the financing limit provided through Cathay United Bank, Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd. ● Approve the proposal for the loaning of funds made by the Group.	Approved by all Audit Committee
	The Company's handling of Audit Committee's opinions: all present directors agreed	
Dec. 11, 2024/ the 14th meeting for the 2nd Term	● Approve the proposal for the equipment procurement case of Top Sports Textile Vietnam Co., Ltd. ● Approve the proposal for the Company will change the functional currency from USD to NTD. ● The Company's proposal for issuing the first unsecured convertible corporate bonds in the R.O.C. ● Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through SinoPac Bank, China Branch to Chintex Enterprises Limited.	Approved by all Audit Committee
	The Company's handling of Audit Committee's opinions: all present directors agreed	

(II) Any matters other than the abovementioned not passed by Audit committee but determined by at least two thirds of directors: None

II. Abstaining from voting by independent directors who are stakeholders, with details of the directors' names, proposals, reasons for abstaining and results of votes by other directors: None

III. Communication among independent directors, internal auditors, and external auditors (including the material issues discussed, methods and results of dialogues concerning company financials, operations):

(I) Communication policy between Independent Directors, Internal Audit Supervisors and CPA:

1. Internal audit Supervisor shall periodically report the following matters to the Audit Committee.

(1) Annual Internal Audit Plan;

(2) Periodically report the implementation status of internal audit affairs to the Audit Committee.

2. Accountants participate in the audit committee at least once a year and report the annual audit results.

3. The internal auditor shall, on a monthly basis, submit audit work report (including audit findings and suggestion) to independent directors for review.

4. The internal audit officer shall attend the quarterly board meeting and report the recent audit findings, audit suggestions and improvement effect.

5. CPA shall conduct the opinion exchange at the quarterly board meeting in regards to the effect of change of laws and regulations, and the issue of material operation improvement.

6. Other: Whenever significant unusual circumstance occurs or independent directors, audit officer and CPA consider the independent communication is required, a meeting may be called for communication irregularly from time to time.

(II) Communications between Independent Director, Audit Supervisor and CPA in 2024：

Date	Attendees (Title / Name)	Communication Memos	Communication Results
Mar. 13, 2024 Audit Committee	Independent Director/ Heng-Yih Liu Independent Director / King-Biau Lien Independent Director / Kun-Ming Lee Audit Supervisor / Jing-Yi Wang CPA / Ya-Hui Lin Vice General Manager in PwC /Pao-Lin Chou	● Report on 2023 audited progress statement of the audit plan.	No objection
		● Report on the audit results of 2023 consolidated financial report 1. Independence 2. The responsibility of auditor. 3. The audit scopes 4. Audit finds	
		● Report on 2023 Statement of Internal Control System	
		● The competent authority strengthens the supervision measures of KY companies	
		● Audit Quality Indicator Information	
		● CPA performs discussion and communication with interviewees on questions raised	
May 9, 2024 Audit Committee	Independent Director/ Heng-Yih Liu Independent Director / King-Biau Lien Independent Director / Kun-Ming Lee Audit Supervisor / Jing-Yi Wang CPA / Ya-Hui Lin	● Report on Q1 2024 audited progress statement of the audit plan	No objection
		● Report on the review results of Q1 2024 consolidated financial report 1. Independence 2. Auditor's responsibility to interim financial report review 3. Review scope 4. Findings on interim review	
		● Q2 2024 audit plan 1. Definition of audit scopes 2. Key audit matters 3. Role and responsibilities of the accountant in charge	Agree on Q2 2024 Key audit matters
		● Quality Management System of Accounting Firms	No objection
		● CPA performs discussion and communication with interviewees on questions raised	
Aug. 26, 2024 Audit Committee	Independent Director/ Heng-Yih Liu Independent Director / King-Biau Lien Independent Director / Kun-Ming Lee Audit Supervisor / Jing-Yi Wang CPA / Ya-Hui Lin Vice General Manager in PwC /Pao-Lin Chou	● Report on Q2 2024 audited progress statement of the audit plan	No objection
		● Report on the audit results of Q2 2024 consolidated financial report 1. Independence 2. The responsibility of auditor. 3. The audit scopes 4. Audit finds	
		● Recent important regulatory updates	
		● CPA performs discussion and communication with interviewees on questions raised	

Date	Attendees (Title / Name)	Communication Memos	Communication Results
Nov. 13, 2024 Audit Committee	Independent Director/ Heng-Yih Liu Independent Director / King-Biau Lien Independent Director / Kun-Ming Lee Audit Supervisor / Jing-Yi Wang CPA / Ya-Hui Lin	● Report on Q3 2024 audited progress statement of the audit plan	No objection
		● Report on 2025 audit plan	
		● Report on the review results of Q3 2024 consolidated financial report 1. Independence 2. Auditor's responsibility to interim financial report review 3. Review scopes 4. Findings on interim review	
		● 2024 audit plan 1. Definition of audit scopes 2. Key audit matters 3. Role and responsibilities of the accountant in charge	Agree on 2024 Key audit matters
		● Audit Quality Indicator Information	No objection
		● Quality Management System of Accounting Firms	
		● CPA performs discussion and communication with interviewees on questions raised	

(III) The Company's independent directors conducted the governance unit communication meeting before the audit with the CPAs before the audit of annual report for each year, to understand the key points and directions of the audit conducted by CPAs, and reviewed and discussed the audit findings of CPAs at the meeting after the audit, and supervised the implementation of the following matters:

1.The fair presentation of the Company's financial statements

2.The effective implementation of the Company's internal control.

3.The Company's compliance with relevant laws, regulations and rules.

4.The control of the Company's existing or potential risks.

(III) The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Descriptions in summary	
1. Does the Company specify and disclose the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		The Company has set up the Corporate Governance Best Practice Principles for all the governance matters, and will make an announcement on Market Observation Post System (MOPS) as well as the Company website.	No
2. Corporate Equity Structure and Shareholders' Equity (1) Does the Company specify internal operation procedures to dispose recommendations, doubts, disputes and lawsuit matters of shareholders, and implement in accordance with such procedures?	✓		(1) In addition to the protection of shareholders specified in the Company's Articles of Incorporation and internal regulations, we have set up a dedicated team responsible for investor relations to collect suggestions/questions from shareholders and issues/disputes raised by shareholders.	No
(2) Does the Company master the major shareholders in actual control of the company and the name list of the final controllers of such major shareholders?	✓		(2) The Company has assigned the Transfer Agency of CTBC to collect and disclose the updated information about its shareholders holding more than 10 percent of the outstanding shares, directors relating to the pledge, increase or decrease of share ownership, and other matters that may possibly trigger a change in the ownership of their shares. The Company ensures duly updating of information regarding of major shareholders and the ultimate control persons who have an actual control over the Company.	
(3) Does the Company establish and execute the risk control and firewall mechanism with the affiliates?	✓		(3) The Company has set up an internal control system and the Regulations Governing Management of Affiliated Companies as a control and management mechanism by following relevant laws and regulations.	
(4) Does the Company establish internal specifications to prohibit the internal parties of the company from trading securities by taking advantage of the non-opened information in market?	✓		(4) The Company has set up the Preventive Measures Against Insider Trading and the Operating Procedures on the Processing of Internal and Material Information since 2019. The purpose is to control the confidentiality of internal and material information and prohibit the insider trading of the Company's shares by advocating relevant laws and regulations to insiders.	

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Descriptions in summary	
3. Organization and Functions of Board of Directors				
(1) Does the Board of Directors prepare diversified guidelines in response to the organization of members and actualize the execution?	✓		(1) The Company has set up the Procedures for Election of Board Directors by emphasizing the diversity of board members and requiring knowledge, skills, and expertise to exercise duties. The diversity of the board composition and the tasks carried out by board directors are detailed in Note 1.	No
(2) Does the company, besides establishing Compensation Committee and Audit Committee in accordance with laws, also voluntarily establish other committees with similar functions?	✓		(2) The Company has set up Remuneration Committee and replaced supervisors with Audit Committee since 2019. Other functional committees will be established as required.	
(3) Does the Company establish performance rules and evaluation methods of the Board of Directors, and periodically engages in performance evaluation every year? Besides, does the Company submit the outcome of performance evaluation to the board of directors to be used as the handy reference in salary remuneration of respective directors and their salaries?	✓		(3) The Company's Procedures for Election of Board Directors require the Board to adjust its composition according to performance review results. The operational status of the Remuneration Committee and the Audit Committee of the Board of Directors and the directors' self-assessment is regularly assessed by means of a questionnaire survey every year. The assessment results of the most recent year were reported to the Board of Directors on March 12, 2025.	
(4) Does the company periodically evaluate the independence of the certified public accountant?	✓		(4) The Audit Committee of the Company conducts annual assessments of independence and suitability of CPAs. In addition to "Statement of Independence" and "Audit Quality Indicators (AQIs)" provided by CPAs, assessments are carried out by following the standards specified in Note 2 and a total of 13 AQIs. It has been confirmed that the CPAs have no other financial interest or business relation with the Company other than the service fees for attesting the financial statements and the reporting of the fundraising by issuance of marketable securities. Furthermore, the family members of the CPAs also do not violate the independence requirements. It has also been confirmed by reference to AQIs that the CPAs and the accounting firm outperform peers in terms of audit experience and training hours. Digital audit tools will be introduced over the next three years, to enhance audit quality.	

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Descriptions in summary	
			The assessment results of the most recent year were discussed and approved by the Audit Committee on March 12, 2025 as well as submitted to the Board of Directors on March 12, 2025 for resolution on the independence and suitability assessments of CPAs.	No
4. Have Exchange-listed and/or OTC-listed companies been equipped with eligible and appropriate corporate governance personnel, and designated corporate governance executives responsible for corporate governance-related affairs (including but not limited to providing directors, supervisors with the information needed to perform business, assisting directors, supervisors in complying with laws to handle matters related to meetings of the board of directors and shareholders 'meetings in accordance with the law, with production of minutes of board of directors meetings and shareholders' meetings)?	✓		The Company has been assigned IR Dept. to handle related matters about Corporate Governance. On May 11, 2023, the board of directors approved senior manager Chun-Ju Yang as the Chief Corporate Governance Officer. The main duties of the Chief Corporate Governance are to provide the Directors with information required for performing the business, assisting the Directors in compliance with the laws, and to handle related matters to the Board and shareholders' meetings. Implementation status is as follows: 1. Assist independent directors and general directors to perform their duties, provide necessary information and arrange for continuing education for directors: (1) Regularly updated to the Board members regarding the Company's business operations and corporate governance regulations. (2) Review the confidentiality level of the relevant information and provide corporate information required by the directors to maintain smooth communication and interaction between directors and managers. (3) Arrange meetings with the head of internal audit or CPAs for independent directors who are in need of investigating the Company's financial or business operation, in accordance with the Corporate Governance Best Practice Principles. (4) Assist independent directors and general directors in drawing up annual further education plan and making arrangement for courses in accordance with the nature of the industry to which the Company belongs and the experience and background of directors. 2. Assist in the matters related to the rules of procedures of Board of Directors and Board of Shareholders as well as legal compliance with resolutions: (1) Report the implementation of corporate governance to the Board of Directors,	No

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Descriptions in summary	
			independent directors and Audit Committee, and confirm whether the meetings of the Company's Board of Shareholders and Board of Directors are held in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles. (2) Assist and remind directors to perform or make formal resolutions at the meeting of Board of Directors in compliance with laws and regulations. (3) Be responsible for checking the release of the major information related to the important resolutions made by the Board of Directors and ensure the legality and accuracy of the contents of such information, so as to keep the consistency of investor's trading information. 3. Maintain investor relations: Arrange the directors and major shareholders, institutional investors, exchange and communication with the major shareholders, institutional investors, and general shareholders, so that investors can obtain sufficient information to determine the market value of the enterprise and thus enable shareholders' equity to be well maintained. 4. To draft the agendas of Board of Directors' Meeting and inform each director seven days prior to the meeting. Reminder should be made in advance when the agenda engaging in conflict of interests. Meeting minutes shall be made and deliver to the Board members within 20 days after the meeting. 5. Handle registration of the date of shareholders' meetings, prepare meeting notices, agenda handbook, annual report, and meeting minutes for the Company's legal affairs within the prescribed period of the shareholders' meeting, and change registration of the Company.	No
5. Does the Company establish communication channel of the stakeholders (including but not limited, shareholders, employees, customers and suppliers, etc.), and establish an exclusive zone of the stakeholders in the company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?	✓		The Company has set up the website: the Social Responsibility \ the Stakeholders Engagement Section, and has sound communication channel with shareholders, employees, clients, banks, suppliers, competent authorities and other stakeholders. The Company shall provide sufficient business information in good faith to protect the interest of the Stakeholders. Please refer to Note 3 for further details.	No

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Descriptions in summary	
6. Does the Company appoint a professional stock affair handling agency to process the affairs of shareholders' meeting?	✓		The Company has assigned the Transfer Agency of CTBC to provide registrar services and logistics at shareholder meetings.	No
7. Information Opening (1) Does the company set up a website to disclose the financial business and the corporate governance information? (2) Does the company adopt other information disclosure methods (such as setting up an English website, designating exclusive personnel to be in charge of the corporate information collection and disclosure, actualizing the speaker system, institutional investor conference process placement in the company's website, etc.)? (3) Did the Company announce and declare its annual financial statements within two months after the end of the fiscal year, and announce and declare the financial statements of the first, second and third quarters and operating performance of each month ahead of schedule as required?	✓ ✓ ✓		(1) The Company has set up webpages to disclose information regarding financials, operations, and corporate governance for the reference of shareholders and other stakeholders. We also disclose such information via Market Observation Post System. (2) Our Spokesperson or Deputy Spokesperson answer these questions. Relevant departments, Spokesperson or Deputy Spokesperson oversea the collection and disclosure of company information. We have set up a website for disclosure purposes. (3) The Company publishes financial reports and monthly revenues before statutory deadlines.	No
8. Does the company have other available important information helpful to understand the corporate governance and performance status (including but not limited to employee interests, employee care, investor relation, supplier relationship, rights of stakeholders, advanced study status of directors and supervisors, execution status of risk management policy and risk measurement standard, execution status of client policy, the status of purchasing liability insurance of the company for its directors and supervisors, etc.)?	✓		1. Employee interests: The Company maintains a good employment relationship and seeks to protect the legal rights of employees according to the labor laws of different jurisdictions. We have never experienced major labor disputes, nor attracted any penalties from competent authorities for material breach of labor laws. 2. Employee care: The Company offers reasonable salaries, bonuses, and employee benefit, and Administration Department oversees the employee benefit program. We endeavor to maintain a trusting relationship with employees. 3. Investor relations: The Company has set up webpages and the spokesperson system to disclose financial and other material information in a timely manner. We also disclose such information via Market Observation Post System to protect our shareholders.	No

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Descriptions in summary	
			4. Supplier relations: The Company deals with suppliers in a fair manner and maintains long-term cooperation with suppliers by adhering to the principle of trust and honesty. 5. Stakeholders' rights: To protect the right of stakeholders, the Company has established a variety of communication channels. We act with honest and integrity to fulfill our corporate social responsibility. 6. Directors' training & education: The Company's directors take up classes in securities laws/regulations and corporate governance according to the minimum hour requirements by the Regulations Governing Training & Education of Directors and Supervisors of Companies Listed on Taiwan Stock Exchange and Taipei Exchange. 7. Implementation of risk management policies and risk measurement standards. Please refer to Note 5. 8. Implementation of customer policies: The Company spares no efforts in the delivery of best services/products to customers. We have a dedicated team that handle customers' issues. 9. Purchase of liability insurance for directors: The Company has set out rules in the Corporate Governance Best Practice Principles regarding the purchase of liability insurance for directors and has purchased such insurance for directors accordingly. The insurance is re-evaluated and renewed every year at maturity, with the insured amount being USD 5 million.	No

9. Please explain the performance in improvement of the Company's corporate governance in response to the evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Co., Ltd. in the most recent year, and the proposed preferential measures of improvement for those which call for further improvement:

For the status of deficiencies in the 11th corporate governance assessment, the Company has started to make improvements in 2025, as explained below:

(a) Improved status:

Improved items	Improvement measures
Has the Company established an English company website that includes financial, business, and corporate governance related information?	Financial, business, and corporate governance related information in English has been disclosed on our Company’s website.
Has the Company established a policy for diversifying members of the Board of Directors and disclosed the specific management objectives and implementation status of the diversity policy on the Company's website and annual report?	Relevant information has been be disclosed on the Company’s website.

(b) Items to be implemented: Preferential items and measures for improvement to be conducted in 2025 are as follows:

Items which have not been improved	Improvement measures
No Sustainable Development Report has been prepared in accordance with GRI standards.	Planned for the preparation of the sustainability report, which will be uploaded to Market Observation Post System (MOPS) before the end of August 2025.
The Company’s Board of Directors does not have at least one female director.	In 2025, the directors will be comprehensively re-elected, and female seats will be added to the Board of Directors.

Note 1: The diversity of the board composition and the tasks carried out by board directors to date.

Director	Gender	Operational judgement	Accounting & financial analysis	Management capability	Crisis management	Industry knowledge	Global perspectives	Leadership	Decision-making
Xingmao Group Holdings Limited Representative: Chin-Mao Lin	-	✓	-	✓	✓	✓	✓	✓	✓
Chia Mei Investment Co., Ltd. Representative: Chiung-Shiung Tung	-	✓	✓	✓	✓	-	✓	✓	✓
Sunny Earn International Holdings LimitedRepresentative: Ching-Wei Lin	-	✓	-	✓	✓	✓	✓	✓	✓
Xingmao Group Holdings Limited Representative: Hsiang-Ming Hung	-	✓	✓	✓	✓	✓	✓	✓	✓
King-Biau Lien	M	✓	-	✓	✓	✓	✓	✓	✓
Kun-Ming Lee	M	✓	✓	✓	✓	-	✓	✓	✓
Heng-Yih Liu	M	✓	-	✓	✓	-	✓	✓	✓

Note 2: Evaluation of independence and suitability of external CPAs of year 2024

CPA: Ya-Hui Lin Education & Major Experience:	Accounting Firm: PwC Taiwan Education: Master Degree in Economic Policy Group, Graduate School of National Development, National Taiwan University Major Experience: Certified Public Accountant of R.O.C.
CPA: Po-Chuan Lin Education & Major Experience:	Accounting Firm: PwC Taiwan Education: Master Degree in accounting NCCU. Major Experience: Certified Public Accountant of R.O.C.

Evaluation Item	Evaluation Result	Independence
1.The CPA have no significant financial stakes directly with the Company	Yes	Yes
2.There is no significant close commercial relationship between the CPA and the Company.	Yes	Yes
3.The CPA have no close business relationships and potential employment relationships with the Company	Yes	Yes
4.The CPA has never had any lending/loan of money with the Company.	Yes	Yes
5.The CPA has not received a gift or gift of great value to the directors and supervisor or managers of the Company or the Company (the value of which exceeds the standard of general social etiquette)	Yes	Yes
6.The CPA has not provided audit services to the Company for seven consecutive years.	Yes	Yes
7.The CPA has not held any shares of the Company.	Yes	Yes
8.The CPA himself, his spouse or dependent relatives, and his audit team have not held positions as directors, supervisors, managers of the Company or have a position with significant influence on the audit case during the audit period or within the last two years, and they also definitely will not hold the above said positions during the future audit period.	Yes	Yes
9.Whether the CPA has complied with the provisions of Statement No. 10 of Code of Professional Ethics for CPAs regarding the regulation on independence, and whether the "Statement of Independence" issued by the CPA has been obtained.	Yes	Yes

Evaluation result: the external CPAs meet the requirements of independence and suitability of the Company.

Note 3: Communication channels and dealings with stakeholders

Stakeholder	Key issues	Contact	Interactions / Communication channels
Investors	Company operations and financial Corporate Governance	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Periodical publication of financial statements and preparation of annual reports. 2.Regular updates of financial and other material information via Market Observation Post System. 3.Regular capital market day events and shareholder meetings to report to investors.
Employees	Employee Benefits	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Employee recruitment/dismissal, compensations, incentives, and benefits in a reasonable manner and according to relevant labor laws and regulations. 2.Training & education on an ad-hoc basis. 3. Employee Representative Conference
Government/ Competent Authority	Corporate Governance Regulatory Compliance	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Regularly/irregularly declare and publish major information in both Chinese and English in accordance with the law. 2.Communicate through official documents, letters, or phone calls. 3.Participate in business advocacy meetings organized by competent authorities.
Customers	Customer relations	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Regular participation of supplier conferences organized by customers to understand their needs.
Suppliers	Supply Chain Management Product Innovations	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Full communication with suppliers and signing of procurement contracts。 2.Regular visits to suppliers to understand their needs.
Media	Company operations and financials	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Monthly release of operating information, quarterly 2.Release relevant business development trends from time to time. 3.Regularly hold legal person briefings and shareholders' meetings to explain and report on the company's operations and financial status.

Stakeholder	Key issues	Contact	Interactions / Communication channels
Communities	Environmental issues Giving back to communities	Investor Relations email box: IR@tstco.com Tel: 02-2507-9938 (Manager Yang)	1.Actively participate in various community or social welfare campaigns. 2.Practice energy-saving and carbon reduction plans, and fulfill corporate green responsibilities.

Note 4: (1) Training & education for directors in 2024

Name	Date	Organizer	Title of programs	Hours
Chin-Mao Lin Chiung-Shiung Tung Ching-Wei Lin Hsiang-Ming Hung King-Biau Lien	July 3	Taiwan Stock Exchange Corporation	The 2024 Cathay Sustainable Finance and Climate Change Summit	6
Kun-Ming Lee	Aug. 13	Taiwan Corporate Governance Association	How to Prevent Corruption in Enterprise - Case Analysis	3
Ching-Wei Lin	Sep. 20	Securities and Futures Institute	Insider Trading Prevention Seminar 2024	3
Heng-Yih Liu	Nov. 7	Taiwan Corporate Governance Association	New Height of Corporate Governance - Establishing Integrity Management Enterprise	3
Heng-Yih Liu	Nov. 7	Taiwan Corporate Governance Association	The determination of non-compliant behavior of insiders of the Company and the application of commercial judgment rules	3
Kun-Ming Lee	Nov. 8	Taiwan Corporate Governance Association	Risk is everywhere, how to effectively manage it?	3

(2) Training & education of executive managers and audit supervisors in 2024：

Title	Name	Date	Organizer	Title of programs	Hours
President	Chin-Mao Lin	July 3	Taiwan Stock Exchange Corporation	The 2024 Cathay Sustainable Finance and Climate Change Summit	6
General Manager	Ching-Wei Lin	July 3	Taiwan Stock Exchange Corporation	The 2024 Cathay Sustainable Finance and Climate Change Summit	6
		Sep. 20	Securities and Futures Institute	Insider Trading Prevention Seminar 2024	3
Chief Operating Officer (COO)	Hsiang-Ming Hung	July 3	Taiwan Stock Exchange Corporation	The 2024 Cathay Sustainable Finance and Climate Change Summit	6

Title	Name	Date	Organizer	Title of programs	Hours
Chief Financial Officer (CFO)	Tat-Shing Tang	From Nov. 14 to Nov. 15	Shih Chien University	Training course of continuing education program for accounting officers of issuers, securities firms and securities exchange	12
Audit Supervisor	Jing-Yi Wang	Jun. 4	Institute of Internal Auditors	“Analysis of Sustainable Information Disclosure Policy” and Discussion on Key Points of Internal Control and Internal Audit	6
		Oct. 28	Institute of Internal Auditors	On the professional ethics and fraud prevention strategies of enterprise auditors based on cases of breach of trust and non-conventional business transactions	6
Chief Corporate Governance Officer	Chun-Ju Yang	Mar. 18	Institute of Internal Auditors	Precautions and Practical Analysis on “Shareholders’ Meeting” and “Company Act”	6
		Apr. 25	Institute of Internal Auditors	Discussion on Audit Practices concerning an Enterprise’s Costs and Creation of Value	6

Note5: Implementation of risk management policies and risk measurement standards

1. Organizational structure of risk management

The Board of Directors is the highest responsible unit for risk management of the Company. It approves risk management policies and related regulations, supervises the overall implementation of risk management, and ensures effective risk control.

2. Risk management policy

The Company has established the "Risk Management Policy and Procedures", which was approved by the Board of Directors on March 22, 2023, as the highest guiding principle for the Company's risk management. The risk management team regularly conducts risk factor identification every year to determine the relevant risks that may affect the sustainable development of the Company. In addition, the Company formulates and implements risk management policies for each risk, including management objectives, organizational structure, attribution of authority and responsibility, and risk management procedures to effectively identify, measure, and control the Company's risks and to manage the significant risks within an acceptable range.

(IV) The composition, responsibility and functioning of the Remuneration Committee:

1. Information of Remuneration Committee members:

April 21, 2025

Identity	Condition / Name	Professional qualification and experience	Independence Status	Number of positions as Remuneration Committee member in other public companies
Convener & Independent Director	Heng-Yih Liu	Note 1	1.Myself, my spouse, and relatives within the second degree have not served as directors, supervisors, or employees of the Company or other affiliated companies. 2.Myself, my spouse, and relatives within the second degree (or in the name of others) do not hold any shares in the Company. 3.Not serving as a director, supervisor or employee of any company with which the Company has a specific relationship. 4.Having not provided any services of business, legal, finance or accounting to the Company and its affiliates and received no remuneration for the last two years.	2
Independent Director	King-Biau Lien	Note 1	1.Myself, my spouse, and relatives within the second degree have not served as directors, supervisors, or employees of the Company or other affiliated companies. 2.Myself, my spouse, and relatives within the second degree (or in the name of others) do not hold any shares in the Company. 3.Not serving as a director, supervisor or employee of any company with which the Company has a specific relationship. 4.Having not provided any services of business, legal, finance or accounting to the Company and its affiliates and received no remuneration for the last two years.	0
Independent Director	Kun-Ming Lee	Note 1	1.Myself, my spouse, and relatives within the second degree have not served as directors, supervisors, or employees of the Company or other affiliated companies. 2.Myself, my spouse, and relatives within the second degree (or in the name of others) do not hold any shares in the Company. 3.Not serving as a director, supervisor or employee of any company with which the Company has a specific relationship. 4.Having not provided any services of business, legal, finance or accounting to the Company and its affiliates and received no remuneration for the last two years.	1

Note1：Please refer to Page 18-20 for disclosure on professional qualifications of directors and independence of independent director.

2. Responsibility of the Remuneration Committee

Remuneration Committee shall exercise duty of care in fulfilling the following functions, report to the Board of Directors by forwarding its recommendations:

(1) Regular review of the charter of Remuneration Committee and develop improvement measures;

(2) Formulation and periodical review of the annual and long-term performance of directors and managers, and the remuneration policy, system, standard and structure;

(3) Regular assessment of target achievements by directors and managers and determine the contents and amounts of their individual remunerations accordingly.

3. Functioning of the Remuneration Committee

(1) Remuneration Committee consists of three members.

(2) Tenure: From Jun. 15, 2022 to Jun. 14, 2025.

A total of 2【A】meetings of the Remuneration Committee was convened in 2024. The attendance was as follows:

Title	Name	Times of Actual Attendance in Person【B】	Times of Attendance by Proxy	Actual Attendance Ratio (%)【B/A】(Note)	Remarks
Convener	Heng-Yih Liu	2	0	100.00	-
Commission member	King-Biau Lien	2	0	100.00	-
Commission member	Kun-Ming Lee	2	0	100.00	-

Other matters to be noted in the meeting minutes:

1. If the Board of Directors refuses to accept of modify suggestions of the Remuneration Committee, the meeting date, session, agenda content, results resolved by the Board of Directors, and the Company's treatment of opinion of the Remuneration Committee should be clearly stated (for example, if the Board of Directors approved a compensation structure that is better than that suggested by the Remuneration Committee, the circumstance of discrepancy and reason should be clearly stated): None
2. If the members have opposite opinion or reservations against the resolution of the Remuneration Committee and the opinion or reservations have been recorded or documented, the meeting date, session, agenda content, the opinion of all members of the Remuneration Committee, and the treatment of the members' opinion should be clearly stated: None
3. Discussion matters and resolution results of the Remuneration Committee and the Reponses of the Company to opinions of its members:

Meeting date/session	Contents of proposal	Resolution result of the Remuneration Committee
Mar. 13, 2024/ the 5th meeting for the 2nd Term	1.Review the proposal for 2023 remunerations to employees and remunerations to directors 2.Proposal for 2023 performance evaluation of management and 2024 remunerations to management	Approved by all attending committee members
	Response of the Company to opinions of the Remuneration Committee s: Approved with consents of all attending directors	
Nov. 13, 2024/ the 6th meeting for the 2nd Term	1.Proposal for 2025 remunerations to directors 2.Proposal for 2025 remunerations to independent directors	Approved by all attending committee members
	Response of the Company to opinions of the Remuneration Committee s: Approved with consents of all attending directors	

(V) Promote Sustainable Development and the status on discrepancy and reasons in relation to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
1. Has the Company established a governance structure and a designated (part time) unit for promoting sustainable development? Is the Board of Directors authorizing the senior management to handle and report the supervising situation to the Board of Directors?	✓		The Board of the Company has promulgated “Sustainable Development Best Practice Principles” on August 31, 2018, and amended it as " Sustainable Development Best Practice Principles " on March 21, 2022, which has been reported to the shareholders' meeting of that year. The company has set up a "Corporate Social Responsibility" department in 2021, to be managed by the General Manager, who is responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. Through regular meetings, the Company identifies sustainability issues of concern to the Company's operations and stakeholders, formulates corresponding policies and guidelines, prepares budgets related to sustainable development, plans and implements annual programs, and tracks the effectiveness of implementation with the aim of ensuring that sustainable development policies are fully integrated into the Company's daily operations. The results of the latest year's sustainability development execution and future planning were reported to the Board of Directors on March 12, 2025. The contents of the motion include (1) focusing on sustainability issues and formulating action plans to address them (2) revising goals and policies on sustainability-related issues and (3) monitoring the implementation of sustainability management and evaluating the execution status. The management team shall report to the Board of Directors on an annual basis. The management shall propose corporate strategies to the BOD, which shall evaluate the likelihood of success of these strategies and shall constantly review the progress of the strategies and urge the management team to make adjustments if necessary.	No

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
2. Does the Company conduct environmental, social and governance risk assessments according to the principle of materiality, and formulate relevant risk management policies or strategies accordingly?	✓		This disclosure covers the Company's sustainability performance in its production sites for the period from Jan. 2024 to Dec. 2024. The environmental risk assessment boundary is based on Top Sports Textile Ltd.; the social and corporate governance risk assessment boundary is for the Group. According to the materiality principle of sustainable development, the Company carried out relevant risk assessment of essential issues, according to the risks after evaluation, formulated relevant policies. Please refer to Note 1.	No
3. Environmental Issues (1) Does the Company establish a proper environmental management system in response to its industry characteristics?	✓		(1)The Company has set up the corporate social responsibility department and formulated a sustainable development strategy, focusing on four aspects: products, environment, employees and community, setting environmental protection goals according to its industrial characteristics, supervising the sustainable practice of operating factories, and conducting evaluation and review. (a)Products: For green product certification, the Company demonstrates its commitment and ability to responsibly source and produce sustainable products by reducing the environmental footprint of their raw materials, as well as an emphasis on sustainable raw materials. (b)Environment: Energy conservation and emission reduction, energy management, water resource management, waste management, chemicals management, wastewater management, workplace management. (c)Top Sports Textile Ltd., the Company's main production site, has obtained the ISO14001:2015 certificate, which is valid from July 31, 2023 to July 30, 2026.	No
(2) Does the Company endeavor to upgrade the utilization efficiency of various resources, and use the regenerated material with a low impact on environmental load?	✓		(2)The Company is committed to improving the utilization efficiency of energy and water resources, and has identified its main production site, Top Sports Textile Ltd. as its scope of disclosure. In terms of renewable energy: TSP purchased 2,800 MWh of International Renewable Energy Certificate (I-REC), which accounted for	

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Facts of performance</th><th rowspan="2">Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Description in Summary</th></tr>
<tr><td></td><td></td><td></td><td>about 8.55% of total electricity consumption for the year. Power supply by low-carbon fuels reached 79% of coal boiler fuels in 2024; for water resources, unit water consumption was reduced by about 7% in 2024 with 2021 as the base year.</td><td rowspan="3">No</td></tr>
<tr><td>(3) Does the Company assess existing and potential risks and opportunities associated with climate change and adopt the corresponding responses and measures?</td><td>✓</td><td></td><td>(3)The Company is well aware that climate change is the responsibility of all human beings, and has made improvements in the production process to reduce carbon emissions and achieve energy conservation and environmental protection.</td></tr>
<tr><td>(4) Does the Company calculate the GHG emissions, water consumption and total wastes during the past two years, and formulate policies to achieve energy efficiency, reduction of carbon emissions, GHS emissions, water consumption or manage wastes?</td><td>✓</td><td></td><td>(4) The Company is committed to the mission of "Growing Together, Going Green, and Sustainable Operations" and aims to reduce greenhouse gas emissions, water consumption, and waste generation by seeking reduction opportunities and formulating reduction plans to fulfill its green corporate social responsibility. The following data are all the scope of disclosure on Top Sports Textile Ltd., the Company's main production site.

Greenhouse gas:

The emissions are divided into direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (Scope 2, i.e., indirect greenhouse gas emissions from imported electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from the Company's activities that are not indirect energy emissions but come from sources owned or controlled by other companies). Top Sports Textile Ltd. commissioned SGS to check the greenhouse gas emission data in 2023. Inspection is carried out according to ISO14046-3 standards and ISO14046-1 certification is obtained.

Greenhouse gas emissions in 2023（t）:
<table><tr><th>Scope 1</th><th>Scope 2</th><th>Unit product emissions (tCO2e/t)</th><th>Scope 3</th></tr><tr><td>16,686.17</td><td>15,802.01</td><td>2.04</td><td>135,228.64</td></tr></table></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">Facts of performance</th><th rowspan="2">Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Description in Summary</th></tr>
<tr><td></td><td></td><td></td><td>Greenhouse gas emissions in 2024（t）（Not yet audited）：
<table>
<tr><th>Scope 1</th><th>Scope 2</th><th>Unit product emissions (tCO2e/t)</th><th>Scope 3</th></tr>
<tr><td>14,194.78</td><td>13,085.64</td><td>1.63</td><td>Not yet inventoried</td></tr>
</table>
By investing in high-efficiency energy-saving equipment such as cold stack pre-treatment machines, low bath ratio dyeing machines, high-efficiency setting machines, and rope washing machines, the Company is able to control greenhouse gas emissions while expanding its production capacity.
In the future, we will continue to invest in high-efficiency energy-saving equipment and develop water and energy-saving processes.
Top Sports Textile Ltd. submitted recent greenhouse gas emission reduction targets to SBTi in 2024 and obtained official approval from SBTi. It also made a public commitment that it would have reduced its absolute carbon emissions of Scope 1 and Scope 2 by 42% by 2030 based on the 2021 carbon emission data, and would promote the suppliers accounting for 80% of the purchased goods and services to announce their scientific emission reduction targets before 2028.
Water resources:
The Company uses the EmeRet system to record water consumption data and commissions a third-party organization to certify the data (2022/9~2023/8 certified by ITS organization; 2023/9~2024/8 certified by BV organization)
Water consumption in the last 2 years（t）：
<table>
<tr><th>Year</th><th>Total water consumption</th><th>Unit water consumption</th></tr>
<tr><td>2023</td><td>1,442,514.81</td><td>90.74</td></tr>
<tr><td>2024</td><td>1,494,540.60</td><td>89.43</td></tr>
</table>
The Company has reduced water consumption by investing in a series of water saving measures such as low bath ratio </td><td>No</td></tr>
</table>

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
			dyeing vats, high efficiency rope washing machines and developing high fastness less water washing production processes. The Company will continue to invest in water-saving equipment, develop water-saving dyeing processes and improve water management. With 2021 as the base year, we plan to achieve a 10% reduction in water use per unit of product by 2025. **Waste:** The total weight of hazardous waste and non-hazardous waste are distinguished. The Company uses the EmeRet system to record the data related to waste generation and disposal, and commissions a third-party organization to certify the data (2022/9~2023/8 certified by ITS organization; 2023/9~2024/8 certified by BV organization) Waste (excluding household waste) generation (t) and zero waste to landfill rate in the past 2 years：	No

Year	Hazardous waste	Non-hazardous waste	Unit generation (t/t product)	Zero waste to landfill rate
2023	4,961.22	1,041.61	0.38	98%
2024	5,015.14	1,195.38	0.37	100%

The Company controls waste production and increases the proportion of waste to be recycled through a series of measures such as optimizing production management, reducing the rate of non-conformity, and cooperating with qualified recycling units to realize energy conversion of cinder bricks and sludge.

The Company will further increase the depth of cooperation with recycling units and enhance the volume of cinder and sludge recycling and treatment, with the aim of eventually keep 99% "zero waste to landfill" by 2025.

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
4. Maintenance of Community Public Welfare (1) Does the company establish related management policies and procedures in accordance with related laws and international covenants on human right?	✓		(1) The Company complies with the local laws and regulations of its global operations. We recognize and observe international human rights conventions including but not limited to the United Nations Universal Declaration of Human Rights, the United Nations International Covenant on Economic, Social and Cultural Rights, the United Nations International Covenant on Civil and Political Rights, the United Nations Convention concerning the Abolition of Forced Labor, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the International Labor Organization Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. We also formulate relevant policies to safeguard the legal rights and interests of our employees accordingly. The Company's human rights management policies and specific plans are summarized as follows:	No

Human Rights Management Policy	Specific Plans
Prohibition of child labor	Checking government-issued identification documents and verifying the age of applicants when hiring
Prohibition of forced labor and compliance with local government labor laws	Implementing the leave system to encourage employees to focus on work-life balance
Establishment of human rights clauses in contracts with suppliers and implementation of audits	Regularly reviewing contract terms and conditions, and conducting random on-site visits

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
			In 2024, the Company also conducted human rights protection-related training for employees, with a total of 2,372 hours and 1,189 participants completing the training. In the future, the Company will continue to emphasize human rights protection issues and promote related education and training to raise awareness of human rights protection and reduce the possibility of related risks.	No
(2) Does the Company formulate and implemented an employee welfare scheme (including wages, holidays and other benefits) and reflected appropriately the business performance onto employee remunerations?	✓		(2)The Company has set up a reasonable remuneration system, in conjuncture with performance reviews and aligned with company targets. We seek to achieve fairness and appropriateness for both rewards and punitive measure. In terms of workplace diversity and equality, the average percentage of female staff in 2024 was 34.2% and the average percentage of female supervisors was 35.4%.	
(3) Does the company provide employees with a safe and healthy working environment, and implement safety and health education to employees on a periodical basis?	✓		(3)Top Sports Textile Ltd. (hereinafter referred to as TSP), our production site, has obtained ISO 45001:2018 certification, which is valid from July 31, 2023 to July 30, 2026. Top Sports Textile Vietnam Co., Ltd. (hereinafter referred to as TSPV) is expected to complete the first ISO 45001 certification in 2025. Both TSP and TSPV set up the Occupational Health, Safety and Environment Committee (hereinafter referred to as HSE) and 6S (SEIRI, SEITON, SEISO, SEIKETSU, SHITSUKE, and SAFETY) Working Committee in accordance with ISO 45001, to guarantee the implementation of various management measures and implement the policies of “safety first, prevention oriented, and comprehensive governance”, etc. **Prevention beforehand**: The Company organizes each production plant and department to carry out HSE risk identification activities and formulate relevant preventive measures, so as to put the responsibility of occupational safety into practice for each department and individual.	

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
			Process control: The Company conducts regular occupational safety inspections on machinery and equipment, firefighting and power supplies, personnel labor protection, chemical storage and transportation, etc., and the HSE Committee follows up and revises the measures. The Company regularly organizes medical checkups for employees and has set up a medical office and permanent medical staff in the factory area to provide daily health care, maternal and child care, and emergency medical services for employees. The Company holds regular HSE meetings and tracks and reviews the effectiveness of implementation. **6S work ethics training**: The 6S Working Committee formulates 6S working system, inspection checklist, scoring and reward-punishment system, and conducts training for department heads and grassroots employees. It evaluates the 6S management condition of each workshop every month, and displays the main 6S risks of the factory through a risk map. It increases the attention and participation of all personnel up and down in each workshop, and exercises and maintains good 6S work ethics of the employees. **Emergency disposal**: In 2024, TSP and TSPV organized 45 employees to participate in first-aider training and obtain certificates. The ratio of first-aiders to total number of employees is about 1:31 per shift, providing protection for employees' personal safety; the Company has formulated HSE-related emergency plans and clearly advised the personnel in charge of each measure to provide timely guidance and control the development of accidents, reduce human and financial losses and minimize social impacts. There were 38 occupational accidents involving 38 employees (accounting for	No

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
			1.91% of the Group's total employees) in 2024. The Group will improve labor protection appliances and facilities, strengthen the occupational health and safety trainings for employees and monitor the safe production environment of the factories to reduce the occurrence of occupational accidents. The Group did not have any fire disaster in 2024. TSP and TSPV., a major production site, has an internal part-time fire brigade with 49 members and 12 members, respectively. It is responsible for firefighting maintenance and firefighting drills, and will organize firefighting drills twice a year. The governmental agency will conduct two comprehensive inspections of firefighting equipment in the factory. We will also strengthen the management of personnel protection in order to create a zero-disaster environment.	
(4) Does the Company establish effective career competency development and training plans for employees?	✓		(4)The Company organizes internal and external training schemes each year, to facilitate effective development of professional expertise and career prospects for employees.	No
(5) Does the Company observe the relevant laws, regulations and international standards regarding the health, safety, customer privacy, marketing and labeling of products/services, and has formulated relevant policies and complaint procedures to protect the right of consumers?	✓		(5)The Company maintains good communication with customers. There is also a transparent and effective channel for customers to complain about products and services. Those who have any question about the Company's products or services can reach out to our personnel.	
(6) Does the Company set up supplier management policies by requesting suppliers to adhere to relevant standards in environmental protection, occupational health & safety or labor & human rights and reporting their implementations accordingly?	✓		(6)The Company conducts detailed assessment of suppliers to understand their environmental and social impacts. Going forward, we will strengthen our collaboration with suppliers in corporate social responsibility. We will suspend, in a timely manner, cooperative ties if any of our suppliers reports material hazards to the environment or the society.	
5. Does the Company refer to internationally acceptable standards or guidelines for the compilation of CSR reports to disclose non-financial information? Are these reports confirmed or endorsed by third-party evaluation organizations?		✓	Referring to GRI standards, the Company formulated the sustainable development report, as the basis for the company's internal management and communication with brand customers. In the future, depending on the needs, the Company will evaluate and obtain the assurance or guarantee opinions from a third certification entity.	No

Evaluation Items	Facts of performance			Status on discrepancy and reasons in relation to Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies
	Yes	No	Description in Summary	
6. If the Company promulgate its own rules for corporate governance practice according to " Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies", please describe the difference between its operation and these rules: In order to implement corporate social responsibility, the Company has established "Sustainable Development Practice Principles", and it will continue to implement and execute it with all colleagues of the Company according to the norms and spirit of "Sustainable Development Practice Principles".				
7. Other important information facilitating to understand the operation status of corporate social responsibility: None				

Note 1：Description of risk assessments for material issues

Material Topics	Risk Assessment Item	Management Strategy
Environment	Environmental impact and management	‧ The Company's production site, Top Sports Textile Ltd., obtained the ISO 14001 certification, which is valid until July 30, 2026, in environmental and energy management in 2023 and will renew the certification going forward. ‧ Construction of the Company's climate risk identification procedures. Identification of physical risks and transition risks. Cross-functional discussions of potential financial impacts and countermeasures. ‧ Regular GHG inventory inspections are conducted according to ISO14064-1, to examine the impact of the Company's operation. Carbon reduction measures continue on the basis of carbon inventory results. The purpose is to effectively reduce Scope 1 emission risks and Scope 2 emissions due to consumption of purchased energy. The suppliers' carbon reduction capability is enhanced via optimization of supply chain management, so that the Company's Scope 3 emissions is reduced from upstream to downstream activities.
	Market oriented value	‧ Resource consumption, pollution and emissions are reduced to the minimum with adoption of new technologies, new techniques, new equipment and new energy.
	GHG emissions	‧ Sign-up for Science Based Targets initiative (SBTi) and annual inspections on GHG emissions, in order to formulate the overall carbon reduction targets and action plans for different stages. ‧ Gradual advancement of rooftop solar (RTS) and phaseout of coal projects. Exploration of the green energy market for improvement opportunities. ‧ Deeply participate in the green trading market and purchase I-REC International Green Certificate. ‧ Issue a green and low-carbon production initiative to the supply chain, setting and publicly disclosing its scientific carbon reduction targets. Strengthen close cooperation among all parties in green and low-carbon production, and create a strategic partnership for win-win and sustainable development.
	Energy consumption	‧ Prioritization of equipment replacement with models of high-efficiency and low energy consumption, such as cold pad batch (CPB) pre-treatment machines and continuous processing machines. ‧ Adoption of recycling facilities for waste water and heat, to heat up room temperature water to 50℃ for direct use in dying procedures and reduce steam consumption. ‧ Establishment of energy efficiency management targets; periodic assessment of energy consumption and formulation of relevant improvement measures, to achieve sustainable development.
	Water resource consumption	‧ Prioritization of equipment replacement with models of high-efficiency and low energy consumption, such as low-liquor-ratio dye vats, cold pad batch (CPB) pre-treatment machines and continuous processing machines.

Material Topics	Risk Assessment Item	Management Strategy
Environment	Water resource consumption	· Establishment of energy efficiency management targets; periodic assessment of water resource consumption and formulation of relevant improvement measures, to achieve sustainable development.
	Chemical management	· Full adoption of BVe3 and ZDHC platforms, continuing to enhance Manufacturing Restricted Substances List (MRSL) conformity for chemical management.
	Waste water and waste gases	· Investment in the construction of a comprehensive waste water treatment and adoption of state-of-the-art reverse osmosis technology. · Investment in the purifier of gases from foaming machines and the facilities to recycle waste heat, as well as water curtail desulphurization and dust collection for boilers. · Continued tracking of the most updated local laws and regulations and requests from customers. Periodic testing of waste water and waste gases. Emissions after 100% achievement of legal standards.
	Waste management	· Adoption of low-carbon dyeing technology. Investment in smart packaging equipment and sludge filtration and dehydration facilities. Enhancement of quality assurance measures by boosting the right first time (RFT) ratio in order to reduce waste. · Proper classification and storage of wastes, to avoid the recycle value reduction due to cross contamination of different types of wastes and prevent environmental pollution caused by spills of hazardous wastes. · Signing of waste collection and recycling agreements with qualified third parties. Tracking of the destination of wastes to enhance the zero-landfill ratio of wastes.
Society	Occupational safety	· The Company's production site, Top Sports Textile Ltd., obtained the ISO 45001 certification, which is valid until July 30, 2026, in environmental and energy management in 2023 and will renew the certification going forward.
	Employment Employee diversity and equal opportunity Human rights assessment	· Pay attention to employer-employee relationship, where, the employees can vote to elect the "Employees' Representative" freely, to communicate any opinions of the employees regarding human rights, labor and working environment, etc. to the management timely. · Set up an employee suggestion box, listen to the voice of employees, pay attention to the feelings of employees, provide systematic help, and build mutual trust. · The factory shall be equipped with good accommodation environment and leisure activity center, to provide the employees with excellent leisure environment.
	Care measures	· The Company has set up a care team to provide employees with mental health care measures. Raise charity funds to help employees tide over difficulties.
	Education and Training	· The Company builds a corporate university and organizes employee education and training programs from time to time to enrich employee skills, improve work ability and quality, and further increase operational performance to achieve the goal of enhancing corporate competitiveness. · Cultivate required talents for the industry, and organize industry-university exchange activities with the university where the factory is located.
	Charitable activities	· Donate daily necessities to impoverished villagers, donate beds to orphanages, sponsor sports events, public building construction, and New Year's sacrificial activities, etc., to achieve "what is taken from the society is used in the interests of the society".
Corporate Governance	Socioeconomic Compliance	· Regularly review and actively follow up on changes in government regulations. · Raise employees' compliance awareness via education, training, and compliance announcements. · Through the implementation of the internal control mechanism, it is ensured that all personnel and operations of the Company are fully in compliance with relevant laws and regulations.

Material Topics	Risk Assessment Item	Management Strategy
Corporate Governance	Strengthening of board functions	· Planning of continuing education topics for directors. Updating directors with the newest regulations, systems and polices each year. · Purchase of liability insurance for directors to protect against litigation or claims for damages.
	Communication with stakeholders	· The Company analyzes the key stakeholders and important issues pertinent to these stakeholders each year to mitigate business or litigation risks due to misunderstanding as a result of different perspectives between stakeholders and the Company. · Establishment of a range of communication channels for proactive communication to reduce confrontation and misunderstanding. Creation of an investor mailbox for the spokesperson to handle and respond.
	Economic Performance	· Investment of more resources in technology innovation, quality improvement, and reduction of manufacturing cost.
	Anti-corruption	· Promote the Company's core value of "integrity" during training courses for new employees. · Set up an independent mailbox for whistleblowing.

Climate-related Information of TWSE/TPEx Listed Companies

Disclosure of climate-related information

Item	Implementation status
1.Describe the supervision and governance of the Board and the management team regarding climate-related risks and opportunities.	1.The Board of Directors and the management have thoroughly researched the physical and transition risks of climate change on the Company's operations, taken them as important considerations in the Company's development strategy, and formulated relevant measures.
2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the company (in the short, medium, and long term).	2.The Company plans to actively explore solutions, hoping to reduce the operational and financial impacts caused by climate change. Evaluate the potential operational and financial impacts of climate related risks and opportunities on the Company, so as to plan various actions to address climate related risks and opportunities. Short-term: Control of total greenhouse gas and carbon tax, carbon fee; extreme weather affects supply chain Control of total greenhouse gas and carbon tax, carbon fee; extreme weather affects supply chain Medium-term: Low-carbon energy costs; transformation technology; newly added relevant laws and regulations; Changes in consumption, investment trend, and customer demands. Long-term: Net zero emission trend.
3.Describe the impact of extreme climate events and transitional actions on company finances.	3. Extreme climate events will cause interruption of supply chain and logistics, which will indirectly lead to increases in the Company's related costs, such as energy, fresh water supply, yarn, raw materials, and high temperature subsidy costs. The Company is actively transforming itself to achieve the goal of "Net Zero Carbon Emissions" by taking actions, such as research and development of low-carbon processes and procurement of green energy, and is developing related countermeasures to minimize the financial impacts.
4.Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	4. Identify physical risks that may affect the Company's normal operations based on local regulations, climate conditions, technology, and market resilience, and prepare backup plans and equipment procurement plans in advance to ensure that emergency measures can be activated immediately in the event of a disaster. In addition, conduct regular operational impact analysis and offsite backup exercises to ensure that operations will not be disrupted due to a disaster.
5.If a scenario analysis is adopted for the assessment of resilience to climate change risks, then the scenarios, parameters, assumptions, and analysis factors used, as well as the major financial impacts should be explained.	5. Scenario analysis and evaluation are not yet utilized.
6.If there is a transition plan for managing climate-related risks, please describe the content of the plan, as well as the indicators and goals used to identify and manage physical risks and transition risks.	6. Taking 2021 as the base year, the main indicators and targets for energy saving and carbon reduction by 2030 are as follows. (1) Coal phase-out/biomass fuel adoption rate: we aim to completely phase out coal-fired boilers and use 100% biomass boilers for steam supply by 2025. (2) Energy efficiency: Through continuous investment in energy-saving equipment and process improvement, we aim to reduce unit energy consumption by 18% by 2025. (3) Science-Based Targets have been set: with 2021 as the base year, we promise to reduce absolute carbon emissions in Scope 1 and Scope 2 by 42% by 2030, and motivate suppliers accounting for 80% of the value of purchased goods and services to announce their science-based emission reduction targets by 2028.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	7. Carbon pricing tools have not yet been used.
8.If climate-related oals are set, information such as the activities involved, the scope of GHG emissions, planning schedule, and annual progress should be disclosed. If carbon offsets or renewable energy certificates (RECs) are used to achieve the	8.(1) The verified GHG emissions of Top Sports Textile Ltd. include Scopes 1, 2 and 3, which cover direct emissions, such as in-plant process emissions, and indirect emissions, such as energy (purchased electricity), transportation (employee commuting and logistics), use of products (raw materials) and other sources. According to the verification results of the 2023 GHG emissions, absolute carbon emissions from GHG Scope 1 and Scope 2 were reduced by 45% compared to the base year of 2021. External verification of 2024 GHG emissions data is expected to be completed in January 2026.

Item	Implementation status
relevant goals, the source and quantity of carbon reductions for carbon offsets or the quantity of renewable energy certificates (RECs) should be explained	(2) Top Sports Textile Ltd. purchased 2,800 units of International Renewable Energy Certificates (I-RECs) in 2024, covering 2,800 MWH of Scope 2 electricity consumption, which accounted for 8.55% of total annual electricity consumption and 1.58% of total annual energy consumption. We plan to maintain I-REC purchases at 8% of total annual electricity consumption in 2025.
9.Inventory and verification results of GHG emissions, reduction target, strategy, and action plans (Fill in 1-1 and 1-2 additionally)	See the table below for instructions.

1-1 Recent Two-Year Company Greenhouse Gas Inventory and Verification Status

1-1-1 Greenhouse Gas Inventory Information

Disclosure of greenhouse gas emissions for the past two years (in metric tons CO_2e), intensity (in metric tons CO_2e per million dollars), and data coverage scope

Scope: Top Sports Textile Ltd.

Year	Total Emissions (tons CO_2e)		Intensity (tons CO_2e / million NT$)
	Scope 1	Scope 2	Scope 1+ Scope 2
2024 (Not yet audited)	14,194.78	13,085.64	8.19
2023	16,686.17	15,802.01	9.16

1-1-2 Verification Results of GHG Emissions

Describe the verification status for the most recent two years as of the date of the annual report, including verification scope, verification entity, verification criteria, and verification opinion.

Scope: Top Sports Textile Ltd.

Year	Verification Criteria	Verification Party	Verification Status
2024	Note 1		
2023	ISO14064-3	SGS	Reasonable assurance

Note1：As of the publication date of the annual report, no verification opinion has been obtained. "Complete and verification results will be disclosed on Market Observation Post System" and complete verification results will be disclosed in the next annual report.

1-2 Reduction Target, Strategy, and Action Plans of GHG Emissions

Describe the baseline year and data, reduction targets, strategies, specific action plans, and the status of achieving reduction targets

GHG Reduction Target: Top Sports Textile Ltd. has set carbon reduction targets and directions based on the data from first carbon audit (2021) and obtained official SBTi certification on March 22, 2024: with 2021 as the base year, we promise to reduce absolute carbon emissions in Scope 1 and Scope 2 by 42% by 2030, and motivate suppliers accounting for 80% of the value of purchased goods and services to announce their science-based emission reduction targets by 2028.

Strategy, and Action Plans:

1. By investing in high-efficiency energy-saving equipment such as cold stack pre-treatment machines, low bath ratio dyeing machines, high-efficiency setting machines, and rope washing machines, Top Sports Textile Ltd. is able to control greenhouse gas emissions while expanding its production capacity.
2. Top Sports Textile Ltd. purchased 2,800 units of International Renewable Energy Certificates (I-RECs) in 2024, covering 2,800 MWH of Scope 2 electricity consumption, which accounted for 8.55% of total annual energy consumption. We plan to maintain I-REC purchases at 8% of total annual electricity consumption in 2025.
3. The Cambodian plants are currently using biomass and low-sulfur coal as fuel, and are using high-efficiency/low-pollution clean burning boilers, and they are planning to complete boiler transformation in the future from coal to biomass fuel completely.

Achievement of Targets：With 2021 as the base year, GHG emissions in 2024 of Top Sports Textile Ltd. in Scope 1 and Scope 2 were 27,280.42 (Not yet audited) metric tons of carbon dioxide equivalent，a reduction of 54.04% compared to the base years；GHG Intensity in 2024 (metric tons CO_2e / million NT$) of Top Sports Textile Ltd. in Scope 1 and Scope 2 were 8.19(Not yet audited), a reduction of 53.86% compared to the base years.

(VI) The Company's fulfillment of the integrity management situation and adopted measures and The Difference Situation and Reason to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description in Summary	
1. Establishment of policy and measures of ethical management. (1) Does the Company establish business ethics code and have it approved by the Board of Directors? Does the Company specify in external documents its policy, practice of operation in good faith in its corporate statutes and bylaws and the commitment from the Board of Directors and senior management to its operation policy? (2) Has the Company put in place an assessment mechanism for the risks associated with dishonest behavior, and regularly analyzed and assessed the operating activities exposed to higher risks of dishonest behavior, and formulated preventive measures accordingly and covering at least the preventive measures specified in the second paragraph of Article 7, the Ethical Corporate Management Best Practice Principles TWSE/GTSM Listed Companies? (3) Does the Company specify a scheme to prevent dishonest behaviors, and expressly describe in operation procedures, conduct guidelines, punitive measures and compliant channels accordingly, in order to properly implement the abovementioned scheme?	✓ ✓ ✓		(1) The Company has set up the Ethical Corporate Management Best Practice Principles by emphasizing the importance of integrity and honesty. These principles are incorporated into the internal control system so that our directors, managers, and employees are aware and adhering to. (2) The Company has set up the Operational Procedures and Behavioral Guidelines in Ethical Corporate Management. These procedures and guidelines are for our day-to-day operations. To ensure our business integrity, we have established an effective accounting system and an internal control system. Internal auditors regularly inspect the compliance with the abovementioned rules and regulations in place. (3) The Company adheres to business integrity and ethics. We strictly prohibit bribery giving and taking and we specifically disallow illegal donations.	No
2. Thorough implementation of ethical corporate management (1) Does the Company evaluate the record of ethics of the transaction parties, and expressly specify clauses dealing with behaviors of ethics in the signed contracts of the transaction parties? (2) Has the Company established a unit under the Board of Directors to promote corporate operation in good faith, and regularly report to the Board of Directors (at least once per year) its execution and oversight of the business ethics policy and prevention of dishonest behavior?	✓ ✓		(1) Before engaging in any transactions, we collect as much information as possible about the creditworthiness and reputation of counterparties, to prevent any frauds or deceits. (2) The Chairman's Office oversees our business code of conduct, and reports to the Board of Directors after periodical inspections.	No

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description in Summary	
(3) Does the Company stipulate a policy of preventing interest conflict, provide due statement channels, and actualize the execution? (4) Has the Company established an effective accounting system and an internal control system to implement operation in good faith, designated internal auditors or commissioned external auditors accordingly to formulate audit plans based on the assessment of risks associated with dishonest behavior as the basis for the audit of dishonest behaviors? (5) Does the company hold internal, external educational training for ethical corporate management on a periodical basis?	✓ ✓ ✓		(3) Directors may not discuss or vote in the issues where themselves or their representatives are an interested party and the conflict of interest may be detrimental to the best interest of the Company. They may, however, express opinions and answer questions. (4) The Company has put in place an effective accounting and internal control system. Internal auditors periodically inspect the compliance to the abovementioned system. (5) The Company organizes internal and external training & education programs, on an ad-hoc basis and as required, to advocate the importance of ethics.	No
3. Operation Status of Corporate Reporting System of an Offense (1) Does the Company establish substantial offense reporting and incentive systems, and establish convenient offense reporting channels, and assign proper exclusively responsible personnel to accept the reported subject of an offense? (2) Has the Company established the standard investigational procedures of receiving whistle-blowing reports, subsequent measures after investigations and the confidentiality mechanism? (3) Does the company take measures to protect an offense reporting party from suffering improper disposition due to an offense report?	✓ ✓ ✓		(1) The Company has set up a letterbox for whistleblowing. If any behavior breaching laws or code of conduct is identified, our dedicated personnel will report and respond accordingly. Responsible business units will be involved if the breach is material. Relevant details, responses and follow-up improvements shall be reported to the Board of Directors. (2) The Company has set up an internal communication channel, managed by the Chairman's Office. Confidentiality of relevant information is ensured. (3) The Chairman's Office will protect the whistleblower from improper treatment.	No
4. Strengthen Information Disclosure Does the company disclose the content of Ethical Corporate Management Best Practice Principles and promotion performance in its website and Market Observation Post Site?	✓		The Company has set up a corporate social responsibility system and discloses relevant information on our official website.	No

Evaluation Items	Facts of performance (Note 1)			Status on discrepancy and reasons in relation to Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Description in Summary	
5. If the Company has duly enacted Ethical Corporate Management Best Practice Principles in accordance with "Ethical Corporate Management Best Practice Principles for TSEC/GTSM Listed Companies", please elaborate the discrepancy between the substantial performance and the Ethical Corporate Management Best Practice Principles: None				
6. Other significant information which would help better understand the performance by the Company in Ethical Corporate Management Best Practice Principles: None				

(VII) Other important information that can help to understand how the Company's corporate governance functions: None

(VIII) The following information concerning the implementation of the internal control system should be disclosed:

1. Internal Control Statement: Please refer to the MOPS,【Website :http://mops.twse.com.tw > Single Company > Corporate Governance > Company Regulations > Internal Control/Internal Control Statement Announcement】 enter the year and company code 【4439】 to query the Internal Control Statement Announcement.
2. The report by external auditors should be disclosed if external auditors were commissioned to review the internal control system: None

(IX) During the most recent year and as of the date of publication of the annual report, any important decisions from shareholder meetings and Board of Director meetings:

1. Important decisions from shareholder meetings:

Meeting date (yy/mm/dd)	Key decisions	Implementation
2024.6.19	1. Rectification of 2023 Consolidated Financial Statements and Report of Operating Results	The 2023 consolidated financial statements and business report were compiled by the Company. The consolidated financial have been audited by CPAs Ya-Hui Lin and Po-Chuan Lin of PwC Taiwan. Such financial statements and business report have been submitted to and then have been audited by the Audit Committee for the issue of the audit report, for the ratification by the General Meeting of Shareholders.
	2. Rectification of 2023 Distribution of Earnings	The Company's reported earnings after tax of NT$408,198,138 for 2023. Provision for special reserve is NT$37,166,711, and adding the undistributed earnings at the beginning of the term of NT$771,207,113, the distributable earnings in accumulation at NT$1,142,238,540. The Company intends to distribute a cash dividend of NT$4 per share (NT$153,175,200 in total). Set as the ex-dividend date was July 25, 2024, and all dividends were distributed on August 23, 2024, in accordance with the resolution of the shareholders' meeting.

2. Important decisions from board meetings:

Meeting date	Key decisions	Implementation
2024.3.13	1. Review the proposal for 2023 remunerations to employees and remunerations to directors.	Approved by all directors
	2. Review the proposal for 2023 statement of internal control statement.	
	3. Review of 2023 consolidated financial statements and business report.	
	4. Review the proposal for 2023 distribution of earnings.	
	5. Amendment of some articles of Rules of Procedure for Shareholders Meetings.	
	6. Amendment of some articles of Procedure for Board of Directors Meetings.	
	7. Amendment of some articles of Organizational Rules of Audit Committee.	
	8. The evaluation of independence of the external CPAs who certifies the Company's financial reports.	
	9. Approve the proposal for the loaning of funds made by the Group.	
	10. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit and derivatives trading limit provided through SinoPac Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd.	
	11. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through SinoPac Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd.	
	12. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Chinatrust Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd.	
	13. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Chinatrust Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd.	
	14. Approve the proposal of the role of the Company acting as financing co-guarantor that provides the financing limit and derivatives trading limit provided through Taishin International Bank, Hong Kong Branch to Top Star Textile Limited, and Top Sports Textile Ltd.	
	15. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit, foreign exchange and derivatives trading limit provided through Citibank (Taiwan) to Top Star Textile Limited.	
	16. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Citibank, N.A., Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd.	
	17. Approve the proposal of the role of the Company and Top Star Textile Limited acting as the financing co-guarantor that provides the financing limit provided through Taipei Fubon Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd.	

Meeting date	Key decisions	Implementation
2024.3.13	18. Approve the proposal of the role of the Company, Top Star Textile Limited and Guangzhou Runwell Knits Textile acting as the financing co-guarantor that provides the financing limit provided through Standard Chartered Bank (China) Limited to Chintex Enterprises Limited.	Approved by all directors
	19. Convening of 2024 General Meeting of Shareholders.	
2024.5.9	1. Review Q1 of 2024 consolidated financial statements.	Approved by all directors
	2. Approve 2024 renewal of liability insurances for directors and management.	
	3. Approve the proposal of the role of the Company and TST International Group Limited acting as the financing co-guarantor that provides the financing limit provided through Taipei Fubon Bank, Hong Kong Branch to Top Star Textile Limited.	
	4. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through Cathay United Bank (China) to Chintex Enterprises Limited.	
2024.6.19	1. Changes to the Company's litigation and non-litigation representation within the Republic of China.	Approved by all directors
	2. Approve the proposal for the loaning of funds to Top Sports Textile Vietnam Co., Ltd. as provided by the subsidiary, Top Star Textile Limited.	
	3. Approve the proposal that provides the financing limit provided through Taipei Fubon Bank to TST Group Holding Ltd. TAIWAN BRANCH.	
	4. Approve the proposal that provides the financing limit provided through Cathay United Bank to TST Group Holding Ltd. TAIWAN BRANCH.	
2024.8.26	1. Review Q2 of 2024 consolidated financial statement.	Approved by all directors
	2. Approve the proposal for 2024 budget amendment.	
	3. Approve the proposal for the loaning of funds made by the Group.	
2024.11.13	1. Review Q3 of 2024 consolidated financial statement.	Approved by all directors
	2. Approve the proposal for 2025 operation plan and budget.	
	3. Amendment of the Internal Control System of the Company.	
	4. Amendment of the implementation rules for internal audits of the Company.	
	5. Approve the proposal of 2025 audit plan.	
	6. Capital reduction by cancellation of new restricted employee shares.	
	7. Approve the proposal for subsidiary Top Star Textile Limited intends to acquire right-of-use assets from a related party.	
	8. Approve the proposal that provides the financing limit provided through Cathay United Bank, Hong Kong Branch to Top Star Textile Limited.	
	9. Approve the proposal that provides the hedging line for financial transactions provided through Cathay United Bank to Top Star Textile Limited.	
	10. Approve the proposal that provides the financing limit provided through Cathay United Bank, Ho Chi Minh City Branch to Top Sports Textile Vietnam Co., Ltd.	
	11. Approve the proposal for the loaning of funds made by the Group.	

Meeting date	Key decisions	Implementation
2024.12.11	1. Approve the proposal for the equipment procurement case of Top Sports Textile Vietnam Co., Ltd.	Approved by all directors
	2. Approve the proposal for the Company will change the functional currency from USD to NTD.	
	3. The Company's proposal for issuing the first unsecured convertible corporate bonds in the R.O.C.	
	4. Approve the proposal of the role of the Company acting as the financing co-guarantor that provides the financing limit provided through SinoPac Bank, China Branch to Chintex Enterprises Limited.	
2025.3.12	1. Review the proposal for 2024 remunerations to employees and remunerations to directors.	Approved by all directors
	2. Review the proposal for 2024 statement of internal control statement.	
	3. Review of 2024 consolidated financial statements and business report.	
	4. Capital reduction by cancellation of new restricted employee share.	
	5. Amendment of some articles of Articles of Incorporation.	
	6. The evaluation of independence of the external CPAs who certifies the Company's financial reports.	
	7. Approve the proposal that the Company's indirect 100% capital increase of its subsidiary Top Sports Textile Vietnam Co., Ltd.	
	8. Approve the proposal for the loaning of funds made by the Group.	
	9. Approve the proposal that provides the financing limit provided through Cathay United Bank (China) to Chintex Enterprises Limited.	
	10. Approve the proposal that provides the financing limit provided through China Merchants Bank, Shanghai Branch to Chintex Enterprises Limited.	
	11. Approve the proposal that provides the financing limit and derivatives trading limit provided through Taishin International Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd.	
	12. Approve the proposal that provides the financing limit provided through Hang Seng Bank, Hong Kong Branch to Top Star Textile Limited.	
	13. Approve the proposal that provides the financing limit provided through Chinatrust Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd.	
	14. Approve the proposal that provides the financing limit and derivatives trading limit provided through Chinatrust Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd.	
	15. Approve the proposal that provides the financing limit and derivatives trading limit provided through SinoPac Bank, Hong Kong Branch to Top Star Textile Limited and Top Sports Textile Ltd.	
	16. Approve the proposal that provides the financing limit and forward foreign exchange transaction limit provided through SinoPac Bank, Ho Chi Minh Branch to Top Sports Textile Vietnam Co., Ltd.	
2025.3.28	1. Approve the proposal for the equipment procurement of Top Sports Textile Vietnam Co., Ltd.	Approved by all directors
	2. Review the proposal for 2024 distribution of earnings.	

Meeting date	Key decisions	Implementation
2025.3.28	3. Approve the proposal for receiving the nomination period for directors and independent directors' candidates, the number of independent directors to be elected and the place for receiving.	Approved by all directors
	4. Approve the proposal for a slate of the directors and independent director candidates during the board of directors meeting.	
	5. Release on the prohibition of non-competition for the newly appointed directors and their representatives.	
	6. Convening of 2025 General Meeting of Shareholders.	

(X) During the most recent year and as of the date of publication of the annual report, any different opinions from directors or supervisors on important decisions by the Board of Directors and such differences are recorded or stated in writing: None

IV. Information on Certified Public Accountant's audit fees

(I) The content of the amounts of both audit and non-audit fees paid to certified accountants and their affiliated firms and affiliated companies:

Unit: NT$ thousand

Name of CPA firm	Name of CPA	Duration covered in the audit	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	Ya-Hui Lin Po-Chuan Lin	From Jan. 1, 2024 to Dec. 31, 2024	5,668	146	5,814	Non-audit public-expense service contents: Provide project services and tax endorsements for the proposal for application of fund-raising and issuance of securities.

(II) If the CPA Firm Was Changed, and the Audit Fees Paid in the Year of Change Was Reduced Compared with the Previous Year, the Amount of the Audit Fees Before and After the Change and the Reasons for The Change Shall Be Disclosed: None

(III) If the Audit Fees Has Decreased by More than 10% Compared with the Previous Year, the Amount, Proportion and Reasons for the Decrease in Audit Fees Shall Be Disclosed: None

V. Information on replacement of CPAs: None

VI. Where the company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None

VII. 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 fiscal year or during the current fiscal year as of the date of publication of the annual report.

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Unit: shares

Title	Name	Year 2024		As of April 21, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman cum major shareholders with 10% stakes	Xingmao Group Holdings Limited Representative: Chin-Mao Lin	-	-	-	-
Director	Xingmao Group Holdings Limited Representative: Hsiang-Ming Hung				
Director	Sunny Earn International Holdings Limited Representative: Ching-Wei Lin	-	-	-	-
Director	Chia Mei Investment Co., Ltd. Representative: Chiung-Shiung Tung	-	-	-	-
Independent Director	King-Biau Lien	-	-	-	-
Independent Director	Kun-Ming Lee	-	-	-	-
Independent Director	Heng-Yih Liu	-	-	-	-
President cum over 10% major shareholder	Chin-Mao Lin	-	-	-	-
General Manager	Ching-Wei Lin	-	-	-	-
Chief Operating Officer (COO)	Hsiang-Ming Hung	-	-	-	-
Chief Financial Officer (CFO)	Tat-Shing Tang (Note1)	(1,800)	-	(24,000)	-
Chief Corporate Governance Officer	Chun-Ju Yang	1,000	-	-	-

Note1：New restricted employee shares, in custody of the investment account with CTBC Bank. The shares were not allocated due to employees fail to meet the vesting conditions and were cancelled.

(II) If the counterparty of a transfer of shareholding is a related party: None

(III) If the counterparty of a pledge of shareholding is a related party: None

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

As of April 21, 2025; Unit: Shares; %

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relation	
Xingmao Group Holdings Limited Representative: Chin-Mao Lin	12,768,000	33.57	-	-	-	-	Chin-Mao Lin	100% Shareholder	-
							Big Loyal Group Limited, and Happy Time International Investment Limited	Same Shareholder	-
Big Loyal Group Limited Representative: Chin-Mao Lin	2,484,000	6.53	-	-	-	-	Chin-Mao Lin	100% Shareholder	-
							Xingmao Group Holdings Limited & Happy Time International Investment Limited	Same Shareholder	-
Chin-Mao Lin	2,450,000	6.44	-	-	16,356,000	43.00	Xingmao Group Holdings Limited、Big Loyal Group Limited & Happy Time International Investment Limited	100% Shareholder	-
Investment account for Excellent Treat Limited under the custody of Yuanta Commercial Bank	2,240,000	5.89	-	-	-	-	-	-	-
Abico Asia Capital Corporation Representative: Fa-Ta Hsieh	1,803,000	4.74	-	-	-	-	Abico Avy Co., Ltd.	Affiliated Company	-
Sunny Earn International Holdings Limited Representative: Ching-Wei Lin	1,656,000	4.35	-	-	-	-	Ching-Wei Lin	100% Shareholder	-
Abico Avy Co., Ltd. Representative: Chun-Jen Tung	1,464,600	3.85	-	-	-	-	Abico Asia Capital Corporation	Affiliated Company	-
Nova Genesis Limited Representative: Han Peng	1,242,000	3.27	-	-	-	-	-	-	-
Happy Time International Investment Limited Representative: Chin-Mao Lin	1,104,000	2.90	-	-	-	-	Chin-Mao Lin	100% Shareholder	-
							Xingmao Group Holdings Limited, and Big Loyal Group Limited	Same Shareholder	-
Investment account for Bit bank under the custody of HSBC (Taiwan)	986,200	2.59	-	-	-	-	-	-	-

IX. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company

As of December 31, 2024; Unit: Thousand Shares; %

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Bumper(BVI)	23,000	100%	-	-	23,000	100%
TST(BVI)	7,000	100%	-	-	7,000	100%
Thrive	23,500	100%	-	-	23,500	100%
TSP	22,000	100%	-	-	22,000	100%
Top Star	30,000	100%	-	-	30,000	100%
T-Tron	6,500	100%	-	-	6,500	100%
Chintex	Note 1	100%	-	-	Note 1	100%
Guangzhou Runwell	Note 1	100%	-	-	Note 1	100%
Guangzhou Chintex	Note 1	100%	-	-	Note 1	100%
Hubei Zhongsheng Textile	Note 2	35%	-	-	Note 2	35%
Zhen Jiang Tuntex	Note 1	100%	-	-	Note 1	100%
TSV	Note 3	100%	-	-	Note 3	100%
TSPV	Note 1	100%	-	-	Note 1	100%

Note 1: A limited company, without shares issued

Note 2: There has been no actual operation, and the investment is presented as a 100% impairment loss with a carrying amount of zero.

Note 3: The Board of Directors resolved to make liquidation, which is in progress as stipulated by the local government as of the date of publication of the annual report.

Four.Facts of Capital Raising

I. Capital and Shares

(I) Sources of Capital:

Record Date: April 21, 2025 / Unit: thousand shares; NT$ thousand

Month/Year	Par value	Issued price (Dollar)	Authorized capital		Paid-in capital		Remarks		
			Shares	Amount (Dollar)	Shares	Amount (Dollar)	Sources of Capital	Capital paid in by assets other than cash	Other
05/2013	US$1	US$1	50	50	1 share	$1	Initial paid-in capital	-	-
06/2018	US$1	US$1	7,050	7,050	7,000	7,000	-	Long-term investment	-
Par value converted to NT$10									
08/2018	NT$10	NT$10	60,000	600,000	23,000	230,000	-	-	-
02/2019	NT$10	NT$95	60,000	600,000	28,000	280,000	Cash injection 5 million shares	-	-
12/2019	NT$10	NT$158	60,000	600,000	31,500	315,000	Capital increase by cash 3,500 thousand shares	-	Note1
08/2022	NT$10	NT$0	60,000	600,000	37,770	377,698	6,270,000 shares from the capitalization of retained earnings	-	Note2
12/2022	NT$10	NT$0	60,000	600,000	38,370	383,698	Issuance of 600,000 new restricted employee shares	-	Note3
05/2023	NT$10	NT$0	60,000	600,000	38,294	382,938	Capital reduction by cancellation of 76,000 treasury shares	-	Note4
11/2024	NT$10	NT$0	60,000	600,000	38,275	382,758	Capital reduction by cancellation of 18,000 new restricted employee shares	-	Note5
12/2024	NT$10	NT$0	60,000	600,000	38,035	380,358	Capital reduction by cancellation of 240,000 new restricted employee shares	-	Note6

Note1: Letter No. Taiwan-Stock-Listing-II-10817030851 of the Taiwan Stock Exchange Corporation.
Note2: It had been approved by Taiwan Stock Exchange Corporation on July 29, 2022.
Note3: The issuance of Official Letter FSC-Securities-Issuer No. 1110351662 had been approved by the Financial Supervisory Commission, Executive Yuan dated August 12, 2022.
Note4: It had been approved by Taiwan Stock Exchange Corporation on May 30, 2023.
Note5: It had been approved by Taiwan Stock Exchange Corporation on Nov. 19, 2024.
Note6: It had been approved by Taiwan Stock Exchange Corporation on Mar. 19, 2025.

Unit: Shares

Type of Share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	38,035,800	21,964,200	60,000,000	Listed Company

II. List of Major shareholders

Names, number of shares and percentages of holdings by shareholders with 5% stakes or higher or top ten major shareholders

As of April 21, 2025; Unit: Shares

Shares / Name of Major shareholders	Shareholding (shares)	Shareholding (%)
Xingmao Group Holdings Limited Representative: Chin-Mao Lin	12,768,000	33.57
Big Loyal Group Limited Representative: Chin-Mao Lin	2,484,000	6.53
Chin-Mao Lin	2,450,000	6.44
Investment account for Excellent Treat Limited under the custody of Yuanta Commercial Bank	2,240,000	5.89
Abico Asia Capital Corporation Representative: Fa-Ta Hsieh	1,803,000	4.74
Sunny Earn International Holdings Limited Representative: Ching-Wei Lin	1,656,000	4.35
Abico Avy Co., Ltd. Representative: Chun-Jen Tung	1,464,600	3.85
Nova Genesis Limited Representative: Han Peng	1,242,000	3.27
Happy Time International Investment Limited Representative: Chin-Mao Lin	1,104,000	2.90
Investment account for Bit bank under the custody of HSBC (Taiwan)	986,200	2.59

III. Company's dividend policy and implementation thereof:

(I) Company policy stated in the Articles of Incorporation

According to the Company's Articles of Incorporation, we are in the growth stage. To meet the funding requirements, business expansion and robust financial planning for sustainable development, the Company's dividend policy shall be based on future capex projects and capital requirements. Dividends shall be issued in cash or stocks to shareholders.

Unless otherwise specified by the Cayman Island laws, regulations governing companies listed on the Taiwan Stock Exchange or the Taipei Exchange, or by the Articles of Incorporation, or otherwise defined regarding the rights attached to shares, if the Company reports earnings at the end of a fiscal year, the Board of Directors shall distribute earnings after the completion of the steps below:

(1) tax payments to be allocated as required by laws;

(2) Making up cumulative losses in prior years (if any);

(3) Appropriation or reversal of special surpluses as stipulated by the laws governing publicly issued companies or required by competent authorities.

Unless otherwise specified by laws or regulations governing publicly issued companies, the earnings during the year less than the amounts from (1) to (3) above and plus the unappropriated earnings in prior years are distributable earnings. The Board of Directors may propose an earnings distribution plan and forward it to the shareholder meeting for approval. Earnings may be distributed in cash or dividends (with additional paid-in capital converted with earnings to allocate to shareholders on a pro rata basis). If the Board of Directors would like to distribute earnings, stock dividends should be at least 40% of the earnings during the year less the amounts from (1) to (3). Cash dividends shall be at least 20% equivalent of the stock dividends.

(II) Proposed distribution of earnings at the shareholder meeting:

The Board of Directors of the Company has resolved the proposal on March 28, 2025, which intends to distribute dividends at NT$2 in cash dividends per share (NT$ 76,071,600 in total). Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors shall be authorized to determine the ex-dividend date and distribution date.

IV. Effect upon business performance and earnings per share of any stock dividend distribution proposed at the most recent shareholders' meeting:

No bonus shares proposed this year and hence not applicable.

V. Remuneration of employees, directors, and supervisors

(I) The percentages or ranges with respect to employee, director, and supervisor remuneration, as set forth in the company's articles of incorporation:

If the Company reports profits for the year, 1% to 10% of the annual profits should be allocated as remunerations to employees and 5% or less to directors. In case of any losses carried forward, earnings should be prioritized for making up such losses. Remunerations to employees may be in cash or stocks, according to Employee Incentive Plan agreed on the basis of Article 11.1. The employees mentioned in this context may include the employees of the affiliated companies that meet certain criteria. The allocation of remunerations to employees requires the approval of a board meeting with at least two thirds of the directors present and at least half of the attending directors agreeing. The proposal shall be reported to the shareholder meeting. The directors who are also executives in other companies or affiliated companies may be entitled to remunerations both as directors and as employees.

(II) The basis for estimating the amount of employee, director, and supervisor remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The remunerations to employees, directors, and supervisors are estimated for the possible allocations pursuant to the Articles of Incorporation. If the estimated amount is different from the amount approved by the shareholder meeting, adjustments shall be recognized during the year the approval is made.

(III) Information on any approval by the board of directors of distribution of remuneration

(1)The amount of any employee remuneration and director and supervisor remuneration distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

The Company distributed in 2024 a total of NT$663,183 to employees, all in cash, and nothing to directors. There was no difference between the estimated amount and the recognized amount for bonuses to employees and remunerations to directors in 2024 financial statement.

(2)The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated for the current period and total employee remuneration:

No distribution of remunerations to employees in stocks and hence not applicable.

(IV) The actual distribution of employees, directors, and supervisors' remuneration for the previous fiscal year (2023) (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employees, directors, or supervisors' remuneration, additionally the discrepancy, cause, and how it is treated:

The Company distributed in 2023 a total of NT$4,123,213 to employees, all in cash, and nothing to directors. There was no difference between the estimated amount and the recognized amount for bonuses to employees and remunerations to directors in 2023 financial statement.

VI. Status of a company repurchasing its own shares:

(I) Repurchases already completed: None

(II) Any repurchase still in progress: None

VII. Issuance of corporate bonds:

(I) Issuance of Corporate Bonds:

Types of Corporate Bonds		The first unsecured convertible corporate bond in the Republic of China
Issue (transaction) date		Mar. 3, 2025
Face value		NT$ 100,000
Place of issue and trading (Note)		N/A
Issue price		NT$ 102.32
Issue amount		NT$ 500,000,000
Coupon rate		Coupon rate is 0%
Term		3 years Maturity date: Mar. 3, 2028
Guarantor		None
Trustee		Yuanta Commercial Bank Co., Ltd.
Underwriter		KGI Securities Co. Ltd.
Attesting lawyer r		N/A
Attesting CPA		N/A
Redemption method		Repayment in lump sum in cash upon maturity
Unredeemed balance		NT$ 500,000,000
Conditions for redemption or early redemption		Please refer to the Regulations on Issuance and Conversion.
Restrictive covenants		None
Name of rating agency, date and result of rating		None
Other rights	Amount of converted (exchange or subscription) ordinary shares, overseas depositary receipts or other securities as of publication date of annual report	NT$ 0
	The issuance and conversion, exchange, or subscription rules	Please refer to the bond issuance data in the Bond Credit Zone at the Market Observation Post System.

Types of Corporate Bonds	The first unsecured convertible corporate bond in the Republic of China
The possible dilution of shareholding and influence on shareholder equity caused by the issuance and conversion, exchange, or subscription rules and the terms of issuance.	The corporate bonds will be issued for a term of 3 years, and the conversion of the bonds may be requested by creditors at different time, which may delay the result of earnings per share, but will not have a material impact on the existing shareholders' equity.
Name of the custodian institution of the exchangeable underlying	N/A

Note：Fill in this item if the bonds are overseas corporate bonds.

(II) Convertible Corporate Bonds:

Types of Corporate Bonds		The first unsecured convertible corporate bond in the Republic of China
Item \ Year		Current year as of April 21,2025
Market price of convertible corporate bonds	Maximum	103.20
	Minimum	92.85
	Average	101.80
Convertible price		103
Issue (transaction) date and conversion price at issuance		Release date: March 3, 2025 Conversion price at release: 103
Method for performance of conversion obligations		Issuance of new shares

VIII. Issuance of preferred shares: None

IX. Issuance of overseas deposit receipt certificates (DRC): None

X. Issuance of employee stock option certificates: None

XI. Issuance of new restricted employee shares：

(I) For all new restricted employee shares for which the vesting conditions have not yet been met for the full number of shares, the annual report shall disclose the status as of the date of publication of the annual report and the effect on shareholders' equity

April 21, 2025

Type of new restricted employee shares	The first New Restricted Employee Shares in 2021
Effective registration date and total number of shares	August 12, 2022 / 600,000 shares
Issue date	November 9, 2022
Number of new restricted employee shares issued	600,000 shares
Number of new restricted employee shares still available for issuance	0 share
Issue price	NT$0
Ratio of the number of new restricted employee shares issued to the total number of issued shares	1.58%
Vesting conditions of the new restricted employee shares	1.If employees remain in service for the following periods after granting of new restrictive employee shares and achieve the personal performance indicators or corporate operational goals set by the Company, the maximum vesting percentages on the vesting date each year are as follows:： One year on the job：30% Two years on the job：30% Three years on the job：40% 2.Personal performance targets are defined as the work achievements of the most recent year during the vesting period and attainment of personal performance standards determined between the Company and individual employees. 3. Corporate operational targets are based on net incomes and earnings per share, according to audited financial statements and internal performance measurements and reports. Indicator achievement is determined by the Company and individual employees.
Restrictions on rights in the new restricted employee shares	1.Except for inheritance, employees may not sell, pledge, transfer, gift, setup or dispose in other ways the new restrictive employee shares after the granting of such shares but before fulfilment of vesting conditions. 2.Except for the aforesaid limitations, the other rights attached to the granted new restricted employee shares before the fulfilment of vesting conditions are the same with the

Type of new restricted employee shares	The first New Restricted Employee Shares in 2021
Restrictions on rights in the new restricted employee shares	Company's issued ordinary shares. These rights include but not limit to cash dividends, stock dividends from capital surplus and subscription for rights issues. However, the unvested shares are not entitled to stock dividends or share subscriptions if the Company recalls shares without consideration and cancel these shares according to these regulations within 15 business days before book closure dates for cash dividends or issuance of bonus shares until the record date of rights for distribution. 3.The issued new restrictive employee shares should be immediately handed to the trust. Before the attainment of vesting conditions, employees may not request to the trustee for return of the new restrictive employee shares for any reason or in any way. 。 4.If the Company reduces capital during the vesting period for non-statutory reasons, the new restrictive employee shares should be reduced pro rata. The cash refunded for paid-in capital reduction must be returned to the trust but handed to employees after the fulfilment of vesting conditions. If vesting conditions are not met, the Company will recover such cash.
Custody of the new restricted employee shares	A total of 0 shares were delivered to the trustee for safekeeping.
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	The Company shall buyback such shares at the gratis and cancel the shares.
Number of new restricted employee shares that have been retired or bought back	258,000 shares
Number of new restricted shares that have vested	342,000 shares
Number of unvested new restricted shares	-
The ratio of the number of unvested new restricted shares to the total number of issued shares (%)	-
The effect on shareholders' equity	The dilution of the Company's EPS is limited, so there is no significant impact on shareholders' equity.

(II) Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the annual report

April 21, 2025

<table>
<tr><th rowspan="2"></th><th rowspan="2">Job Title</th><th rowspan="2">Name</th><th rowspan="2">Number of new restricted employee shares granted</th><th rowspan="2">Ratio of the number of new restricted employee Shares granted to the total number of Issued Shares</th><th colspan="4">Vested Restricted Shares</th><th colspan="4">Unvested Restricted Shares</th></tr>
<tr><th>Number of vested Shares</th><th>Issue price</th><th>Total purchase price</th><th>Ratio of the number of vested shares to the total number of Issued Shares</th><th>Number of unvested Shares</th><th>Issue price</th><th>Total purchase price</th><th>Ratio of the number of unvested shares to the total number of Issued Shares</th></tr>
<tr><td>Manager</td><td>CFO</td><td>TANG TAT SHING</td><td>60,000</td><td>0.16</td><td>34,200</td><td>NT$0</td><td>-</td><td>0.09</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td rowspan="12">Employee</td><td>TSP General Manager</td><td>ZHANG XINBIN</td><td rowspan="12">540,000</td><td rowspan="12">1.42</td><td rowspan="12">307,800</td><td rowspan="12">NT$0</td><td rowspan="12">-</td><td rowspan="12">0.81</td><td rowspan="12">-</td><td rowspan="12">-</td><td rowspan="12">-</td><td rowspan="12">-</td></tr>
<tr><td>Production Director</td><td>WEN GUANMEI</td></tr>
<tr><td>Marketing Director</td><td>GUO LIN</td></tr>
<tr><td>Vice General Manager, Market Development</td><td>HUNG KUN-NAN</td></tr>
<tr><td>Vice General Manager, Production</td><td>LAI YU-TING</td></tr>
<tr><td>Vice General Manager, Production Management</td><td>OUYANG NIANQING</td></tr>
<tr><td>Vice General Manager, Marketing</td><td>OUYANG WENXING</td></tr>
<tr><td>Vice General Manager, QA</td><td>CHEN FEI</td></tr>
<tr><td>Vice General Manager, Finance</td><td>XIE FENG</td></tr>
<tr><td>Vice General Manager, Procurement</td><td>FENG XIAOQIN</td></tr>
<tr><td>Vice General Manager, Dyeing Factory</td><td>LONG XIANGYANG</td></tr>
<tr><td>Head of Fabrics Factory</td><td>MENG SHIQIANG</td></tr>
</table>

XII. Merger or acquisition (M&A) or with acquisitions of shares of other companies: None

XIII. Implementation of the Company's capital allocation plans

- The first unsecured convertible corporate bond in the Republic of China

(I) Plan description

1. Competent authority's approval date and document number: No. Financial-Supervisory-Securities-Firms-1130368409 dated January 15, 2025.
2. Total fund required for this plan: NT$ 511,617 thousand
3. Source of funds: The Company issued first batch of 5,000 unsecured convertible bonds in R.O.C., with each bond having a face value of NT$100 thousand, an issuance period of three years, a coupon rate of 0%, and a total face value of NT$500,000 thousand. The convertible bonds were publicly underwritten through competitive auction, and were issued at 102.32% of face value, and the total amount raised was NT$511,617 thousand.
4. Project item, projected progress

Unit: NT$ Thousand

Project Item	Projected Date of Completion	Total Fund Required	Projected Fund Utilization Progress	
			2025	
			Q2	Q3
Repay bank loan	2025Q2	453,898	453,898	-
	2025Q3	51,102	-	51,102
Strengthen the Company's working capital	2025Q2	6,617	6,617	-
Total		511,617	460,515	51,102

5. Projected effects

   NT$505,000 thousand is expected to be used for repayment of bank loans. The Company expects to save approximately NT$22,639 thousand of interest expense in 2025 based on the interest rate of the bank loans to be repaid, and save NT$31,922 thousand of interest expense per year from 2026 onwards. The remaining NT$6,617 thousand will be used to increase the working capital and increase the ratio of the Company's own funds, which will appropriately reduce the Company's financial burden and improve its financial structure, and will be favorable to the Company's overall operational development.

6. Content of change in plan, reason for change and the effects before and after the change: None
7. Date of entry of project into the information disclosure website designated by the Financial Supervisory Commission: Feb. 20, 2025

(II) Status of Implementation

Unit: NT$ Thousand

<table>
<tr><th>Project item</th><th colspan="3">Implementation Status
As of 2025 Q1</th><th>Reasons for Ahead or Behind of Schedule and Improvement Plans</th></tr>
<tr><td rowspan="4">Repay bank loan</td><td rowspan="2">Amount to be paid</td><td>Planned</td><td>0</td><td rowspan="12">The funds from the Company’s first batch of unsecured convertible bonds in R.O.C. in 2024 had been fully raised on February 27, 2025. As of Q1 2025, the Company has not yet appropriated any amount of the funds, which is in line with the progress of the original plan for capital utilization and is reasonable.</td></tr>
<tr><td>Actual</td><td>0</td></tr>
<tr><td rowspan="2">Execution progress</td><td>Planned</td><td>0%</td></tr>
<tr><td>Actual</td><td>0%</td></tr>
<tr><td rowspan="4">Strengthen the Company's working capital</td><td rowspan="2">Amount to be paid</td><td>Planned</td><td>0</td></tr>
<tr><td>Actual</td><td>0</td></tr>
<tr><td rowspan="2">Execution progress</td><td>Planned</td><td>0%</td></tr>
<tr><td>Actual</td><td>0%</td></tr>
<tr><td rowspan="4">Total</td><td rowspan="2">Amount to be paid</td><td>Planned</td><td>0</td></tr>
<tr><td>Actual</td><td>0</td></tr>
<tr><td rowspan="2">Execution progress</td><td>Planned</td><td>0%</td></tr>
<tr><td>Actual</td><td>0%</td></tr>
</table>

(III) Effectiveness evaluation

As of the date of publication of the annual report, the Company has not yet appropriated any amount of the funds, which is in the progress of the original plan for capital utilization, so no actual benefits have been generated. For an explanation of the expected benefits, please refer to page 82.

Five.Business Performance in Brief

I. Business Lines

1. Scope

(1) Main businesses

A. Weaving, dyeing & printing, processing, manufacturing, and distribution of fabrics for ready-made garments.

B. Trading, processing and import/export of the abovementioned products and relevant yarn materials.

(2) Revenue breakdown

Unit: NT$ thousand; %

Product	2024	
	Sales	Percentage of total sales
Cotton blend knitted fabrics	5,318,306	98.17
Garment	99,250	1.83
Total	5,417,556	100.00

(3) Current products (services)

The Company is primarily a manufacturer of cotton blend knitted fabrics for the following applications:

① French terry: mainly used in athleisure coats and long-sleeve T-shorts. A classical fabric for sportwear. Fine and gentle outside and with loops or soft piles of yarn on the inside. Even softer and fluffier feel if the fabric is broom-finished inside. Great in keeping warm.

② Jersey: a versatile fabric for underwear and athleisure and a staple among woven fabrics. A soft feel, breathable and allowing moisture to flow through.

③ Air layers: An innovative fabric in athleisure by balancing between aesthetics and functionality. Suitable for fashion, sports, and leisure. An air cushion in the middle of the three layers in structure, to trap air and keep warm. Fine and smooth in surface, light in weight but with a solid and comfy feel. Good single-directional thermal conductivity, moisture absorption, air permeability and water-proof due to the three-layer structure.

(4) New products (services) under development

A. Research on New Dyeing Method Based on Plasma Treatment Technology
B. Research on Liquid Wax Low-water Dyeing Process
C. Research on Design and Simulation of the Structure and Forming Technology of New Types of Knitted Fabrics
D. Research on Fabric Moisture Management Function Based on Plasma Treatment Technology
E. A Dyeing Method for Blended Textile
F. Development of high-quality knitted fabrics
G. Development of high value-added functional sports knitted fabrics
H. Development of high value-added fashionable knitted fabrics
I. Fabric digitalization

2. Industry Snapshot

(1) Current status and developments

A. Global market of fabrics and ready-made garments

In recent years, Unstable environment, uncertain policies, changes in consumer behavior, macroeconomic headwinds, and geopolitical risks are forcing companies to rethink their relative strategies to cope with the increasingly complex procurement environment.

However, in the context of sourcing diversification, trade data shows that as many as 72.7 percent of U.S. apparel imports came from Asia in 2024, up from 71.6 percent between 2022 and 2023. Many U.S. fashion companies are choosing to diversify sourcing within Asia rather than moving orders to other regions.

The product diversification index of US apparel imports from the world creased from 3.13 in 2022 to only 2.8 in 2024. This result indicated that US apparel imports now covered a greater variety of products. This was possibly due to increased demand for budget clothing items among consumers struggling with high living costs and inflation.

Apparel Exports to the US: Product Diversification Index

Exporters	2015	2019	2022	2024	Export product diversity
World	**3.03**	**3.06**	**3.13**	**2.80**	Highly diverse, improving
China	2.69	2.44	2.17	2.15	Highly diverse, improving
Vietnam	3.40	3.52	3.24	2.80	Highly diverse, improving
Bangladesh	10.72	10.74	8.25	7.60	Concentrated, improving
Cambodia	4.24	4.48	4.87	4.97	Diverse
India	4.31	4.16	4.26	3.97	Diverse, improving
Mexico	13.18	11.92	10.80	9.98	Moderate, improving
CAFTA-DR	8.82	10.56	13.41	11.54	Highly concentrated, improving
AGOA	9.38	8.46	7.03	6.53	Concentrated, improving

The product diversification index was calculated based on the 6-digit HS code in Chapters 61 & 62. For the index, a lower value indicates more product diversification.

Table: Figure created by Dr. Sheng Lu • Source: USITC (2025) • Created with Datawrapper

Seven out of the top ten largest apparel exporters to the US in 2024 were Asia-based, led by China (20.8 percent), Vietnam (18.9 percent), and Bangladesh (9.3 percent). It is also important to note that US apparel imports from several Asian countries, including India (up 4.9 percent), Cambodia (up 14.4 percent), and Pakistan (up 7.3 percent) experienced particularly fast growth in 2024. Recent the US Fashion Industry Association (USFIA) Benchmarking Study also show that US fashion companies have been diversifying sourcing away from the conventional top three (i.e., China, Vietnam, and Bangladesh).

Top Sources of US Apparel Imports in 2024 (by Value)

Rank	Country	Market share in 2024	Growth in 2024
1	China	20.8%	0.8%
2	Vietnam	18.9%	5.6%
3	Bangladesh	9.3%	0.8%
4	India	5.9%	4.9%
5	Indonesia	5.4%	1.4%
6	Cambodia	4.8%	14.4%
7	Mexico	3.3%	-6.3%
8	Honduras	2.9%	-4.3%
9	Pakistan	2.7%	7.3%
10	Italy	2.5%	-2.8%

Table: Figure created by Dr. Sheng Lu • Source: OTEXA (2025) • Get the data • Created with Datawrapper

Given the increasing tariff burden during Trump's second term. How to effectively utilize diversified procurement policies and take advantage of duty-free opportunities under trade agreements to respond to the rapidly changing market environment and increase profit margins will continue to be a core issue of close attention in the future.

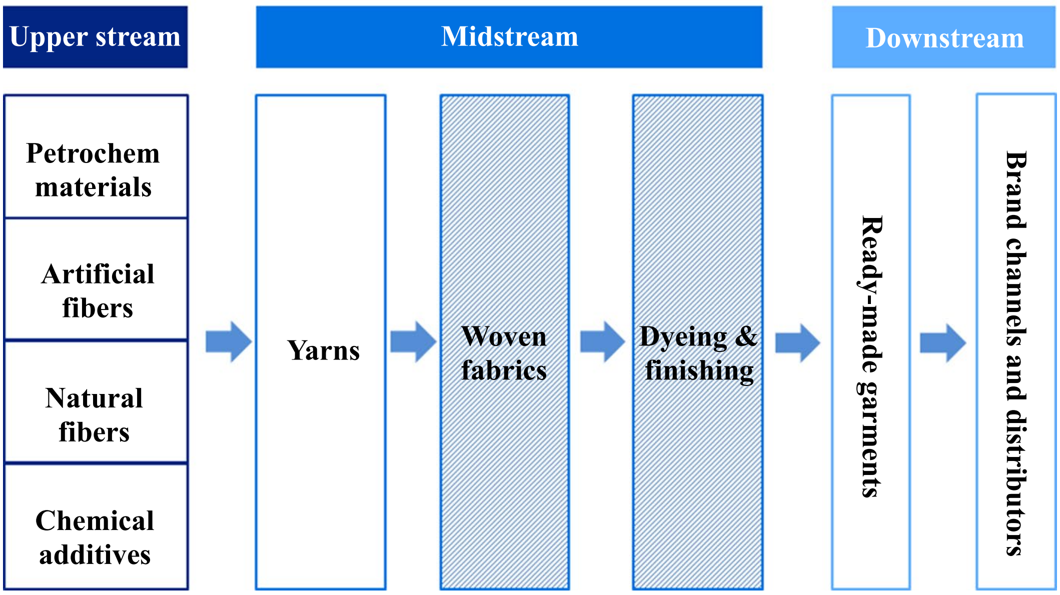
B. Global sports and fitness apparel market

The future of the global sportswear market looks promising with opportunities in the apparel and footwear & accessory markets. According to the Sportswear Market Report, it is forecasted that the market is expected to reach an estimated $267.6 billion by 2030 with a CAGR of 5.6% from 2024 to 2030.

With the increase in consumer demand, people are increasingly fond of technological, environmentally friendly and personalized products. The growth of the sportswear market has the opportunity to expand, but it is also affected by various factors and challenges. Therefore, companies can expand into emerging markets and use innovative technologies, growing health consciousness, the continuous expansion of e-commerce, the rise of sustainable practices and the development of smart sportswear to promote market development; On the other hand, it faces tough competition, supply chain interruptions, and regulatory requirements that create significant problems. If brands want to remain competitive and seize opportunities in the ever-changing market, they must effectively respond to these potential threats and challenges.

(2) Upper, mid to downstream of the supply chain

Ready-made garment is produced with materials produced with wool, cotton, or petrochemicals in the upper stream. These materials are woven into yarns and made into cloths, which are dyed, finished, or processed before cutting, sewing, weaving, or knitting into ready-made garments and other textile products. Finally, the garments and products are sold to consumers via brand channels and distributors. Below is an illustration of value chain activities from upper, mid to downstream.



(3) Product trends

Athleisure is in and functional sports products are popular. This is the driver of steady growth in the athletic apparel industry. As a result, sports brands are increasingly demanding for the quality of cloths. In addition, they also require the manufacturing process to be environmental-friendly and the products to provide high performances. In the past, OEM clients (i.e., sports brands) offered technology and textile suppliers manufactured products. Nowadays suppliers are required to have the capability to develop fabrics to stand out in the competition. The design of new products for sports brands should stay on top of changing preferences of consumers and balance between fashion and function.

Dyeing and finishing are an important process of fabric manufacturing. Cloth is placed into a dye vat to acquire the desired color. In the past, dyeing a kilogram of cloth consumed at least 200 liters of water. However, the improvement of the manufacturing process has gradually reduced this ratio. Meanwhile, OEM clients began to pay attention to energy efficiency of manufacturing processes and incorporated this in their assessment of textile suppliers. Therefore, the improvement of manufacturing technology is an important issue for textile suppliers.

Environment sustainability is becoming the first consideration of consumers, and enterprises respond to this by introducing more sustainable products. COVID pandemic also accelerate this trend, and the present obligations of enterprises are maintaining the sustainable supply chain and input such concept as cyclic economy.

(4) Competitive landscape for products

The Company is primarily engaged in the manufacturing and distribution of knitted staple fabrics, made with filament yarns, spun yarns, and elastic fibers. Spun yarns account for 50% of our materials. Garments are a necessity in life and there are thousands of fabrics combined with different yearns, dyed, and post-treatments with various techniques. Given the maturity of weaving and dyeing technology, it is increasingly difficult to systematically develop new fibers, techniques, specifications, or designs. What can be achieved now is to enhance and optimize existing processes and material applications and provide differentiated and high value-adding combination of new functions and products, to win orders from OEM clients and boost competitive edges. The Company and its subsidiaries continue to improve a variety of new fabrics. For example, we have developed DryNit® with a special weaving technique different from the traditional approach of making cotton tapes. The new Spacer fabric is produced with innovative processes to address the problem of pilling and provide better feel and fluffiness. The new French ferry fabric is soft, light, and warm, environmental-friendly and no fiber shredding. In the meantime, the Company and its subsidiaries continue to improve manufacturing processes. We introduce high-tech equipment in energy efficiency and environmental protection such as low liquor ratios in dyeing, improvement in spray dyeing, adjustments to additives administering, adoption of new and environmental-friendly materials, and waterless dyeing. It is hoped that the Company and its subsidiaries can offer products catering to market needs and responding to market changes.

We are proud of our supply chain management, as we are familiar with sourcing of raw materials and able to identify the most suitable and price competitive suppliers according to quality requirements from our customers. We have access to a large variety of knitted fabrics from a long list of suppliers, and all our contractors have passed the quality certifications from international OEMs. Our quality assurance personnel are well-versed in acceptance standards by ready-made garment customers and we are responsible for shipment scheduling and quality inspection before delivery. As our final products are used in ready-made garments for international sports and leisure brands (OEM brands), we sell to the ready-made garment suppliers of these brands. We either speak directly with OEM brands for specifications or recommend to them our new fabrics. Once the desired colors and styles are identified, OEM brands place order to their ready-made garment manufacturers. As consumers exercise more over the recent years, they demand sportswear that is fashionable and serving different purposes such as anti-bacteria, ultraviolet resistance, moisture absorption/wicking, heat generation, cooling, and waterproof. International sports brands set a high standard for fabrics quality and innovative functionality. Suppliers need to go through a robust process of qualification. It is not possible for new suppliers to become qualified suppliers in a short period of time.

3. R&D and Technology

(1) R&D expenses during the most recent year and as of the date of publication of the annual report

Unit: NT$ thousand；%

Item	2024	2025Q1
R&D expenses	4,295	3,732
Net sales	5,417,556	1,776,427
As a percentage of net sales	0.08%	0.21%

(2) Successfully developed technologies/products

Year	R&D results	Details
2024	Commencement of the project of “Research on New Dyeing Method Based on Plasma Treatment Technology”	Plasma treatment was performed on polyester fabrics, plasma graft polar groups were made on the fabrics, and the polyester fabrics were directly colored with dispersed dyes. The results indicated that the fabrics treated with plasma had better coloring effect, but failed to currently achieve the traditional high-temperature and high-pressure water bath dyeing effect.
	Commencement of the project of “Research on Liquid Wax Low-water Dyeing Process”	Traditional dyeing in water medium requires a large amount of water, and the cost of wastewater recovery is high, resulting in significant energy loss. Using liquid wax and low-water medium for dyeing requires less water, consumes less energy, and has no restrictions on fiber raw materials. Liquid wax can be reused, making it a green and environmentally friendly dyeing method.
	Commencement of the project of “Research on Design and Simulation of the Structure and Forming Technology of New Types of Knitted Fabrics”	Finite element simulation was conducted on the tensile stress situation of a three-layer weft knitted fabric with a new axial inter-loop. Without the need to produce physical knitted fabrics, the force-bearing situation of the fabrics and the detachment and fracture situation of the coil were analyzed. By adjusting the production process, the best-performance new structured knitted fabric was obtained, enriching the variety of fabric products.
	Commencement of the project of “Research on Fabric Moisture Management Function Based on Plasma Treatment Technology”	Plasma treatment was performed on knitted fabric with one hydrophilic side and one hydrophobic side, to explore the maximum difference in hydrophilicity and hydrophobicity between the two sides of the fabric under different treatment powers and time conditions, in order to obtain excellent single moisture-conducting knitted fabric, which can be used for leisure and sports clothing.

Year	R&D results	Details
2024	The patent of "A Dyeing Method for Blended Textiles" has been accepted	Acetate fiber fabric has good moisture absorption and breathability, it is comfortable to wear, and is not prone to static electricity and pilling. Its glossiness is similar to that of mulberry silk, with a soft and smooth feel, good hanging sensation, and stable size. When using direct and dispersed dyes to dye medium to dark colors, the fastness is poor; and when using reactive and dispersed dyes for dyeing, acetate fibers will undergo saponification. There are still problems such as long production process, high water consumption, and high energy consumption, which are not conducive to clean production of dyeing. However, this patent method can overcome the problems existing in the existing technology and provide a dyeing method for blended fabrics. This dyeing method can achieve one-step dyeing of blended fabrics of acetate fiber and cotton fiber in one bath, while reducing the saponification of acetate fiber. The entire process is environmentally friendly and energy-saving.
	Participate in formulation of the standard "GB/T 22849-2024 Knitted T-shirt"	This standard specifies the product model, technical requirements, sampling rules, judgment rules, product instructions, packaging, transportation, and storage requirements of knitted T-shirt, and describes the corresponding testing methods. It is used to identify quality of various types of knitted T-shirts mainly processed and made from knitted fabrics.
	Publishing of the article "Preparation of UV Resistant Polyester Knitted Fabrics by Loading Nano-TiO2 with High-temperature and High-pressure Dyeing Method"	Discussion was made regarding the impact on the Ultraviolet Protection Factor (UPF value), K/S value and color fastness to water washing of polyester fabrics after dyeing with different dyes and dye baths by high-temperature and high-pressure dyeing methods and loading with nano-TiO2. The optimal process conditions were obtained to enhance the UV protection performance of ordinary polyester fabrics.
	Publishing of the article "Causes and Prediction Models of Elasticity and Stretchability of Weft Knitted Fabrics"	Based on the structure and characteristics of weft knitted fabrics, and in order to analyze the elasticity and stretchability of composite structure fabrics, a method was proposed to predict the elasticity and stretchability of composite fabrics using series, parallel, and composite models. The basic characteristics of coil segment transfer and the causes for elasticity and stretchability of fabrics under stress were analyzed, to provide feasible methods and basis for predicting the elasticity of various weft knitted structure fabrics
	Publishing of the article "Application of Hot Pressing in Anti-ultraviolet Finishing of Polyester Knitted Fabrics"	Nano-TiO2 dispersion suspension emulsion was prepared using sodium hexametaphosphate as the dispersant. The polyester knitted fabric was impregnated in the emulsion to load TiO2 onto the fabric, and nano-Tio2 was fixed on the fabric through hot pressing. The results showed that, nano-TiO2 particles were successfully uniformly dispersed and loaded onto the fabric, and the fabric's UPF increased from 57.43 to 229.14, indicating a significant improvement in UV protection performance. After 10 washes, the fabric's UPF was still above 200.00, and there was no significant change in the mechanical properties, whiteness, breathability, and hand feel of the fabric.

4. Long-term and short-term development plans

(1) Short-term plans

A. Reach out to brand customers in different countries in response to geopolitical risks

Under the influence of high inflation and high interest rates, end consumers tend to remain conservative when spending. With the fluctuating retail market, competition is bound to intensify in the foreseeable future. Besides our existing European and US brand customers, we are vigorously tapping into new regions in search of new customers such as Japanese brand customers. Furthermore, we have capitalized on the resources of our garment and fabric plants to secure domestic sales orders from China, thereby lowering the risk of over-reliance on a single, centralized region. Additionally, we will select customers with strong financial performances to bolster partnerships with our customers and expand our range of collaborative products.

B. Increase production performance of the Cambodian and Vietnamese plants

We strive to optimize the maximize the production performance of our plants in Cambodia and Vietnam while optimizing our product mix to balance production capacity between peak and off-peak seasons. We will also introduce new product lines to enrich and diversify our offerings, as well as enhance the added-value fabric types.

C. Strengthen our plant management capabilities

In terms of hardware, we will continue to engage in digital and automation transformation, while also bolstering our personnel training to improve man-machine collaboration and performance. At the same time, we will promote local talent, cultivate management trainees, and advance localized production.

D. Refine our R&D skills and capabilities

The Company is expected to establish an R&D center in Vietnam to research and develop fabrics to meet market needs. We will also seek more eco-friendly and efficient production methods while paying attention to our products' appearance, quality, and performance.

(2) Long-term plans

A. Customers are enhancing rapid responses to market needs by deploying regional supply chains and risk diversification measures.

Due to geopolitical uncertainties as well as the increased operating cost caused by an overall economic environment with high interest rates and high inflation, customers are adopting a dispersed procurement strategy. This shift is impacting the deployment of production sites, making it essential to strengthen the capabilities of our regional supply chains. As a result, the Company has established production sites in Vietnam, Cambodia, and China, providing us with greater flexibility to meet our customers' demand for diverse production sites and ensuring the stability and efficiency of our supply chain.

B. Global trade and geopolitical tension

The US-China trade war remains an important issue in the global economy. As countries around the globe gradually shift towards a protectionist policy, tariffs, trade barriers, and other measures have further increased the complexity of global trade and undermined the stability of multinational operations and international markets. Various countries' trade policies (including tariff policies and import/export restrictions) will have a direct impact on the trade and circulation of fabrics. This has also catalyzed the trend towards regional supply chains, forming sound supply chains that ensure the supply of goods and operational stability.

C. Sustainability and green initiatives

As the world becomes more environmentally conscious, many countries and regions have enforced more rigorous regulations on various aspects of the textile industry such as pollution emissions, energy consumption, and wastewater treatment. TST Group will continue to increase our competitiveness in ESG while keeping pace with international trends to meet local regulatory requirements and the demands of our brand customers.

D. Ongoing improvement of the Company's financial structure to meet the requirement for continued R&D in new products/services in the international market.

II. Markets, Sales & Distributions

1. Market analysis

(1) Key markets for products/services

Unit: NT$ thousand; %

Region \ Year		2023		2024	
		Amount	Percentage	Amount	Percentage
Domestic sales		872,619	16.82	1,097,670	20.26
Exports	Southeast Asia	3,840,467	74.04	3,981,866	73.50
	South Asia	236,069	4.55	203,368	3.75
	Others	237,958	4.59	134,652	2.49
Total		5,187,113	100.00	5,417,556	100.00

Note 1: Domestic sales refer to sales in China
Note 2: Based on shipments

(2) Market shares

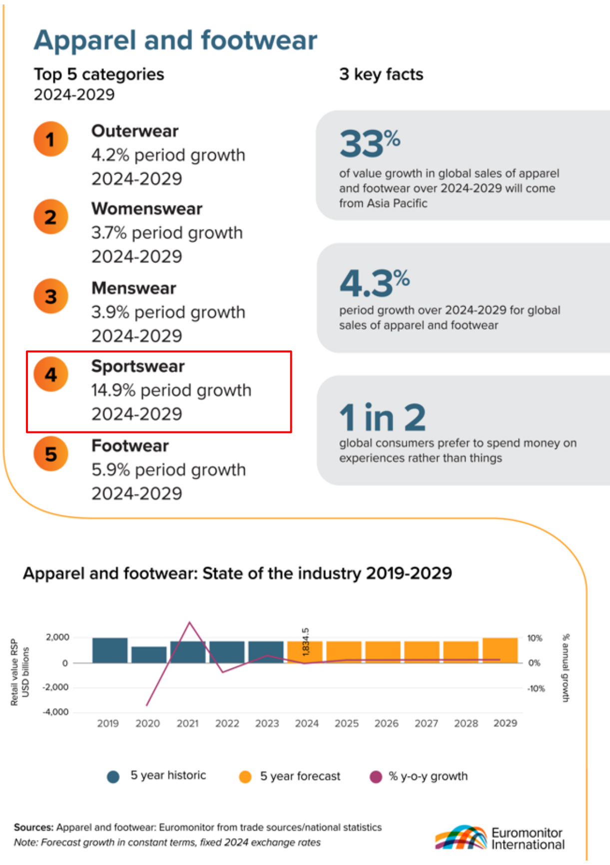
We have a complete range of production equipment, from greige manufacturing, dyeing & finishing, after-treatment processing, to physical property inspections and quality assurance. The vertical integration creates synergies and varieties in product mixes, processing methods and qualities. Our strategy is to pursue small quantities but large varieties and product options. This is the reason why the Company's high-quality fabrics are well-recognized by our international OEM clients in Europe and the U.S. Our sales and market shares enjoy stable increase year over year. We continue to innovate, develop, produce, and distribute spun yarns to grow in the market at a steady pace. Our cooperation with OEM clients is solid and long-term in nature. Customer requirements are incorporated in the development stage for product designs, patterns, material combinations and functionality mixes. We endeavor to maintain our advantage in the textile industry by catering to the requirement of international brands and the need from consumers for tasteful, fashionable, and trendy designs.

(3) Demand/supply and growth prospect

The term “athleisure” is coined by combining the words “athletics” and “leisure”. This initially refers to the phenomenon of women wearing yoga outfits in the gym. Men later followed suit. It eventually evolved into a style combining sports and fashion. Athleisure has since become a new casual style.

The global fashion industry faces unprecedented challenges in 2025. Changes in consumer behavior, macroeconomic headwinds, and geopolitical risks are forcing companies to rethink their growth strategies.

Overall, global retail value sales rose by 2% in current terms in 2024, with womenswear remaining the largest category. Sportswear is forecast to see the fastest growth through to 2029, riding on the back of health and wellness and the continuous casualization of dress codes around the world. Emerging markets in Southeast Asia, Latin America, and the Middle East and Africa are characterized by rapid economic development and increasing consumer spending, thus presenting significant opportunities for fashion brands over the forecast period.



(4) Competitive edge

A. Outstanding order-taking capability and production management

The Company and its subsidiaries have long-term suppliers in China, and we have people on the ground with these suppliers, to monitor quality and arrange shipments. It also has its own factory in Cambodia and Vietnam, with flexible order distribution capacity. The main customers of the Company and its subsidiaries are ready-made garment manufacturers who supply to international sports and leisure brands (i.e. OEMs). We either approach these OEMs and produce samples according to their requirements or recommend to these OEMs our newly developed fabrics. Once the colors and designs are up to the requirements of OEMs, they place orders to their ready-made garment suppliers, and assign the Company and its subsidiaries as the fabric supplier. Then these ready-made garment manufacturers procure fabrics from the Company and its subsidiaries. There are a large variety of orders and a big volume of samples is required. Orders are frequent and lead times are short. In sum, the Company has extensive experience working for international sports and leisure brands. We also have own factories and long-term suppliers, so that we can adjust production and processing lines to meet with the quality and delivery requirement of international sports and leisure brands.

B. Quality Management System and OEM Certifications

The spun knitted fabrics produced and marketed by the Company and its subsidiaries are under strict quality control. We have been approved by OEMs such as Adidas, Puma and Gap to ship products by self-inspecting the colors, without any sign-up required from a third party. Our testing center has been certified as an independent supplier by Adidas, Puma, Gap, Decathlon, AEO and Carter's 's laboratory. In other words, the Company and its subsidiaries are authorized to issue fabric test reports, without certification from third parties. The Company and its subsidiaries have also passed the Quality Control approval from Adidas. All these certifications demonstrate the trust of OEM customers in our quality.

C. Presence in Southeast Asia to stay close to downstream supply chain

The Company and its subsidiaries in 2011 established a vertical production line with weaving, dyeing, and finishing capability in Bavet, Cambodia. Bavet is approximately 160 kilometers from the capital Phnom Penh of Cambodia (about three hours by car), and about 80 kilometers from Ho Chi Minh City in Vietnam (about two hours by car). Both Phnom Penh and Ho Chi Minh are hubs for ready-made garment manufacturers. Our outputs in Bavet can ship to the ready-made garments in Cambodia and Vietnam. As international OEMs are instructing their local suppliers to purchase locally ("local to local"), our production lines have become the only fabric supplier in Cambodian for many international OEMs. There are many hurdles for other fabric and dye manufacturers to overcome to set up facilities in Cambodia in the immediate future. The economic and political environment in Cambodia is not fully developed, and the infrastructure is also inadequate. For example, manufacturers need to source water and energy and comply with the environmental protection requirements. Hence, TST Group is an indispensable partner for international brands in the foreseeable able future.

(5) Positive/negative factors for business prospects and responding measures

A. Positive factors

(A) Demand stable and growing

The products from the Company and its subsidiaries are used in the ready-made garments of international sports and leisure brands. As the sportswear market continues to boom and the sports and outdoor leisure activities remain vibrant around the world, there will always be a slew of new designs that combines fashion and function. This means fabric and ready-made garment producers will continue to grow at a steady pace.

(B) Global famous brands as key customers

The Company and its subsidiaries have successfully won the favor of business from international brands by offering a diversity of quality products .In the process of cooperation, the Company and its subsidiaries have attracted many supplier awards from these customers because of the speed of product launches and capability to develop products of according to requirements , such as 2024 adidas MOST AGILE, 2022 adidas Performance Award People, 2021 adidas GASA champion Speed, Speed award, Sustainability award, Agility award, PUMA's Best R&D for Fabric Supplies and PUMA's Best Global Supplier Award. The products have been deeply affirmed by international brand manufacturers, so the mainly customers include adidas, PUMA, GAP and NIKE, etc., which have been all over the world's well-known brands.

(C) High thresholds for certifications

The Company and its subsidiaries have been working with international sports and leisure brands for many years. As a qualified supplier, we have obtained the authorization to self-inspect colors of products, without the need to go through validation from external organizations. Our quality test center has also been certified by the third parties recognized by OEM customers, and the results from our test center are deemed to be equivalent to the validation from third parties. In sum, the Company and its subsidiaries have gained significant trust from sports and leisure brands and we are a regular recipient of supplier awards from these brands. As it is difficult for competitors to achieve our quality standards, our orders are ensured in the foreseeable future.

(D) Regional Comprehensive Economic Partnership（RCEP）

The Company and its subsidiaries have production sites in China、Cambodia. and Vietnam benefit from the RCEP (Regional Comprehensive Economic Partnership) with zero tariffs gradually applicable to 92% of trades. This will reduce the reliance on the U.S. market and mitigate the impact of the trade war initiated by the U.S. The trade agreement took effect on January 1, 2022, with 15 member statements, including the ten ASEAN countries (Indonesia, Cambodia, Myanmar, Laos, Vietnam, Brunei, Thailand, Singapore, the Philippines, and Malaysia), China, Japan, South Korea, Australia, and New Zealand. The RCEP has entered a new stage of full implementation, which is conducive to accelerating the integration of regional industrial and supply chains, reducing the risks and uncertainties of international trade, and providing strong impetus for regional economic development.

(E) Vietnam has signed Free Trade Agreements with many countries and regions（FTAs）

Vietnam has signed Free Trade Agreements (FTAs) with many countries or regions, including the Vietnam-Japan Economic Partnership Agreement (VJEPA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). In recent years, these agreements have officially come into effect in 2020, strengthening the relationship between Vietnam and the European Union. The European Union-Vietnam Free Trade Agreement (EVFTA) has enabled Vietnam’s trade and economic development to integrate more deeply into the global economy.

The preferential treatment provided by the Free Trade Agreements (FTAs) signed by Vietnam and various countries offers valuable opportunities for the development of Vietnam's textile industry. These agreements reduce tariffs on imported and exported goods, enhance the competitiveness of textile products, expand Vietnam's textile export market, increase export volumes, and create new trade opportunities. In recent years, Vietnam has seen a continuous rise in its textile exports, and its main export destinations include the European Union, the United States, Japan, and other countries and regions.

The Company receives orders from international brands. The above-mentioned tariff preferences will significantly influence brand customers' considerations when choosing suppliers. Moreover, the quality and stability of upstream and downstream raw materials, as well as peripheral accessories, such as textile machinery, equipment supply and maintenance, dye agents and supplies, and other peripheral services, can contribute to a more stable production process.

Compared with other ASEAN countries, Vietnam is currently a fairly mature and complete area of textile settlements with complete related equipment. Geographically, Vietnam hosts major garment factories and only requires land transportation to reach Cambodia, another significant garment production area, providing a geographical advantage.

B. Negative factors

(A) Profitability under the influence of raw material prices

The raw materials of spun knitted fabrics are cotton yarns and chemical fiber yarns. Going forward, the price volatility of cotton and crude oil may push up raw materials prices. Whilst it is possible to transfer costs to OEM customers via negotiations and boost profits for the time being, any dramatic increase of international cotton and oil prices will eventually erode our profitability if costs cannot be completely absorbed by OEM customers.

Responding measures

The Company and its subsidiaries keep a close eye on the change of the raw materials market. We maintain good relations with raw materials suppliers and we diversity the sourcing of raw materials by procuring from multiple suppliers. That said, the long development cycles for sports brands mean relatively adequate time to respond to fluctuations of raw materials prices. When proposing new fabrics to OEM customers for the new season, the Company and its subsidiaries may adjust the manufacturing process and technology to reduce costs. We can also raise unit prices in line with the market to enhance profitability in a timely manner.

(B) Concentration of OEM customers

Our end customers are global sports brands, which has added the sales of the international sports brand NIKE in 2021. As we sell a great variety of products to one customer in large quantities, we do not see much difference between high seasons and low seasons. This customer has been expanding its global market shares over recent years. As a result, our revenues from this OEM customer have been growing in value and percentage.

Responding measures

The Company is actively expanding clientele, and we have achieved results after years of efforts in communicating with customers and attracting new orders. Going forward, we will continue to deepen relations with existing customers, develop new products and new customers to boost revenues and mitigate the risks associated with a single customer.

(C) Global trade and geopolitical tension

The uncertainty of Trump 2.0 policy and the constant regional conflict. As countries around the globe gradually shift towards a protectionist policy, tariffs, trade barriers, and other measures have further increased the complexity of global trade and undermined the stability of multinational operations and international markets. Various countries' trade policies (including tariff policies and import/export restrictions) will have a direct impact on the trade and circulation of fabrics. This has also catalyzed the trend towards regional supply chains, forming sound supply chains that ensure the supply of goods and operational stability.

Responding measures

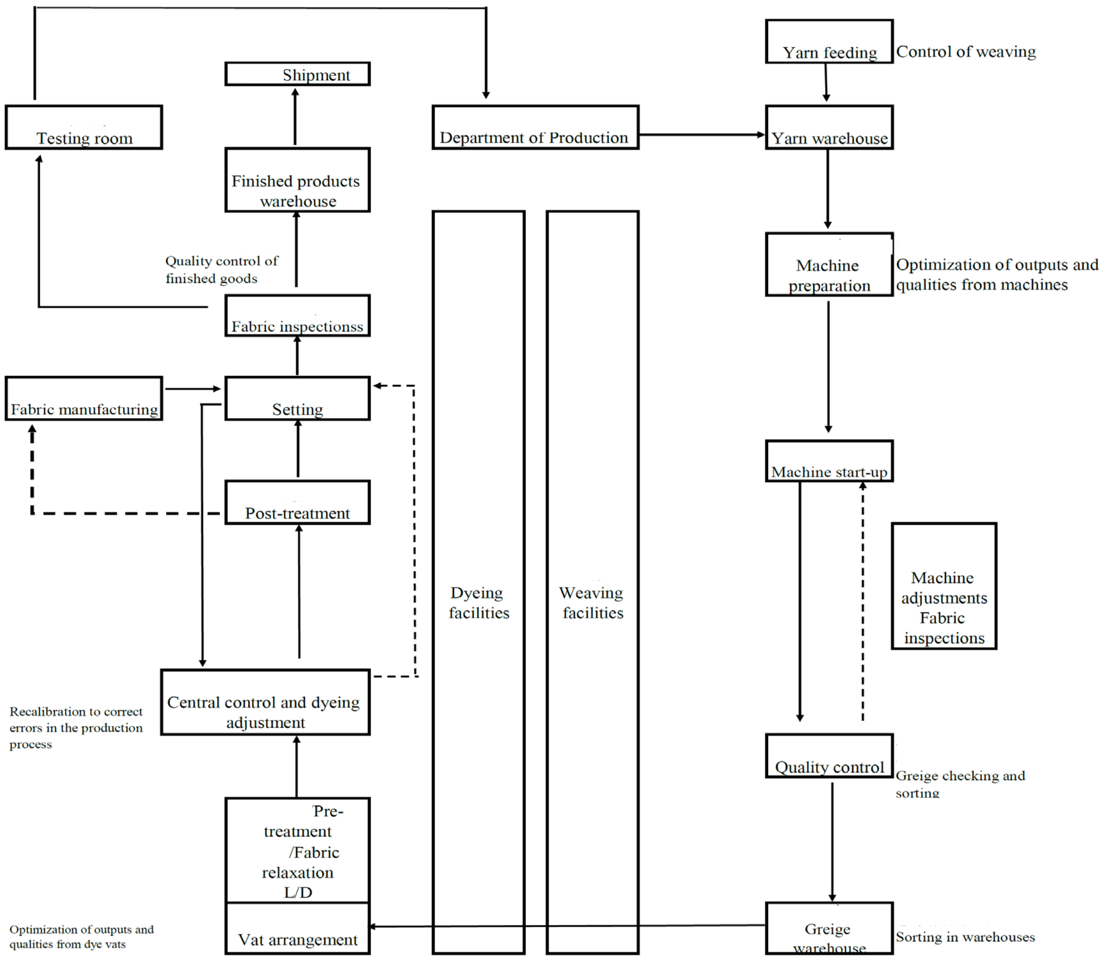
Making it essential to strengthen the capabilities of our regional supply chains in terms of the Company. Meeting our customers' flexible demand for diverse production sites as well as ensuring the stability and efficiency of our supply chain. Besides our existing European and US brand customers, we are vigorously tapping into new regions in search of new customers such as Japanese brand customers. Furthermore, we have capitalized on the resources of our garment and fabric plants, thereby lowering the risk of over-reliance on a single, centralized region.

2. Key applications and manufacturing processes of staple products

(1) Key applications of stable products

Product	Applications
Terry fabrics	Main fabrics for athleisure coats and long-sleeve T-shirts
Jersey fabrics	A versatile choice for underwear and athleisure garments
Air-layer fabrics	Innovative fabrics for athleisure garments, ideal for the combination of fashion and function, suitable for trendy, sports and leisure outfits

(2) Manufacturing processes of staple products



3. Supply of major materials

The Company's raw materials are primarily yarns and greiges.

The suppliers we used are all well-known domestic and foreign manufacturers, and we have a long-term partnership with each major supplier to ensure stable supply, and we also negotiate and bargain with them to ensure stable prices.

4. List of major customers for purchase and sales:

(1) The names of the suppliers who have accounted for more than 10% of the total purchase amount in the previous year, and the amount and proportion of the purchase amount, and explanation of the reasons in change of increase or decrease:

Unit: NT$ thousand

	Year 2023				Year 2024			
Items	Title	Amount	Ratio to the net annual input amount (%)	Relationship with the issuer	Title	Amount	Ratio to the net annual input amount (%)	Relationship with the issuer
1	HUAFU	900,722	28.72	Nil	HUAFU	847,335	20.99	Nil
2	-	-	-	-	B Company	832,553	20.62	Nil
	Others	2,235,686	71.28	-	Others	2,357,690	58.39	-
	Net input amount	3,136,408	100.00	-	Net input amount	4,037,578	100.00	-

Explanations for any change: Our main customers enjoy stable businesses. We have at least two long-term suppliers for key materials. There has been no significant change to our list of major suppliers during the past two years. The overall increase in purchase amount was mainly due to the addition of purchases from the Vietnamese factory starting in 2024.

(2) The names of the customers who have accounted for more than 10% of the total sales in any year in the most recent two years: or the amount and proportion of the sales, and the reasons for the increase or decrease:

Unit: NT$ thousand

	Year 2023				Year 2024			
Items	Title	Amount	Ratio to the net annual sales amount (%)	Relationship with the issuer	Title	Amount	Ratio to the net annual sales amount (%)	Relationship with the issuer
1	Crystal Group	796,260	15.35	Nil	Makalot Group	758,413	14.00	Nil
2	Makalot Group	687,830	13.26	Nil	Crystal Group	625,497	11.55	Nil
3	TMI Group	685,896	13.22	Nil	TMI Group	584,581	10.79	Nil
	Others	3,017,127	58.17	Nil	Others	3,449,065	63.66	Nil
	Net input amount	5,187,113	100.00		Net input amount	5,417,556	100.00	

Explanations for any change: The company cooperates with the sales of garment factories designated by brand customers.

III. Information on employees in the most recent two years and as of the publication date of the annual report

Unit: Person

Year		2023	2024	As of April 21, 2025
Number of employees	Managers and above	65	65	68
	Employees	474	528	573
	Operators	1,084	1,399	1,537
	Total	1,623	1,992	2,178
Average ages		36.0	35.3	35.2
Average service seniority		5.4	4.6	4.4
Academic degree levels	PhD	0.00%	0.00%	0.00%
	Masters	0.56%	0.55%	0.51%
	Bachelor’s Degree	18.79%	17.17%	16.25%
	Senior High School	23.47%	26.10%	25.89%
	Below Senior High School	57.18%	56.18%	57.35%

IV. Information on disbursements for environmental protection

1. According to relevant laws and regulations, the procedures of applications for the permits regarding deployment of pollution control facilities, pollution emissions, or payments for pollution control fees or establishment of dedicated personnel in environmental protection are described below:

Factory	Issued by	Permit certificate name	Related law	Code of permit	Expired date
Cambodia	Department of Environmental Protection	FEIA License	Law on Environmental Protection, Environmental Protection and Natural Resources Management 1996/12/24	437 SCHN. KP.BS	Permanent
Cambodia	Department of Environmental Protection	Sludge discharge permit	Solid waste management1999/04/27	492 SCHN. KP.BS	2026/2/16
Cambodia	Department of Environmental Protection	Industrial solid waste discharge	Water pollution control1999/04/27	493 SCHN. KP.BS	2026/2/16
Cambodia	Department of Environmental Protection	Testing & permit on air emission of generator	Controlling air pollution and noise 2000/07/10	476 SCHN. KP.BS	2026/2/16
Cambodia	Department of Environmental Protection	Air Emission discharge permit of biomass-wood boiler to atmosphere	Controlling air pollution and noise 2000/07/10	476 SCHN. KP.BS	2026/2/16

Factory	Issued by	Permit certificate name	Related law	Code of permit	Expired date
Cambodia	Department of Environmental Protection	Air Emission discharge permit of coal boiler to atmosphere	Controlling air pollution and noise 2000/07/10	475 SCHN. KP.BS	2026/2/16
Cambodia	Department of Environmental Protection	Testing on production air quality (Setting - Brushing)	Controlling air pollution and noise 2000/07/10	629 KKS RKB.BS	2026/2/16
Cambodia	Department of Environmental Protection	Hazardous waste discharge	Hazardous waste management 2000/07/10	493 SCHN. KP.BS	2026/2/16
Cambodia	Department of Environmental Protection	Waste water discharge permit after treatment	Water Pollution Management 1999/04/06	477 SCHN. KP.BS	2026/2/16
Cambodia	Department of Environmental Protection	Ash Disposal Permit	Solid waste management2015/04/27	1489 KP.BS	2025/12/07
Vietnam	Resource Environmental Protection Agency	Environmental Impact Assessment Report	Environmental Protection Act (55 /2014 / QH13) Government guidance on the implementation of environmental protection laws and environmental monitoring regulations 25/2019/TT-BTNMT Notice	-	Permanent
Vietnam	Resource Environmental Protection Agency	Environmental Protection Assessment Report Decision	Government guidance on the implementation of Environmental Protection Law 40/2019/ND-CP	1833/QĐ-UBND	Permanent
Vietnam	Resource Environmental Protection Agency	Environmental Permit	Detailed rules of the Government Law on Environmental Protection 05/2025/NĐ-CP Ministry of Resources and Environmental Protection's Environmental Protection Law Implementation Rules 02/2022/TT-BTNMT Announcement	454/GPMT-UBND	2032/02/28

2. Investments in pollution control equipment, purposes of such equipment and potential benefits

<u>List of Pollution Control Equipment</u>

As of March 31, 2025；Unit: USD

Equipment name	Quantity	Acquisition date (yy/mm/dd)	Investment cost	Valuation (net of depreciation)	Purposes and benefits
Reengineering of wastewater treatment pool	1	2023.09.30	68,547	50,039	Enhancement for the efficiency of wastewater treatment
Sedimentation pool for water treatment	1	2022.03.31	125,003	91,252	Enhancement for the efficiency of wastewater treatment

Equipment name	Quantity	Acquisition date (yy/mm/dd)	Investment cost	Valuation (net of depreciation)	Purposes and benefits
Buffer pool changes to Domestication pool	1	2021.08.31	140,289	49,695	Enhancement for the efficiency of wastewater treatment
Buffer pool changes to anaerobic pool	1	2020.07.30	117,545	18,807	Enhancement for the efficiency of wastewater treatment
Waste water online monitor system in water treatment	1	2020.07.28	42,909	6,865	Monitoring of sewage emission
Upgrade of wastewater treatment system	1	2018.10.01	1,250,000	440,114	Reaching the European standard of ≤COD 50 Current daily capacity of 7,000M^3
Reengineering of wastewater treatment system	1	2016.01.01	300,000	9,832	Daily capacity of 5,000M^3
Wastewater treatment system	1	2012.06.01	1,100,000	155,164	Daily capacity of 3,000M^3

3. List the process undertaken by the company on environmental pollution improvement in the most recent fiscal year and as of the printing date of the annual report. If there had been any pollution dispute, its handling process shall also be described: None
4. List any losses suffered by the Company in the most recent fiscal year and as of the date of publication of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

V. Employment Relationships

(I) Employee benefits, training & education, retirement system and its implementation, agreement with employees and protection of employee interests

1. Employee benefits

   The Company and its subsidiaries offer subsidies for weddings, funerals, celebrations, etc. of employees, employee service incentives, performance and year-end bonuses, social insurance, holiday gift, afternoon tea in pleasure, department dinners and employee commercial insurance, etc. We also provide a variety of workshops and training programs to expand the horizon and enhance work efficiency of employees.

2. Training & education of employees

   The Company and its subsidiaries attach great importance to talent training, regard talent as an important asset of the Company. In order to enable colleagues at all levels to fully understand the content of the tasks and professional knowledge they undertake, to provide talent guarantee for the realization of the group's strategic goals, to cultivate future core business leaders, and to inherit and promote the corporate culture, to achieve the corporate mission and vision, to combine personal goals with corporate goals, and grow together, the Company has built a corporate university, we organize training, education sessions and book club from time to time. We hope our employees can constantly absorb new information, enhance their competence and work quality so that we can improve operating performances and boost competitiveness.

3. Retirement system

The Group's mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2023 and 2022 was 14 for both years. Other than the monthly contributions, the Group has no further obligations.

The Group's subsidiary in Hong Kong adheres to the regulations in the Hong Kong Special Administrative Region of the People's Republic of China by contributing to 5% of employees' incomes to the Hong Kong Mandatory Provident Fund System and is subject to the minimum and maximum income levels.

The Group's branch in Taiwan contributes 6% of employees' monthly wages to employees' personal accounts with the Bureau of Labor Insurance, as required by the pension regulations set by the local government.

The Group's subsidiary in Vietnam contributes to social insurance for its employees in accordance with the Vietnam Social Insurance Law, and the contribution rate is based on a certain percentage of the base salary of local employees, including pension, sickness and maternity insurance, and occupational risks (workplace-related accidents and occupational diseases), among which the contribution rate for pension is 22%, i.e. 14% for the employer and 8% for the employees.

The Group's subsidiary in Cambodia, has applied the Cambodian pension system from October 1,2022. In the first 5 years of implementation, the amount of pension contribution is equal to 4% of the average monthly income of employees, i.e. 2% for the employer and 2% for the employees.

4. Agreements with employees and protection of employee interests

The rights of our employees are our top priority. We proactively communicate with supervisors of different functions and practice human-based management. Our labor policy is based on honest communication and the following activities, to create a win-win for the Company and the employees.

A. Compliance with relevant labor laws and regulations to create a harmonious relation with employees and maximize the protection of employees

B. Smooth communication with employees so that they can fully express opinions and receive responses

C. Full advocacy of operational status and material measures in the Company and its subsidiaries so that employees can fully understand, support and collaborate.

(II) List any losses suffered by the Company in the most recent fiscal year and as of the date of publication of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management

(I) Describe the cyber security risk management architecture, cyber security policy, specific management solution and resources invested in cyber security management.

The Company continues to safeguard information and communications security and the key and confidential information, in order to protect the confidentiality, integrity and availability of information assets and ensure the Company's operational sustainability.

1. Management structure of information security

In order to protect the security of confidential information of the Company and its customers, the Company has set up the IT department and Chief Information Officer to take charge of information security management and monitory, and has at the same time formulated the "Procedures for Notification and Response Mechanism for Information Security Incidents", by which the IT department shall take charge of the overall planning of establishment of the information security management system.

2. Cyber security policy

In order to strengthen the Company's information security management, strengthen supervision and improvement of the Company's internal information security protection, effectively reduce the risk of internal and external theft, improper use, breach, tampering or destruction of information assets due to human negligence, intentional or natural disasters, etc., and to assure the information security, and to establish a proper computer use environment to fully support various tasks, the relevant management procedures and response mechanism will be formulated to maintain the Company's information security.

3. Information security management measures

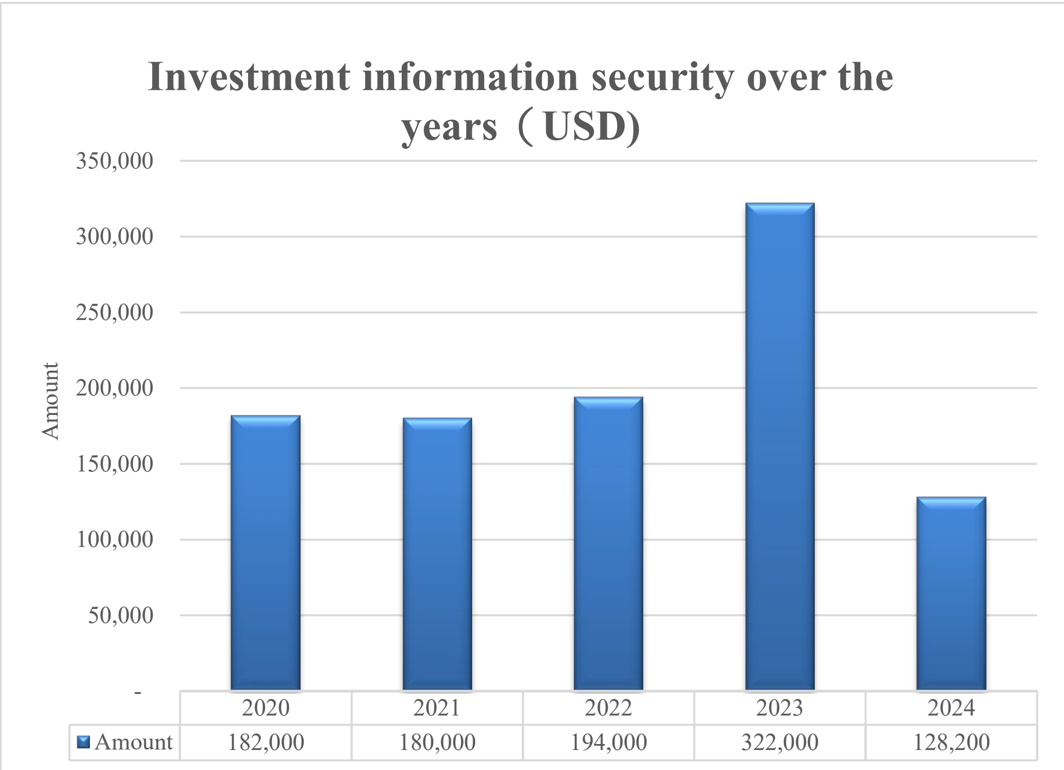
To strengthen the Company's information and communications safety environment, we have established an active mechanism for information security control and abnormality reporting. The development is anchored on four aspects, i.e., server rooms, network management, anti-virus protection and information authorization. The purpose is to properly protect customer data and information security. Relevant management measures are explained below:

Scheme	Contents
Server rooms	● Host computers and application servers are all installed at server rooms. The access to server rooms is controlled via proximity cards. Access records are retained. ● Independent air-conditioners are equipped within server rooms, to maintain an appropriate temperature for functioning of computers. ● UPS (uninterruptible power supply) is installed for host machines in the server rooms, to ensure continuous functioning of the server room in case of temporary blackout.
Network management	● Connectivity with external networks, deployment of firewalls, filtering and blocking of abnormal packets. ● Deployment of online activity management and filtering systems; control of free Internet access; blocking of harmful websites or networks and contents not permitted by policy; strengthening of cybersecurity and prevent of misuse of broadband resources. ● Deployment of an email filtering system to inspect the security of incoming emails.

Scheme	Contents
Anti-virus protection	● Servers and personal computers are installed with anti-virus software. Virus codes are automatically updated, to ensure the blocking of newest viruses. This also detects and prevents the opening of potentially threatening executable files.
Information authorization	● Colleagues submit applications via the Company's IT system for authorization to access applications. Once this is approved by line managers, IT system administrators establish system accounts and then application program administrators authorize the access to applications according to the application submitted. ● Appropriate strengths are required for account passwords. They must be a combination of alphanumeric characters and special signs, updated every 90 days. ● When proceeding with departure (dismissal) procedures, the outgoing colleagues shall submit applications for deletion of accounts on the IT system.

4. Invest resources in information security management

A. Input cost



Explanation：The Company mainly invests in information security related equipment and maintenance software every year, with the remaining investment mainly consisting of personnel related costs and education and training expenses; Investment in 2024 was mainly made in maintenance of existing equipment and systems.

B. The Company currently has 6 employees involved in management of information security via sending of cybersecurity emails from time to time, training and education to enhance employees' awareness in the importance of information security and alert to all possible security risks. The purpose is to strengthen awareness and accountability in information security and comply with relevant laws and regulations.

Training programs during the year are as follows:

Class name	Training time	Type
Advocacy for Information and Communications Security	Anytime	Training & education, the Company website and emails

(II) List any losses suffered by the Company in the most recent fiscal year and as of the date of publication of the annual report due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

As of the date of publication of the annual report, there was no loss of operation or goodwill due to major cyber security incidents. The IT department is currently responsible for the notification and handling of cyber security incidents. The Company has formulated "Procedures for Notification and Response Mechanism for Information Security Incidents", including incident classification and the procedure for response mechanism. IT department is required to exclude and resolve information security incidents within the target processing time, and conduct relevant analysis and take corrective measures after the completion of the handling of the incident, and strengthen IT security.

VII. Important contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year:

Nature of contract	Company	Counterparty	Term of the contract	Highlights	Restrictive Clauses
Right-of-use of land	Top Sports Textile Vietnam Co., Ltd.	Thanh Thanh Cong Industrial Zone	From May 07, 2021 to December 26, 2058	Factory in Vietnam	None
Right-of-use of land	Top Sports Textile Vietnam Co., Ltd.	Thanh Thanh Cong Industrial Zone	From Sep. 28, 2022 to December 26, 2058	Factory in Vietnam	None
Land leasing	TOP SPORTS TEXTILE LTD.	Chin-Mao Lin	From January 1, 2021 to December 31, 2028	Land renting for manufacturing facilities from Chintex in Manhattan Special Economic Zone, Svay Rieng	None
Bank loan	Top Star Textile Limited	Hang Shen Bank (Hong Kong)	Effective May 2, 2024	Terms of credit extension by bank	None
Bank loan	Top Sports Textile Vietnam Co., Ltd.	Chinatrust Bank (Lead bank of syndicated loan)	From Aug. 10, 2023 to Aug. 10, 2028	Terms of credit extension by bank	None
Bank loan	Top Star Textile Limited	Taishin International Bank	Effective Nov. 9, 2023	Terms of credit extension by bank	None

Six. Review of Financial Position, Financial Performance, and Risks Related Issues

I. Financial Position

Unit: NT$ thousand; %

Year / Accounting Item	2023	2024	Discrepancy	
			Amount	%
Current assets	2,279,760	2,773,339	493,579	21.65
Property, plant and equipment	2,106,229	2,433,792	327,563	15.55
Intangible assets	58,526	62,598	4,072	6.96
Other assets	535,921	496,492	(39,429)	(7.36)
Total assets	4,980,436	5,766,221	785,785	15.78
Current liabilities	1,305,425	1,647,901	342,476	26.23
Non-current liabilities	517,424	868,631	351,207	67.88
Total liabilities	1,822,849	2,516,532	693,683	38.05
Capital stock	382,938	380,358	(2,580)	(0.67)
Capital surplus	1,658,111	1,640,290	(17,821)	(1.07)
Retained earnings	1,201,843	1,114,325	(87,518)	(7.28)
Other equity	(85,305)	114,716	200,021	234.48
Treasury share	-	-	-	-
Non-controlled Equity	-	-	-	-
Total equity	3,157,587	3,249,689	92,102	2.92

Major changes:

1. The increase in current assets was mainly due to the increase in inventory as the factory in Vietnam has been put into production in 2024.
2. The increase in current liabilities, non-current liabilities and total liabilities was mainly due to the increase in borrowings to support the operation of the factory in Vietnam and accounts payable for purchases of materials.
3. The increase in other equity was due to the increase in exchange differences in the translation of financial statements of foreign operating entities

Note: Audited consolidated financial statements

II. Individual financial statement

(I) Analysis and comparison of financial performances:

Unit: NT$ thousand

Item \ Year	2023	2024	Amount in increase (decrease)	Ratio of change (%)
Operating revenues	5,187,113	5,417,556	230,443	4.44
Operating cost	3,948,097	4,535,162	587,065	14.87
Gross profit	1,239,016	882,394	(356,622)	(28.78)
Operating expenses	739,856	709,671	(30,185)	(4.08)
Other incomes and expenses (net)	-	-	-	-
Net operating income	499,160	172,723	(326,437)	(65.40)
Non-Operating revenues and expenditures	24,492	(65,019)	(89,511)	(365.47)
Before tax net profit	523,652	107,704	(415,948)	(79.43)
Income Tax Expense	115,454	42,047	(73,407)	(63.58)
Net profit (loss) for the year	408,198	65,657	(342,541)	(83.92)
Other comprehensive income (Net after-tax)	(37,167)	180,784	217,951	586.41
Total amount of comprehensive income	371,031	246,441	(124,590)	(33.58)
Net profit contributed to the owners of Parent Company	408,198	65,657	(342,541)	(83.92)
Net profit contributed to the owners of Non-controlled Equity	-	-	-	-
Total amount of comprehensive income contributed to the owners of Parent Company	371,031	246,441	(124,590)	(33.58)
Total amount of comprehensive income contributed to the owners of Non-controlled Equity	-	-	-	-

Major changes:

1. The decrease in gross profit and net profit was mainly due to (1) the cost of the main raw material yarn remained low, resulting in a decrease in the average selling price, while the decrease in the average purchase cost of yarn was insufficient to offset the adjustment in selling price. (2) The factory in Vietnam has started mass production and shipments in 2024, but has not achieved economies of scale, and fixed costs account for a large proportion, resulting in negative operating profits.
2. The increase in non-operating expenses was mainly due to the interest costs of bank loans for the construction of the factory in Vietnam.
3. The decrease in before tax net profit, income tax expense, net profit for the year and total amount of comprehensive income, net profit contributed to the owners of Parent Company and total amount comprehensive income contributed to the owners of Parent Company was mainly due to the increase in operating expenses of the factory in Vietnam.
4. The increase in other comprehensive income (Net after-tax) was mainly due to translational changes from overseas assets and liabilities denominated in foreign currencies.

Note: Audited consolidated financial statements

(II) Anticipated sales volumes and the grounds thereof, the potential impact upon the Company's finance and business operation and the countermeasures thereof.

The Company has not disclosed the financial forecast for 2025, so it does not intend to disclose the expected sales volume.

III. Cash flow:

(I) Analysis into changes in cash flow in the most recent year:

Unit: NT$ thousand

Item \ Year	2023	2024	Ratio (%) of Increase (decrease)
Cash provided (used) in operating activities	522,488	23,254	(95.55)
Cash provided (used) in investment activities	(1,248,482)	(487,339)	60.97
Cash provided (used) in financing activities	313,263	356,740	13.88

Analytical descriptions of the increase/decrease ratio:

(1) The decrease in cash provided in operating activities. For the impact on profitability, please refer to the description of major changes in financial performance on the previous page.

(2) The decrease in cash used in investment activities was mainly due to the construction of the factory in Vietnam has been completed and its expenditure has dropped significantly compared with last year.

(3) The increase in cash provided in financing activities was mainly due to the increase in loans from banks in order to support the operation-related expenses of the factory in Vietnam.

(II) Improvement plan for inadequate turnover:

As we expect to remain profitable in 2025, there is no liquidity concern.

(III) Analyses on the cash liquidity in the coming year:

Unit: NT$ thousand

Beginning cash balance	Net cash flow from operating activities in the entire year	Cash outflow of the entire year	Cash balance (shortfall)	Countermeasures against inadequate cash	
				Investment plan	Wealth management plan
487,831	981,845	(573,933)	895,743	–	–

Analyses into changes in cash flow in 2025:

(1) Operating activities: Mainly cash inflows from operating profits, and net changes in accounts receivable, inventories, and accounts payable.

(2) Investing and financing activities: The main plan is to issue convertible corporate bonds in March 2025. It is expected that starting from the second quarter, loans from banks for the construction of new factories in Vietnam and the purchase of equipment will be repaid.

IV. Impact of major capital expenditures on financials during the most recent year

The factory in Vietnam has been completed and shipped in 2024, with an average monthly production capacity of 1.5-2 million pounds, currently. The capacity will be increased year by year depending on market conditions, and the maximum benefit is expected to increase monthly production capacity by 3.6 million pounds.

V. Equity investment policy, investment gains/losses during the most recent year, improvement measures and investment plans for the next year

(1) Equity investment policy

The Company focuses on its core business and does not engage in other activities via equity investments. We have set up the Guideline for Lifecycle of Investments, the Regulations Governing Supervision and Management of Subsidiaries, the Regulations Governing Transactions with Affiliated Parties and the Procedures for Asset Acquisitions/Disposals. Any relevant investment project shall be processed according to these regulations.

(II) Reasons for equity investment gains/losses during the most recent year, and improvement measures

Unit: NT$ thousand

Investee	Holdings % direct (indirect)	Recognized gains/losses in 2024	Reason for gains/losses	Improvement measure
Bumper (BVI)	100	26,780	Investment gains/losses recognized by the holding company	N/A
TST(BVI)	100	59,860	Investment gains/losses recognized by the holding company	N/A
Thrive	100	(231,392)	Investment gains/losses recognized by the holding company	N/A
T-Tron	100	(57,452)	Investment gains/losses recognized by the holding company	N/A
Top Star	100	224,907	Good operating status	N/A
Chintex Enterprises Limited	100	87,936	Good operating status	N/A
Guangzhou Runwell Knits Textile	100	9,619	Good operating status	N/A
TSP	100	25,642	Good operating status	N/A
Guangzhou Chintex Management Consulting Co., Ltd.	100	6,857	Good operating status	N/A
TSV	100	52	Under dissolution and liquidation	N/A
TSPV	100	(232,254)	Mass production and shipments began this year, but economies of scale have not yet been achieved, and fixed salaries and high costs have caused losses	Improve factory utilization rate, and maintain business performance
Hubei Zhong sheng Textile Co., Ltd.	35	-	Operation suspended	N/A
Zhen Jiang Tuntex	100	(51,794)	In order to improve the losses, the Company mainly focuses on accepting processing orders this year. In terms of losses, there has been a significant improvement. However, the processing unit price is low and has not yet reached the monthly fixed cost expenditure	Continue to select orders with favorable unit prices and optimize production schedules to maximize profits

(III) Investment plan for the next 12 months: None

VI. Risk Assessments: Please refer to “Two. Company Overview” and “II”.

VII. Other significant events: None

Seven. Special Disclosure

I. Information related to the Company's affiliates

(I) Organizational chart of the affiliates: Please refer to “Two. Company Overview”,” I” and”(II)”.

(II) Basic Information of Affiliates:

As of December 31, 2024；Unit: NT$ thousand

Company name	Date of incorporation (yy/mm/dd)	Address	Paid-in Capital	Main Business Line
Bumper World Group Holdings Limited	2010/01/04	Jayla Place,2nd Floor, P.O Box 216, Road Town, Tortola, British Virgin Islands	689,540	General investment business
TST International Group Limited	2004/07/26	Jayla Place,2nd Floor, P.O Box 216, Road Town, Tortola, British Virgin Islands	209,860	General investment business
Thrive Nation Group Limited	2020/11/25	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	689,798	General investment business
T-Tron Investment Holdings Limited	2022/09/07	Room 1301, 13/F, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong	200,301	General investment business
TOP SPORTS TEXTILE LTD.	2011/04/11	Manhattan (Svay Rieng) Special Economic Zone, National Road# 1, Sangkat Bavet, Krong Bavet, Svay Rieng Province, Cambodia	660,660	Manufacture and production of textiles
Top Star Textile Limited	1991/12/12	Room 1301, 13/F, New East Ocean Centre, 9 Science Museum Road, Kowloon, Hong Kong	110,097	Sales of textiles
Top Star Textile Vietnam Company Limited (Note1)	2019/06/06	Road No. 3, Xuyen A Industrial Park, My Hanh Bac Commune, Duc Hoa District, Long An province, Vietnam	30,040	Manufacture and production of textiles
Top Sports Textile Vietnam Co., Ltd.	2021/03/27	Lot B17.1, B17.2, Street N11, Thanh Thanh Cong Industrial Zone, An Hoi Quarter, An Hoa Ward, Trang Bang Town, Tay Ninh Province, Vietnam	650,383	Manufacture and production of textiles
Guangzhou Runwell Knits Textile	2010/05/31	Room 2007-2010, No. 140-148, Tiyu E. Rd., Tianhe Dist., Guangzhou City	65,721	Sales of textiles
Chintex Enterprises Limited	2006/07/31	Room 3076, Building B, No. 555 Dongchuan Road, Minhang District, Shanghai	171,734	Sales of textiles
Guangzhou Chintex Management Consulting Co., Ltd.	2018/07/10	Room 1901-1905,1907-1912, No.140-148, Tiyu E. Road, Tianhe Dist., Guangzhou City	4,561	Management & consultation services
Hubei Zhongsheng Textile Co., Ltd. (Note2)	2010/05/28	Hanzheng Industrial Park, Economic Development Zone, Hanchuan City, Hubei Province	17,331	Sales of textiles
Zhen Jiang Tuntex Garment Co., Ltd.	2010/02/26	Building 9-10, Fuda Venture Park, Shishi Road, Jurong Economic Development Zone, Zhenjiang City	108,053	Manufacture of garments

Note 1:On June 15, 2023, the Board of Directors resolved to make dissolution and liquidation, which is in progress as stipulated by the local government as of the date of publication of the annual report.

Note 2: Being suspended from business operation at the moment .

(III) Data of shareholders while presumed to be in control or auxiliary relationship: None

(IV) Description of business transactions between related companies:

(1) The Company indirectly invests in the following companies through Bumper World Group Holdings Limited:

TOP SPORTS TEXTILE LTD. is the Company's overseas production base for fabrics.

(2) The Company indirectly invests in the following companies through TST International Group Limited:

Thrive Nation Group Limited is the holding company of Top Sports Textile Vietnam Co., Ltd.

T-Tron Investment Holdings Limited is the holding company of the Company's garment factory.

Top Star Textile Limited is the international trading business of the Company.

Chintex Enterprises Limited produces and sells fabrics in China for the Company.

Guangzhou Runwell Knits Textile manages orders for the Company's sales outside of China.

Top Star Textile Vietnam Company Limited is the overseas production base of the Company's cloth.

Top Sports Textile Vietnam Co., Ltd. is the overseas production base of the Company's cloth.

Guangzhou Chintex Management Consulting Co., Ltd. provides management consulting services for the Group.

Zhen Jiang Tuntex Garment Co., Ltd. is the Garment Factory of the Company in China.

(V) Information of directors, supervisors, and General Managers of affiliates:

As of December 31, 2024；Unit: NT$ thousand

Company Name	Title	Name or Representative	Number of shares held	
			Amount of investment/ Number of shares	Shareholding Ratio
Bumper World Group Holdings Limited	Director and General Manager	Chin-Mao Lin	-	-
TST International Group Limited	Director and General Manager	Chin-Mao Lin	-	-
Thrive Nation Group Limited	Director and General Manager	Chin-Mao Lin	-	-
T-Tron Investment Holdings Limited	Director	Chin-Mao Lin Hsiang-Ming Hung	-	-
TOP SPORTS TEXTILE LTD.	Director	Chin-Mao Lin	-	-
Top Star Textile Limited	Director	Chin-Mao Lin	-	-
	Director and General Manager	Chin-Mao Lin	-	-
Top Star Textile Vietnam Company Limited	General Manager	Yu-Ting Lai	-	-
Top Sports Textile Vietnam Co., Ltd.	Director	Chin-Mao Lin	-	-
Guangzhou Runwell Knits Textile	Director and General Manager	Chiu-Yi Kao	-	-
Chintex Enterprises Limited	Director and General Manager	Hsin-Yi Hsiao	-	-
Guangzhou Chintex Management Consulting Co., Ltd.	Director and General Manager	Hsin-Yi Hsiao	-	-
Zhen Jiang Tuntex Garment Co., Ltd.	Director and General Manager	Chiu-Yi Kao	-	-

(VI) Affiliates' Business Operating Highlights

As of December 31, 2024；Unit: NT$ thousand

Names of enterprises	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating interest	Profit and/or loss this term (after-tax)	Earnings per share (EPS) (NT$)
Bumper World Group Holdings Limited	689,540	642,385	0	642,385	0	(144)	26,780	1.16
TST International Group Limited	209,860	2,588,498	6,849	2,581,649	0	(141)	59,860	8.55
Thrive Nation Group Limited	689,798	517,122	153,904	363,218	0	(153)	(231,392)	(9.85)
T-Tron Investment Holdings Limited	200,301	37,830	0	37,830	0	(179)	(57,452)	(8.84)
TOP SPORTS TEXTILE LTD.	660,660	1,396,533	774,090	622,443	1,210,504	29,896	25,642	1.17
Top Star Textile Limited	110,097	1,820,220	825,584	994,636	3,925,086	204,530	224,907	7.50
Top Star Textile Vietnam Company Limited (Note2)	30,040	2,189	0	2,189	0	(9)	52	Note 1
Top Sports Textile Vietnam Co., Ltd.	650,383	2,429,197	2,085,437	343,760	397,674	(93,416)	(232,254)	Note 1
Guangzhou Runwell Knits Textile	65,721	128,459	38,410	90,049	591,628	9,963	9,619	Note 1
Chintex Enterprises Limited	171,734	904,207	294,874	609,333	1,562,440	91,536	87,936	Note 1
Guangzhou Chintex Management Consulting Co., Ltd.	4,561	78,802	41,306	37,496	188,813	7,627	6,857	Note 1
Zhen Jiang Tuntex Garment Co., Ltd.	108,053	145,495	117,451	28,044	99,623	(49,982)	(51,794)	Note 1

Note 1: As a limited company, without share certificates issued.

Note 2: On June 15, 2023, the Board of Directors resolved to make dissolution and liquidation, which is in progress as stipulated by the local government as of the date of publication of the annual report.

(VII) Consolidated Financial Statements Covering Affiliated Enterprises: Exactly same as the consolidated financial statements of parent company and its subsidiaries. Please refer to the MOPS,【Website: http://mops.twse.com.tw > Single Company > Electronic file download > Financial Reports】enter the year and company code 【4439】to query Financial Reports.

(VIII) Reports on Affiliations: None

II. During the most recent year and as of the date of publication of the annual report, private placement of negotiable securities: None

III. Other matters that require additional description: None

IV. Listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year as of the date of publication of the annual report: None

V. Explanation of the differences between the Company's Articles of Association and the provisions on the protection of shareholders' rights of the Republic of China

Upon review of the Company's Amended and Restated Memorandum and Articles of Association (the "**Articles of Association**"), except for the matters described below, the Company has established the relevant regulations to protect the shareholders' rights in accordance with the Checklist of Shareholders' Rights Protection to the extent permitted by the laws of the Cayman Islands. The reasons for the differences between the Company's Articles of Association and the Checklist for the Protection of Shareholders' Rights, the requirements of the country of incorporation, if any, and the effect on the rights of our shareholders are explained as follows.

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
1. The company shall not cancel its shares, unless a resolution on capital reduction has been adopted by its shareholders' meeting; and capital reduction shall be effected in proportion to the percentage of shares held by the shareholders. 2. The company reducing its capital may return share capital to shareholders by distributing property other than cash; the returned property and the amount of such substitutive capital reduction shall be approved by a prior resolution at the shareholders' meeting and be agreed by the shareholders who are going to receive such property. 3. Before the shareholders' meeting, the board of directors shall first have the value of such property and the amount of such substitutive capital reduction set forth in the preceding paragraph audited and certified by a Taiwan certified public accountant.	Article 10.7 Notwithstanding anything to the contrary contained in Article 10.1 to 10.6, and subject to the Statute, the Memorandum and Articles and the Applicable Public Company Rules, the Company may, with the approval of an Ordinary Resolution, compulsorily redeem or repurchase Shares, provided that such Shares shall be cancelled upon redemption or repurchase and such redemption or repurchase will be effected pro rata based on the percentage of shareholdings of the Members. Payments in respect of any such redemption or repurchase, if any, may be made either in cash or by distribution of specific assets of the Company, as specified in the Ordinary Resolution approving the redemption or repurchase, provided that (a) the relevant Shares will be cancelled upon such redemption or repurchase and will not be held by the Company as Treasury Shares, and (b) where assets other than cash are distributed to the Members, the type of assets, the value	1. The Cayman Companies Act has a specific provision (section 14) allowing for a reduction of issued share capital, which requires that such reduction be authorised by the shareholders by way of special resolution and which is further subject to confirmation by the Cayman court. 2. Other than pursuant to section 14 of the Cayman Companies Act, the issued share capital of a company may only be cancelled if such shares are repurchased, surrendered or redeemed by the company pursuant to section 37 or 37B of the Cayman Companies Act. 3. Section 37 of the Cayman Companies Act provides that a company may purchase its own shares in such manner and upon such terms as may be authorised by the company's articles of association or by a resolution of the shareholders. Other than section 37, the Cayman Companies Act does not include specific provisions (i) requiring repurchases to be effected in proportion to the percentage of the shares held by the shareholders, (ii) setting out the required approvals for distributing property other than cash, or (iii) requiring a valuation of the property to be distributed. Provisions dealing with these requirements should therefore be included in the articles of

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	of the assets and the corresponding amount of such substitutive distribution shall be (i) assessed by an R.O.C. certified public accountant before being submitted to the Members for approval and (ii) agreed to by the Member who will receive such assets. After the Company has acquired public company status, the foregoing matter shall be made in accordance with the Applicable Public Company Rules as applied to the Company. Article 14.1 Subject to the provisions of the Statute, the Applicable Public Company Rules and the Articles, the Company may by Special Resolution: (a) change its name; (b) alter or add to these Articles; (c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; (d) reduce its share capital and any capital redemption reserve fund; and (e) increase its authorised share capital or cancel any Shares that at the date of the passing of the resolution have not been taken or agreed to be taken by any person, provided that in the event of any change to its authorised share capital, the Company shall also procure the amendment of its Memorandum by the Members at a general	association of the company. 4. Article 10.7 of the Company's Articles of Association differs slightly from the important matters for the shareholders' rights protection listed on the left in that the reduction of issued shares is subject to the procedure of share repurchase for cancellation under the Cayman Companies Act. The Company does not have the right to cancel the shares still held by shareholders. Given this difference, Articles 14.1 and 10.7 of the Company's Articles of Association provide that the procedure for the reduction of the Company's capital shall be by way of share repurchase, which is a consequence of the provisions of the Cayman Companies Act. However, the Company's Articles of Association do not restrict the procedure for reducing the Company's capital.

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	meeting to reflect such change.	
1. Procedures for the company to enter into stock option agreements with its employees or grant employee stock option certificates. 2. Employee stock option certificates are not assignable, except to the heirs of the recipients.	Article 11.1 Notwithstanding the provision of Article 8.7 Restricted Shares, the Company may, upon approval by a majority of the Directors at a meeting attended by two-thirds or more of the total number of the Directors, adopt incentive programmes and may issue Shares or options, warrants or other similar instruments, to employees of the Company and its Subsidiaries. The rules and procedures governing such incentive programme(s) shall be in accordance with policies established by the board of Directors from time to time in accordance with the Statute, the Memorandum and the Articles. After the Company has acquired public company status, the foregoing matter shall be made in accordance with the Applicable Public Company Rules as applied to the Company. Article 11.2 Options, warrants or other similar instruments issued in accordance with Article 11.1 above are not transferable save by inheritance. Article 11.3 The Company may enter into relevant agreements with employees of the Company and the employees of its	The Cayman Companies Act does not include specific provisions dealing with employee share option schemes / warrant schemes. The procedures for issuing employee stock option certificates or warrants and provisions dealing with whether such certificates or warrants are transferable should be dealt with in the employee stock option agreements / warrant agreement. It is noted that although Articles 11.1 to 11.4 of the Company's Articles of Association have been amended in accordance with the important matters for the shareholders' rights protection listed in the left, according to the Cayman law, if a restriction of the transfer of employee stock option certificates needs to be applied, the restriction shall be dealt with in the employee stock option agreements / warrant agreement.

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	Subsidiaries in relation to the incentive programme approved pursuant to Article 11.1 above, whereby employees may subscribe, within a specific period of time, a specific number of the Shares. The terms and conditions of such agreements shall be no less restrictive on the relevant employee than the terms specified in the applicable incentive programme. Article 11.4 Directors of the Company and its Subsidiaries shall not be eligible for the employee incentive programmes under Article 8.7 or this Article 11, provided that directors who are also employees of the Company or its Subsidiaries may participate in an employee incentive programme in their capacity as an employee (and not as a director of the Company or its Subsidiaries).	
1. The annual meeting shall be convened at least once every year within six months of the end of the fiscal year. Shareholders' meetings shall be convened by the board of directors. 2. The articles of association may specify that shareholders' meetings may be held by video conference or other means announced by the competent authorities of the Company Act. However, due to natural disasters, events, or other force majeure, the	Article 16.2 After the Company has acquired public company status, the Company shall hold a general meeting as its annual general meeting within six months following the end of each fiscal year and shall specify the meeting as such in the notices calling it. At these meetings, the report of the Directors (if any) shall be presented.	1. Items 1 to 6, 8 and 9 on the left are not different from the Company's Articles of Association. 2. Article 16.8 of the Company's Articles of Association differs slightly from Item 7 on the left regarding the important matters for the shareholders' rights protection and is explained as follows. According to the Taiwan Stock Exchange's letter No. 0991701319 dated April 13, 1999: "Note: 2. (3) A foreign issuer shall provide in its articles of association the right of minority shareholders to request the convening of an extraordinary meeting of shareholders, provided

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
competent authority of the Company Act may announce that a shareholders' meeting may be held by video conference or by its announcement within a period without adding the provisions in the articles of association. 3. If a shareholders' meeting is held by video conference, the shareholders who participate in a video conference are deemed to be present in person. 4. The conditions, procedures, and other matters to be followed by the Company in connection with the shareholders' meeting by video conference shall be in accordance with the regulations of the R.O.C. related to securities. 5. The shareholders' meeting that is held in person shall be held in Taiwan. If a shareholders' meeting in person is held outside Taiwan, it shall be reported to the TSE for approval within two days after the resolution of the board of directors or the approval of the convening from the competent authority acquired by the shareholders. 6. Shareholders holding 1% or more of the total issued shares may present to the company a proposal at a shareholders' meeting in written or digital notice. Other than the following situation, proposals proposed by shareholder(s) shall be included in the agenda by the board of directors where: (i) the	Article 16.3 The Company shall hold an annual general meeting every year. Article 16.4 The general meetings shall be held at such time and place as the Directors shall decide, or by video conference or in any manner prescribed by the Applicable Public Company Rules, provided that unless otherwise provided by the Statute or this Article 16.4, the in-person general meetings shall be held in Taiwan in the event the Company has acquired public company status. For in-person general meetings to be held outside Taiwan, after the Company has acquired public company status, the Company shall apply with TWSE or TPEx to obtain its approval within two days after the board of Directors resolves to call a in-person general meeting or within two days after the shareholder(s) obtain(s) the approval from competent authorities to convene the same. In addition, where an in-person general meeting is to be held outside Taiwan, the Company shall engage a professional securities agent in Taiwan to handle the administration of such general meeting (including but not limited to the handling of the voting of proxies submitted by Members).	that it does not violate the laws of the place of the foreign issuer's incorporation, and the part of the competent authority that permits the convening may be deleted." Therefore, Article 16.8 of the Company's Articles of Association stipulates that "If the board of Directors do not within fifteen days from the date of the delivery of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene an extraordinary general meeting in accordance with the Applicable Public Company Rules."

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
proposal involves matters which cannot be resolved at a shareholders' meeting; (ii) the number of shares held by the shareholder is less than 1% of the total issued shares, (iii) the proposal is raised outside the deadline fixed for accepting such proposal; (iv) the proposal exceeds 300 words or includes more than one proposal. If the proposal is to urge the company to promote public interest or to fulfil its social responsibilities, the Board may include the proposal. 7. Shareholders continuously holding 3% or more of the total issued shares for a year or longer may submit a proposal to the board of directors, setting forth the subjects for discussion and reasons, to request convention of a special shareholders' meeting. If the board of directors fails to give a notice for convening a special shareholders' meeting within 15 days of the submission, such shareholders may convene a special meeting after obtaining approval from the competent authorities. 8. Shareholders continuously holding 50% or more of the total number of outstanding shares of a company for a period of three months or a longer time may convene an extraordinary shareholders' meeting. The calculation of the holding period and number of shares shall be determined based on the shareholding on the book closing date.	Article 16.5 The board of Directors may call general meetings, and they shall on a Member's requisition pursuant to Article 16.6 proceed to convene an extraordinary general meeting of the Company. Article 16.6 Member(s) who are entitled to submit a Member's requisition as provided in the preceding Article 16.5 are Member(s) of the Company holding at the date of deposit of the requisition not less than 3% of the total number of the outstanding Shares at the time of requisition and whose Shares shall have been held by such Member(s) for at least one year. Article 16.7 The requisition must state in writing the matters to be discussed at the extraordinary general meeting and the reason therefor and must be signed by the requisitionists and duly delivered to the Company, and may consist of several documents in like form each signed by one or more requisitionists. Article 16.8 If the board of Directors do not within fifteen days from the date of the delivery of the requisition dispatch the notice of an extraordinary general meeting, the requisitionists may themselves convene	

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
9. The following matters shall be specified in the notice for convening a shareholders' meeting and may not be proposed by ad hoc motions; the essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the notice: (1) Election or discharge of directors; (2) Amendment to the articles of association; (3) reduction of capital (4) application for the approval of ceasing its status as a public company (5) Winding-up, merger, share swap or spin-off; (6) Entering into, amending or terminating an agreement for leasing its entire business, entrusting its business operation or conduct regularly joint operation with others; (7) Transfer of its business or property in whole or in part; (8) Acceptance of all the business or property from others which will have a significant impact on the company's operations; (9) Private placement of equity-based securities; (10) Waiver of non-competition prohibitions on directors; (11) Distribution of dividends and bonuses in whole or in part by means of issuing new shares; (12) Distribution of legal reserve fund from profit	an extraordinary general meeting in accordance with the Applicable Public Company Rules. Article 16.9 Member(s) holding more than 50% of the total number of the outstanding Shares for at least three months may themselves convene an extraordinary general meeting. The period and the number of Shares held shall be determined based on the shareholding on the book closing date. Article 17.5 Matters pertaining to (a) election or discharge of Directors, (b) alteration of the Articles, (c) reduction of capital, (d) application of ceasing public offering, (e) (i) dissolution, Merger (other than a Short-form Merger), Share Exchange (other than a Short-form Share Exchange) or Spin-off (other than a Short-form Spin-off), (ii) entering into, amending, or terminating any contract for lease of the Company's business in whole, or the delegation of management of the Company's business to others or the regular joint operation of the Company with others, (iii) transfer of the whole or any material part of the business or assets of the Company, (iv) acceptance of the transfer of the whole business or assets of another person,	

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
and capital reserve from share premium or gift, by means of issuing new shares or by cash to existing shareholders.	which has a material effect on the business operation of the Company, and (f) ratification of an action by Director(s) who engage(s) in business for himself/herself/itself or on behalf of another person that is within the scope of the Company's business, (g) distribution of the whole or a part of the dividend and bonus of the Company in the form of new Shares, (h) distribution of the legal reserve and the Capital Reserve derived from the issuance of new shares at a premium or from endowments received by the Company to shareholders in the form of new Shares or cash, and (i) the Private Placement of any equity-type securities issued by the Company, shall be indicated in the notice of general meeting, with a summary of the material content to be discussed, and shall not be brought up as an ad hoc motion, and the material content may be placed on the website specified by the R.O.C. securities competent authorities or the Company, t and the website address shall be indicated in the notice. Article 18.9 Subject to the Applicable Public Company Rules, Member(s) holding 1% or more of the total number of issued, allotted, and outstanding Shares immediately prior to the	

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	relevant closing of the Register of Members may propose to the Company proposal(s) for discussion at an annual general meeting in writing or by means of electronic transmission to the extent and in accordance with the rules and procedures of general meetings proposed by the Directors and approved by an Ordinary Resolution. Other than the following situation, proposals proposed by Member(s) shall be included in the agenda by the board of Directors where (a) the proposing Member(s) holds less than 1% of the total number of outstanding Shares, (b) where the matter of such proposal may not be resolved by a general meeting, (c) the proposing Member has proposed more than one proposal, (d) such proposal contains more than 300 words, or (e) such proposal is submitted past the deadline announced by the Company for accepting the Member's proposals; provided that the proposal(s) proposed by Member(s) is intended to improve the public interest or fulfil its social responsibilities of the Company, the board of Director may include such proposal(s) in the agenda. Article 18.11 A general meeting may be held via video conference or other methods instructed	

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	or demanded by the FSC or TWSE. If a general meeting is held via video conference, a shareholder attends the meeting via video shall be deemed to as attending the meeting in person. If a general meeting is held via video conference, it shall comply with the Applicable Public Company Rules. Article 35 Subject to Article 14.2(d), the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of Dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit such that Shares shall not become distributable in fractions	

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	(including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.	
1. The Company shall include electronic means as one way to exercise voting rights when holding shareholders' meetings. 2. The method for exercising voting right in writing or via electronic transmission shall be specified in the notice for convening the shareholders' meeting. A shareholder exercising his voting rights in writing or via electronic transmission shall be deemed to have attended the shareholders' meeting in person, but shall be deemed to have waived his voting rights in respect of any ad hoc motions and amendments to the original proposals at the shareholders' meeting. If a shareholder exercises his/her/its voting rights in writing or via electronic transmission, his/her/its vote shall be delivered to the company two days prior to the date of the shareholders' meeting; if two or more	Article 19.6 Before the Company has acquired public company status, the Directors may determine in their discretion that the voting power of a Member at such general meeting may be exercised by way of a written ballot or by way of an electronic transmission. After the Company has acquired public company status, when convening a general meeting, the Company shall permit the Members to vote by way of an electronic transmission as one of the methods of exercising voting power as well as voting by way of a written ballot. Where these methods of exercising voting power are to be available at a general meeting, they shall be described in the general meeting notice given to the Members in respect of the relevant general meeting, and the Member voting by written ballot or electronic	1. Shareholders may not exercise their voting rights in a shareholder meeting in writing or by way of electronic transmission. They may, however, appoint a proxy to vote their shares at a meeting and such a proxy may be appointed in writing or by way of electronic transmission if the articles of association of the company so provide. 2. A shareholder exercising his voting rights by proxy may not be deemed to have attended the shareholder meeting in person. 3. The articles of association of the company may be amended to include provisions dealing with delivery of proxies to the company. 4. There is no specific statutory provision under the Cayman Companies Act regarding revocation of proxies by a member. Under common law principles, the vote of a member attending in person at a shareholder meeting will always prevail, regardless of any contrary provision in the articles of association of the company. However, the articles of association of the company may include provisions relating to the

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
votes are delivered to the company, the first vote received shall prevail; unless an explicit statement to revoke the previous vote is made with the vote which comes later. 3. If a shareholder has exercised his/her/its voting rights in writing or via electronic transmission, but then decides to attend the shareholders' meeting in person, such shareholder shall, at least two days prior to the date of the shareholders' meeting, revoke his/her/its vote by the same method which the shareholder had previously used to exercise his/her/its voting rights. In the event the shareholder does not revoke such exercise of voting rights in time, the exercise of voting rights in writing or via electronic transmission shall prevail. 4. If a shareholder exercises his/her/its voting rights in writing or via electronic transmission and executes an instrument appointing a proxy to attend a shareholders' meeting on his/her/its behalf, then the voting rights exercised by the proxy shall prevail.	transmission shall submit such vote to the Company two days prior to the date of the relevant general meeting. In case that there are duplicate submissions, the first received by the Company shall prevail. A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company Rules. The chairman, acting as agent of a Member, shall not exercise the voting right of such Member in any way not stipulated in the written or electronic document, nor exercise any voting right in respect of any resolution revised at the meeting or any impromptu proposal at the meeting. A Member voting in such manner shall be deemed to have waived notice of, and the right to vote in regard to, any ad hoc resolution or amendment to the original agenda items to be resolved at the said general meeting. Should the chairman not observe the instructions of	revocation of proxy otherwise than by the relevant member's attendance at the shareholder meeting in person. 5. See paragraph 1 above. 6. However, it should be noted that Article 19.6 of the Articles of Association provides that "A Member exercising voting power by way of a written ballot or by way of an electronic transmission shall be deemed to have appointed the chairman of the general meeting as his proxy to exercise his or her voting right at such general meeting in accordance with the instructions stipulated in the written or electronic document; provided, however, that such appointment shall be deemed not to constitute the appointment of a proxy for the purposes of the Applicable Public Company Rules." Although Cayman law does not consider a shareholder who exercises their voting rights in this manner to be recognized as physically present at a shareholders' meeting, such shareholder shall be entitled to substantially all the rights of a shareholder who exercises their voting rights in writing or electronically in accordance with the laws of the R.O.C., which shall not affect the rights of the shareholders of the Company.

Matters	Regulations of the Articles of Association	Reasons for Differences and Explanations
	a Member in exercising such Member's voting right in respect of any resolution, the Shares held by such Member shall not be included in the calculation of votes in respect of such resolution but shall nevertheless be included in the calculation of quorum for the meeting. Article 19.7 A Member who has submitted a vote by written ballot or electronic transmission pursuant to Article 19.6 may, at least two days prior to the date of the relevant general meeting, revoke such vote by written ballot or electronic transmission and such revocation shall constitute a revocation of the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6. If a Member who has submitted a written ballot or electronic transmission pursuant to Article 19.6 does not submit such a revocation before the prescribed time, the proxy deemed to be given to the chairman of the general meeting pursuant to Article 19.6 shall not be revoked and the chairman of the general meeting shall exercise the voting right of such Member in accordance with that proxy. Article 19.8 If, subsequent to submitting a written ballot or electronic transmission	

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	pursuant to Article 19.6, a Member submits a proxy appointing a person of the general meeting as his proxy to attend the relevant general meeting on his behalf, then the subsequent appointment of that person as his proxy shall be deemed to be a revocation of such Member's deemed appointment of the chairman of the general meeting as his proxy pursuant to Article 19.6. Article 20.7 In the event that a Member exercises his/her/its voting power by means of a written ballot or by means of electronic transmission and has also authorized a proxy to attend a general meeting, then the voting power exercised by the proxy at the general meeting shall prevail. In the event that any Member who has authorised a proxy to attend a general meeting later intends to attend the general meeting in person or to exercise his/her/its voting power by way of a written ballot or electronic transmission, he/she/it shall, at least two days prior to such general meeting, serve the Company with a separate notice revoking his/her/its previous appointment of proxy. Votes by way of proxy shall remain valid if the relevant Member fails to revoke his appointment of such proxy before the prescribed time.	

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If a shareholders' meeting is convened or a resolution is passed in violation of any law or regulations or the articles of association, a shareholder may file a petition against the company with the Taipei District Court for revocation of such resolution.	Article 18.7 Nothing in the Articles shall prevent any Member from issuing proceedings in a court of competent jurisdiction for an appropriate remedy in connection with the improper convening of any general meeting or the improper passage of any resolution. The Taipei District Court, R.O.C., shall be the court of the first instance for adjudicating any disputes arising out of the foregoing.	1. It is doubtful whether that provision will be enforceable if it is incorporated into the articles of association of the company, because the courts of the Cayman Islands are unlikely to recognise and enforce foreign judgment which is not a monetary judgment, without any re-examination of merits of the underlying dispute. 2. Article 18.7 of the Company's Articles of Association differs slightly from the important matters for the shareholders' rights protection listed on the left. The important matters for the shareholders' rights protections listed on the left are provisions for the statutory revocation of shareholders' rights of appeal, the legal effect of which cannot be achieved by the provisions of the Articles of Association and requires a legal provision granting shareholders the right of revocation. Although Article 18.7 of the Company's Articles of Association differs slightly from the provisions on the important matters for the shareholders' rights protection and listed on the left, the Company's Articles of Association do not restrict the shareholders' right to file lawsuits or remedies in court if the convening procedure or the resolution method of a shareholders' meeting violates the law or the Articles of Association. It is up to the court (whether in the R.O.C. or the Cayman Islands or any other jurisdictional court) to determine whether the applicable law gives the shareholders the right to dismiss the lawsuit and decide according to its jurisdiction. These differences are due to the nature of the shareholders' right to revoke. However, the Company's Articles of Association do not limit the shareholders' rights to bring actions or remedies in court.

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The following resolutions shall be adopted by a majority vote of more than half of the shareholders representing two-thirds or more of the total issued shares at a shareholder's meeting. If the total number of shares represented by the shareholders present at the shareholders' meeting is less than two-thirds of the total issued shares, a resolution may be adopted by a majority vote of two-thirds or more of the attending shareholders who represent more than half of the total issued shares: 1. That (i) an agreement for leasing the entire business, entrusting the business or conducting regularly joint operation with others be signed, amended or terminated; (ii) the business or property be transferred in whole or in part; or (iii) all the business or property be acquired from others, which will have a significant impact on the company's operations; 2. That the articles of association be amended; 3. If the amendment of the articles of association may prejudice the rights of preferred shareholders, a resolution adopted by a preferred shareholders' meeting will be required; 4. That dividends and bonuses be distributed by means of rights issue in whole or in part; 5. That the company be wound up, merged or spun off; and 6. Share Swap	Article 1.1 "Special Resolution" means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given. Article 12.1 If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class, unless otherwise provided by the terms of issue of the Shares of that class, may, whether or not the Company is being wound up, be varied with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class. Notwithstanding the foregoing, if any modification or alteration in the Articles is prejudicial to the preferential rights of any class of Shares, such modification or alteration shall be adopted by a Special Resolution and shall also be adopted by a Special Resolution passed at a separate meeting of holders of that class of Shares.	1. Section 60 of the Cayman Companies Act provides that a resolution is a "special resolution (a "Special Resolution") when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given, except that the articles of association may be amended to specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that any such majority (being not less than two-thirds) may differ as between matters required to be approved by a Special Resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as Special Resolutions if this is authorised by the articles of association of the company. In computing the majority regarding a Special Resolution when a poll is demanded, regard shall be had to the number of votes to which each member is entitled by the articles of association of the company. 2. Matters that are subject to the sanction of a Special Resolution under the Cayman Companies Act include, without limitation: (i) alteration or addition to the articles of association of the company (section 24); (ii) alteration or addition to the memorandum with respect to any objects, powers or other matters specified therein (section 10); (iii) voluntary winding up for reasons other than its inability to pay its debts when they fall due (section 90 and section 116); (iv) sanctioning a merger or consolidation (section

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	Article 14.1 Subject to the provisions of the Statute, the Applicable Public Company Rules and the Articles, the Company may by Special Resolution: (b)alter or add to these Articles; (d)reduce its share capital and any capital redemption reserve fund; and Article 14.2 Subject to the provisions of the Statute, the Applicable Public Company Rules, the Articles and unless otherwise provided under Article 14.6, the Company shall by a Supermajority Resolution: (e)distribute its Capital Reserve, in whole or in part, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash in accordance with Article 34.2 hereunder. (f)effect any Merger (other than a Short-form Merger) or Spin-off (other than a Short-form Spin-off) provided that any Merger which falls within the definition of "merger and/or consolidation" under the Statute shall also be subject to the requirements of the Statute; (g)enter into, amend, or terminate any agreement for lease of the Company's whole business, or for entrusted business, or for frequent joint operation	233). Matters that require a Special Resolution under the Cayman Companies Act cannot be passed by a lesser majority. 3. The Cayman Companies Act does not provide that a specific majority is required for the other matters listed in the first column, but the articles of association may be amended to include such a requirement. Some of the provisions of the Company's Articles of Association differ slightly from the important matters for the protection of shareholders' rights listed on the left, as follows. 1. Articles of Association Article 1.1 (1)Articles of Association Article 1.1 of the Articles of Association stipulates that "Special Resolution" means a resolution passed by a majority of not less than two-thirds of votes cast by such Members as, being entitled so to do, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as Special Resolution has been duly given. Matters subject to Special Resolution shall, in accordance with the Cayman Companies Act, include, but not be limited to: (i) amendments or additions to the Articles of Association (Article 24 of the Cayman Companies Act); (ii) amendments or additions to the Memorandum of Association relating to the objects, powers or other matters expressly stated therein (Article 10 of the Cayman Companies Act); (iii) voluntary dissolution for reasons other than the inability to pay its debts as they become due (Articles 90 and 116 of the Cayman Companies Act). (iii) voluntary dissolution for reasons other than the inability to pay its debts as they become due (Articles 90

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	with others; (h)transfer its business or assets, in whole or in any essential part, provided that, the foregoing does not apply where such transfer is pursuant to the dissolution of the Company; Article 14.3 Subject to the provisions of the Statute, the Articles, and the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass (a)a Supermajority Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or (b)a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above.	and 116 of the Cayman Companies Act). (iv) merger or consolidation with another company (Article 233 of the Cayman Companies Act). Moreover, Article 18.1 of the Articles of Association stipulated that “No business shall be transacted at any general meeting unless a quorum is present. Unless otherwise provided in the Statute, the Articles and the Applicable Public Company Rules, Members present in person or by proxy, representing more than one-half of the total outstanding Shares, shall constitute a quorum for any general meeting.” In other words, for a Special Resolution to be made, at least two-thirds of the votes cast by the shareholders present in person or by proxy representing at least one-half of the total number of issued shares of the company must exercise their voting rights and approve it. (2)Reasons for Differences Special Resolutions are required by the Cayman Companies Act, and under the Cayman Companies Act, matters that should be resolved by Special Resolution should be determined by the shareholders by Special Resolution in accordance with the Articles of Association, and no resolution should be made for such matters below the threshold for Special Resolutions under the Cayman Companies Act. Therefore, among the issues prescribed in the Articles of Association as “Special; Resolution” for the important matters for the shareholders' rights protection, the matters that are subject to Special Resolution under the Cayman Companies Act shall remain as “Special Resolution” in the Articles of Association, and the other issues prescribed as “Supermajority Resolution” for the important matters for the shareholders' rights protection shall be added to the Articles of Association.

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		2.Articles of Association Article 14.3. (1) Articles of Association Article 14.3 of the Articles of Association" stipulates that "Subject to the provisions of the Statute, the Articles, and the Applicable Public Company Rules, with regard to the dissolution procedures of the Company, the Company shall pass (a) a Supermajority Resolution, if the Company resolves that it be wound up voluntarily because it is unable to pay its debts as they fall due; or (b) a Special Resolution, if the Company resolves that it be wound up voluntarily for reasons other than the reason stated in Article 14.3(a) above." (2) Reasons for Difference. Under the Cayman Companies Act, if a company resolves to voluntarily dissolve for reasons other than its inability to pay its debts as they fall due, a Special Resolution is required, whereas in the case of a company resolving to voluntarily dissolve for its inability to pay its debts as they fall due, only an ordinary resolution is required. It is clear from the above that these differences are due to Cayman law. Therefore, the Articles of Association provide for a Supermajority Resolution for "voluntary dissolution of the Company because of its inability to pay its debts as they fall due", and the matters other than those set forth in Article 14.3(a) are reserved as "Special Resolutions" under the Cayman Companies Act.
Compensation payable to directors, if not prescribed in the articles of association, shall be determined at a shareholders' meeting and may not be recognized retroactively.	Article 30.1 A Director (except for Independent Director) may hold any other office or place of profit under the Company in conjunction with his office of Director for such period and on such	There is no specific statutory provision under the Cayman Companies Act regarding the determination of the remuneration of directors, but the articles of association of the company may be amended to include such provisions. Although the Company's Articles of

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	terms as to remuneration and otherwise as the compensation committee shall present its recommendations to the board of Directors for discussion and approval. Article 30.2 The Directors may be paid remuneration only in cash. The amount of such remuneration shall be recommended by the compensation committee and determined by the board of Directors and take into account the extent and value of the services provided for the management of the Company and the standards of the industry in the R.O.C. and overseas. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the board of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive salaries in respect of their service as Directors as may be recommended by the compensation committee and determined by the board of Directors, or a combination partly of one such method and partly another, provided that any	Association do not provide for the compensation of directors or stipulate that the shareholders' meeting should agree upon the compensation, the Company's Board of Directors has established a compensation committee in accordance with the meaning of the Ministry of Economic Affairs' Interpretation No. 09302030870 dated March 8, 2004, and the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", so the difference between the Company's Articles of Association and the important matters for the shareholders' rights protection listed in the left should not have adverse effect on the Company's shareholders' rights.

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	such determination shall be in accordance with the Applicable Public Company Rules. Article 32.10 The Directors shall establish a compensation committee in accordance with the Applicable Public Company Rules. The number of members of the compensation committee, professional qualifications, restrictions on shareholdings and position that a member of the compensation committee may concurrently hold, and assessment of independence with respect to the members of the compensation committee shall comply with the Applicable Public Company Rules. The compensation committee shall comprise of no less than three members, one of which shall be appointed as convener of the compensation committee. The rules and procedures for convening any meeting of the compensation committee shall comply with policies proposed by the members of the compensation committee and approved by the Directors from time to time, provided that the rules and procedures approved by the Directors shall be in accordance with the Statute, the Memorandum, the Articles and the Applicable Public Company Rules and any directions of the FSC or	

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	TWSE or TPEx (as applicable). The Directors shall, by a resolution, adopt a charter for the compensation committee in accordance with these Articles and the Applicable Public Company Rules. Article 32.11 The compensation referred in the preceding Article shall include the compensation, salary, stock options and other incentive payment to the Directors and managers of the Company. Unless otherwise specified by the Applicable Public Company Rules, the managers of the Company for the purposes of this Article 32.11 shall mean executive officers as defined by the rules and procedures governing the compensation committee.	
If a director, in the course of performing his duties, has committed any act resulting in material damages to the company or in serious violation of applicable laws and regulations, but not discharged by a resolution of the shareholders' meeting, the shareholder(s) holding 3% or more of the total number of outstanding shares of the company may, within 30 days after that shareholders' meeting, file a petition with the Taipei District Court for discharging of such director.	Article 28.2 In the event of any of the following events having occurred in relation to any Director, the office of such Director shall be vacated automatically: (m) subject to the provisions of the Statute, and the Articles or the Applicable Public Company Rules, in the event that he/she/it has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the	1.There is no specific statutory provision under the Cayman Companies Act which allows minority shareholders to apply to the courts in the Cayman Islands to remove a director. 2.In general, the removal procedure is set out in the articles of association of the company and usually approval from shareholders by way of an ordinary resolution is required. 3.Based on established case law regarding the remedies of an aggrieved shareholder, the proper plaintiff in an action in respect of a wrong alleged to be done to a company is, prima facie, the company itself, not an individual shareholder or a group of minority shareholders. There are only a few exceptions to this rule, one of

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	Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of issued, outstanding Shares shall have the right, within thirty days after that general meeting, to petition any competent court for the removal of such Director, at the Company's expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court.	which is that where what has been done amounts to a fraud on the minority and the wrongdoers are themselves in control of the company. 4.It is doubtful whether that provision will be enforceable if it is incorporated into the articles of association of the company, because the courts of the Cayman Islands are unlikely to recognise and enforce foreign judgment which is not a monetary judgment, without any re-examination of merits of the underlying dispute. A director can be removed according to the procedures set out in the articles of association of the company. Article 28.2(m) of the Company's Articles of Incorporation differs slightly from the provisions listed on the left, as described below. (1) Articles of Association Article 28.2 of the Articles of Association stipulated that " In the event of any of the following events having occurred in relation to any Director, the office of such Director shall be vacated automatically:(m) subject to the provisions of the Statute, and the Articles or the Applicable Public Company Rules, in the event that he/she/it has, in the course of performing his/her/its duties, committed any act resulting in material damage to the Company or in serious violation of applicable laws and/or regulations or the Memorandum and the Articles, but has not been removed by the Company pursuant to a Supermajority Resolution vote, then any Member(s) holding 3% or more of the total number of issued, outstanding Shares shall have the right, within thirty days after that general meeting, to petition any competent court for the removal of such Director, at the Company's

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		expense and such Director shall be removed upon the final judgement by such court. For clarification, if a relevant court has competent jurisdiction to adjudicate all of the foregoing matters in a single or a series of proceedings, then, for the purpose of this paragraph (i), final judgement shall be given by such competent court." is slightly different from the important matters for shareholders' rights protection listed on the left. (2)Reasons for difference Since the Cayman courts do not recognize and enforce foreign judgments without substantive adjudication of the dispute which is not a monetary judgment Therefore, even if the important matters for the shareholders' rights protection listed on the left are stipulated in the Articles of Association, the judgment of the Taipei District Court on the dismissal of a director may not be recognized and enforced by the Cayman Court. Because of this, we hereby stipulate in the Articles of Association that shareholders should file a complaint with a court of competent jurisdiction. These differences are due to the recognition and enforcement of foreign judgments under Cayman law, and the shareholders may still dismiss the directors in accordance with the Articles of Association.
1. One or more shareholders continuously holding 13% or more of the total issued shares for six months a year or longer may request, in written, the audit committee to file a petition with the Taipei District Court against the directors for and on behalf of the Company. 2. If the audit committee fails to file a petition within thirty days after the shareholders'	Article 25.6 Any Member(s) holding 1% or more of the Company's issued Shares for at least 6 months may in writing request the Independent Directors of the Audit Committee to bring action against the Directors on behalf of the Company in a court of competent jurisdiction as the court of first instance.	1. It is expected that Article 25.6 of the Company's Articles of Association will be amended at the 2025 general meeting of shareholders as below: "Any Member(s) holding 1% or more of the Company's issued Shares for at least 6 months may in writing request the audit committee to bring action against the Directors on behalf of the Company in a court of competent jurisdiction as the court of first instance. The audit committee shall

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request, such shareholders may file a petition with the Taipei District Court for and on behalf of the Company.	If the Independent Directors fail to bring such action within thirty days after the request by the Member, such Member may bring the action in a court of competent jurisdiction as the court of first instance in the name of the Company.	resolve whether to initiate the action and shall appoint one or more of its members as the representative(s), acting individually or jointly, for this action. If the audit committee fails to bring such action within thirty days after the request by the Member, such Member may bring the action in a court of competent jurisdiction as the court of first instance in the name of the Company." 1. Since the Cayman courts do not recognize and enforce foreign judgments without substantive adjudication of the dispute which is not a monetary judgment, therefore, even if the important matters for the shareholders' rights protection listed on the left are stipulated in the Articles of Association, the judgment of the Taipei District Court may not be recognized and enforced by the Cayman Court. Because of this, we hereby stipulate in the Articles of Association that shareholders should file a complaint with a court of competent jurisdiction. These differences are due to the recognition and enforcement of foreign judgments under Cayman law.
1. The director of company shall faithfully carry out their duties with care in conducting the business operation of the company; and if he/she/it has acted contrary to the above, shall be liable for the damages to be sustained by the company therefrom. In case such action is made for himself/herself/itself or on behalf of another person in violation of the provisions above, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company.	Article 26.5 The Directors shall faithfully carry out their duties with care, and may be held liable for the damages suffered by the Company for any violation of such duty. The Company may by Ordinary Resolution of any general meeting, to the maximum extent legally permissible, demand the Directors, who violate such duties, to disgorge any profit realised from such violation and regard the profits realised as the profits of the	1. There is no specific statutory provision under the Cayman Companies Act regarding directors' duties. Under common law principles, a director of a company owes to the company (a) fiduciary duties of loyalty, honesty and good faith and (b) duties of care, diligence and skill. The company may make a claim against a director which has breached such duties. In addition, if a director breaches his duties by making a secret profit, the company may seek for an account of those profits from the director.

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2. If the director of company has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she/it shall be liable, jointly and severally with the company, for the damage to such other person. 3. The managerial officer of company acting within the scope of their duties, shall be in the same position with the director of the company.	Company as if such violation was made for the benefit of the Company. The Directors shall, to the maximum extent legally permissible, indemnify the Company for any losses or damages incurred by the Company if such loss or damage is incurred as a result of a Director's breach of laws or regulations in the course of performing his duties. The Directors and the Company shall jointly and severally indemnify the third party for any losses or damages incurred by such third party if such loss or damage is incurred as a result of a Director's breach of laws or regulations in the course of performing his duties. The aforementioned duties of the Directors shall also apply to the managers of the Company.	2. Under common law principles, a director in the course of conducting the business operations of the company is acting on behalf of the company, and his actions would be considered actions of the company. If such action causes damage to any third party, the company, and not the director, will be liable to the third for such action. A third party seeking to recover his loss will not be able to rely on an equivalent provision in the articles of association of the company and impose liability on the director, as a third party who is not a shareholder cannot enforce the provisions of the articles of association. Where the company is liable to the third party and if this was caused by a breach of duty by a director, the company can seek to be indemnified by the director for such loss. 3. Managers generally do not have fiduciary duties to the company. Amending the articles of association of the company to include such a provision would not be enforceable against the manager as the manager is not a party to the articles of association. Such duties will need to be imposed on the manager contractually. 4. With respect to Article 26.5 of the Articles of Association, if a director's breach of their duty of loyalty to the Company's business causes damage to another person, the person does not necessarily have a basis for the claim right against the director under the Cayman law or directly claim for compensation, even if it is stipulated in the Articles of Association that the director shall be jointly and severally liable for compensation with the Company, such basis for the claim right cannot be established.

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		5. In addition, although Article 26.5 of the Articles of Association provides that such obligation shall also apply to the manager, it shall be contractually binding on the manager under Cayman law. Accordingly, the Company and the manager shall enter into a specific contractual agreement to give effect to the manager's obligations concerning the important matters for the shareholders' rights protection hereunder.
If the company issues par value shares, they may not be converted into no par value shares. No par value shares shall not be converted into par value share.		It is expected that Article 3.4 of the Company's Articles of Association will be amended at the 2025 general meeting of shareholders as below: "If the Company issues par value Shares, they may not be converted into no par value Shares. No par value Shares shall not be converted into par value Share."
The company shall prepare a shareholders' meeting handbook for each shareholders' meeting and shall make a public announcement of the handbook and other relevant meeting materials at least twenty-one days prior to an annual general meeting or at least fifteen days prior to an extraordinary general meeting. However, if the company's paid-in capital reaches NT$2 billion or more as of the end of the most recent fiscal year, or if the combined shareholding percentage of foreign and PRC investors recorded in the shareholders register for the most recent annual general meeting reaches 30% or more, the company shall complete the transmission of the aforementioned electronic files at least thirty days prior to the date of the annual general meeting.	Article17.3 After the Company has acquired public company status, the Company shall, at least thirty days prior to any annual general meeting, or at least fifteen days prior to any extraordinary general meeting (as the case may be), make public announcement of the notice of such general meeting, instrument of proxy, the businesses and their explanatory materials of any sanction, discussion, election or removal of Directors and transform such information into electronic format and transmit the same to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the voting power in any general meeting will be	It is expected that Article 17.3 of the Company's Articles of Association will be amended at the 2025 general meeting of shareholders as below: "After the Company has acquired public company status, the Company shall, at least thirty days prior to any annual general meeting, or at least fifteen days prior to any extraordinary general meeting (as the case may be), make public announcement of the notice of such general meeting, instrument of proxy, the businesses and their explanatory materials of any sanction, discussion, election or removal of Directors and transform such information into electronic format and transmit the same to the Market Observation Post System in accordance with the Applicable Public Company Rules. If the voting power in any general meeting will be exercised by way of a written ballot, the written ballot and the aforementioned information of such general meeting shall together be delivered to each Member. The Directors shall prepare a meeting

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	exercised by way of a written ballot, the written ballot and the aforementioned information of such general meeting shall together be delivered to each Member. The Directors shall prepare a meeting handbook of relevant general meeting and supplemental materials in accordance with the Applicable Public Company Rules at least twenty-one days prior to any general meeting (or at least fifteen days prior to any extraordinary general meeting), send to or make it available for the Members and transmit the same to the Market Observation Post System. If the Company has more than NT$10 billion dollars paid-in capital on the end of the most recent accounting period, or the shareholding percentages of the foreign investors and the PRC investors has exceeded 30% according to the Register of Members on the date of the annual general meeting held in the most recent accounting period, the Company shall complete the transmission of the above electronic files thirty days prior to any annual general meeting.	handbook of relevant general meeting and supplemental materials in accordance with the Applicable Public Company Rules at least twenty-one days prior to any general meeting (or at least fifteen days prior to any extraordinary general meeting), send to or make it available for the Members and transmit the same to the Market Observation Post System. If the Company has more than NT$2 billion dollars paid-in capital on the end of the most recent accounting period, or the shareholding percentages of the foreign investors and the PRC investors has exceeded 30% according to the Register of Members on the date of the annual general meeting held in the most recent accounting period, the Company shall complete the transmission of the above electronic files thirty days prior to any annual general meeting.”