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ZIG SHENG INDUSTRIAL CO., LTD.

2024 Annual Report

Notice to readers

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

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I.To Our Shareholders

Dear Shareholders,

Thank you for taking the time to attend our 2025 Shareholders' Meeting. On behalf of ZIG SHENG CO., LTD., I would like to express our sincere gratitude for your support and encouragement.

Global inflation has been eased since 2024 and central banks in Europe and the U.S. gradually began cutting interest rates. However, rising geopolitical risks, ongoing tariff tensions between the U.S. and China, and China's capacity expansion and dumping practices had a significant impact on our businesses. In addition, sharp increases in domestic electricity and natural gas prices severely influenced margins. Despite a 22% increase in revenue compared to 2023, the company was unable to generate profits.

Even in the face of these challenges, our management team remained committed to the principle of sustainable development, continuing to improve product development and production management to enhance our competitiveness. We focused on high value-added fiber materials and products, upheld our dedication to technological innovation and superior quality, strengthen collaboration with customers, and we are confident to create greater value for our shareholders.

Here is our 2024 operating results and outlook :

In 2024, our consolidated revenue reached NT\$9.4 billion, a net operating loss of NT\$263 million. The loss before tax was NT\$18 million, while the net profit after tax was NT\$5.25 million. The ratio of liabilities to assets: 42.7% and the net value per share was NT\$11.9 .Our financial structure remains strong and stable.

In 2024, we actively promoted the application of PA66 in apparel and industrial fiber sectors, which was earned positive feedback from customers. We also continued to develop engineering plastic materials with UL safety certifications. This can enhance our competitiveness. In addition, we developed AI-driven production technology to optimize product quality. Looking ahead, ZIG SHENG will continue to make every effort to achieve excellence and create a better future for our shareholders and all employees.

Once again, thank you for your long-term support. Best wishes for your health, safety, and continued success.

SU, PAI-HUANG
Chairman

1.1 Operating Performance in 2024

1.1.1 Consolidated and financial results

1.1.1.1 Consolidated Financial Report

Unit : NT\$ thousand

Analysis Item / Years	2023	2024	Increase or decrease amount	Change ratio %
Operating Revenue	7,740,588	9,427,002	1,686,414	21.8
Gross Profit (Loss)	(149,121)	140,224	289,345	194.0
Operating expenses	365,951	406,327	40,376	11.0
Net operation income (Loss)	(515,072)	(266,103)	248,969	48.3
Income (Loss) Before Tax	(302,139)	(18,264)	283,875	94.0
Net income (Loss)	(240,156)	5,250	245,406	102.2

1.1.1.2 Individual Financial Report

In 2014, the company's total turnover was NTD 9.41827 billion , a 22% increase over the previous year. Due to a sharp increase in electricity prices, a slowdown in global economic growth, and a falling trend in nylon raw materials, the company incurred a net operating loss of NTD 263.59 million. The pre-tax net loss was NTD 18.57 million, and the net profit after tax was NTD 5.25 million. Liabilities accounted for 42.7% of assets, and the net asset value per share was NTD 11.9. The company's financial structure remained solid.

Unit : NT\$ thousand

Analysis Item / Years	2023	2024	Increase or decrease amount	Change ratio %
Operating Revenue	7,725,525	9,418,266	1,692,741	21.9%
Gross Profit (Loss)	(154,025)	136,806	290,831	188.8%
Operating expenses	357,964	400,397	42,433	11.9%
Net operation income (Loss)	(511,989)	(263,591)	248,398	48.5%
Income (Loss) Before Tax	(301,958)	(18,569)	283,389	93.9%
Net income (Loss)	(240,156)	5,250	245,406	102.2%

Analysis Item / Years	2023	2024
Liabilities to assets ratio (%)	38.82	42.69
Current ratio (%)	163.18	186.17
Quick ratio (%)	89.84	96.05
Days sales outstandingy (days)	52	47
Gross profit margin (%)	(1.99)	1.45
Net Value Per Share (NT\$/share)	11.9	11.9

1.1.2 Budget implementation

According to the “Regulations Governing the Publication of Financial Forecasts of Public Companies”, the Company is not required to publish the 2025 financial forecast information, so there is no budget execution analysis data.

1.1.3 Profitability analysis

Analysis Item / Years (Consolidated Financial Report)		2023	2024
Financial income and expenditure	Liabilities to assets ratio (%)	38.83	42.71
	Current ratio (%)	164.20	187.35
	Quick ratio (%)	90.59	96.96
	Average collection turnover (day)	92	79
	Days sales outstandingy (day)	51	47
	Times interest earned (times)	(7.65)	0.66
	Interest expense (NT\$ thousand)	34,915	54,435
Profitability	Return on asset (%)	(2.18)	0.46
	Return on equity (%)	(3.72)	0.08
	Income before tax to Paid-in Capital ratio (%)	(5.68)	(0.34)
	Ratio of Net Income (%)	(3.10)	0.06
	Earnings per Share (EPS) (NT\$)	(0.45)	0.01

1.1.4 Research development status

1.1.4.1 Special Profiled Yarn

Innovative structural design and high-performance functional fibers have long been a focal point in the sports and leisure market. In particular, fibers with composite properties such as moisture-wicking, cooling comfort, and special optical effects provide consumers with a more diverse and enhanced wearing experience.

In recent years, ZIG SHENG has successfully developed specialized groove-shaped profiled fibers through advanced fiber structure design. These fibers feature an increased surface area and superior moisture transport efficiency, significantly enhancing moisture-wicking and cooling effects. As a result, they have gained growing recognition in the market, outperforming competing products. Additionally, these fibers possess UV-resistant, heat-insulating, and penetration-resistant properties, making them widely applicable in sportswear, outdoor apparel, and lingerie.

Looking ahead, ZIG SHENG will continue to optimize fiber properties, enhance research and development, and integrate eco-friendly materials. We aim to develop fibers that combine comfort with multifunctionality, expanding market opportunities and driving innovation in textile applications.

1.1.4.2 AI-based Transformation of Yarn Manufacturing Technology

As a key pillar of the traditional manufacturing industry, the textile sector is facing challenges such as diversified market demands, product quality enhancement, and workforce transformation. In this context, leveraging AI technology for intelligent yarn manufacturing and digital upgrades has become a critical issue for textile manufacturers seeking to drive innovation and enhance competitiveness.

In recent years, ZIG SHENG has actively applied AI deep learning and machine vision technology to achieve precise identification and classification of yarn defects. Through continuous model optimization and fine-tuning, AI-based yarn defect detection has reached an accuracy rate of 99%. Currently, this technology has been fully integrated into our production lines, effectively replacing manual visual inspections, reducing workforce burden, improving operational efficiency, and fostering a more worker-friendly environment. It also enables greater flexibility in workforce allocation and shortens training periods. More importantly, AI detection technology ensures standardized and consistent quality control, further stabilizing yarn product quality.

Looking ahead, ZIG SHENG will continue to advance AI-driven yarn quality inspection, accelerating the intelligent transformation of yarn manufacturing. By further strengthening our position as a leader in technical quality assurance, ZIG SHENG aim to establish ourselves as a benchmark enterprise in the field of intelligent synthetic fiber processing, contributing to industrial transformation and sustainable development.

1.1.4.3 Environmentally Friendly Fiber Series Products

As consumer awareness of environmental sustainability increases and environmental regulations become more stringent, recycled and eco-friendly fiber products have become essential requirements for customers and brands. The global market for recycled PET fibers and recycled Nylon fibers is expected to achieve a compound annual growth rate (CAGR) of over 8% in the next decade, while PP fibers are projected to grow at a rate of over 6%. Consumers' preference for eco-friendly products continues to rise, and brands are increasingly incorporating sustainability into their core strategies.

In recent years, ZIG SHENG has leveraged technological innovation to actively develop and mass-produce a range of eco-friendly fiber products, including eco-friendly fancy yarns, low-energy and low-carbon PP fibers, recycled Nylon fibers, and recycled PET fibers, securing a competitive edge in the market. These fibers not only deliver outstanding performance but also effectively reduce carbon footprints, lower energy consumption, and promote the use of renewable resources, meeting the growing demand for sustainable materials.

Looking ahead, ZIG SHENG will continue to invest in the research and development of eco-friendly fiber series, enhancing product quality and expanding application fields. By collaborating with customers and brand partners, ZIG SHENG aim to drive the sustainable transformation of the high-end market and provide innovative solutions for environmental protection and industrial advancement.

1.1.4.4 Nylon Multipolymer Resin

ZIG SHENG has leveraged its unique polymerization technology to successfully develop multi-component copolymer nylon materials suitable for a wide range of advanced applications, including coating resins, textile auxiliaries, eco-friendly textile films, and 3D printing support materials. These materials exhibit outstanding mechanical strength and toughness, significantly enhancing the scratch resistance and durability of coatings. Additionally, they offer excellent adhesion to fabrics, providing superior tear resistance and impact strength to meet the demands of high-performance material markets.

Furthermore, these materials are highly recyclable, effectively reducing plastic pollution while complying with environmental standards. They are also well-suited for green applications such as biodegradable packaging and flushable coatings. By integrating technological innovation with sustainable development, ZIG SHENG is dedicated to providing material solutions that are both high-performance and eco-friendly, driving the industry toward a more sustainable and environmentally responsible future.

1.1.4.5 Highly Flexible Copolymer Nylon Resin

Nylon material, with its high tensile strength, excellent elasticity, and superior transparency, has long been one of the primary materials used for fishing lines. During actual use, fishing lines must be knotted to secure hooks, swivels, or sinkers, and the knot area is often the weakest point under stress. If the knot strength is insufficient, the line may break at the knot when subjected to force, resulting in lost catches or damaged tackle. Therefore, fishing lines have extremely stringent requirements for knot tenacity.

ZIG SHENG, leveraging its unique copolymer modification technology, has successfully developed a high-performance nylon material specifically designed for fishing lines. This material achieves a knot strength of 83% to 92% of its straight-line strength, ensuring an optimal balance between high strength and flexibility. Additionally, it has a low water absorption rate of just 5% to 7%, allowing it to maintain stable mechanical properties even after prolonged immersion in water. Its moderate elasticity helps absorb the impact of struggling fish, reducing the risk of sudden breakage due to excessive tension and significantly enhancing the fishing experience. This product is suitable for freshwater and general saltwater fishing, making it especially ideal for beginners and recreational anglers, providing a stable and reliable fishing experience.

1.2 Summary of the business plan for 2025

1.2.1 Operating principles

1.2.1.1 DTY

- (1) In 2025, sports brand apparel manufacturers are placing orders more conservatively as market consumer demand slows down. The demand for yarns is shifting toward eco-friendly and recycled materials. The circular economy aligns with ESG-driven textile transformation, accelerating investment in sustainable products. This includes expanding shipments of automotive materials and electronic-grade textiles, exploring new blue ocean opportunities, and seeking new business prospects.
- (2) Adjusting the product structure by increasing the proportion of specialized, customized, and eco-friendly recycled products to boost order volumes and reduce stagnant inventory.
- (3) Actively monitoring the product demands of major sports brands such as Lululemon, GAP, NIKE, Adidas, PGA, and VF to secure orders and optimize the overall yarn product portfolio, increasing the share of specialized, high-value-added products.

1.2.1.2 Nylon Filament

- (1) The transformation of Nylon filament machines and the integration of production lines have been completed one after another. In response to the changes and development of the market, a factory has been spinning a small number of diverse and differentiated products.
- (2) Manufacturing low-denier, high-filament count, and high-margin recycled POY, while sourcing standard specification polyester POY externally.
- (3) Spinning No. 2 left 24 spinning positions, remodel 4D so that 4D can produce diversified products and all of them produced special products, and the payroll increased, which turned losses into profits.
- (4) Continue to expand the export market and strengthen the sales of several major products such as collagen/hydrophilic nylon/GRS/original drawing yarn/high strength/ monofilament/ polypropylene yarn, garment recycled yarn, waved section yarn, and water-repellent yarn.
- (5) Increasing the output of nylon DTY benefits from a vertically integrated advantage, with nylon DTY accounting for 30% of the pilot machine capacity, and over 500 tons are allocated each month.

1.2.2 Estimated sales data

In accordance with regulations regarding “The implementation of public disclosure systems to disclose or publish estimated company financial information,” ZIG SHENG is not required to disclose estimated financial information for 2025.

1.2.3 Important production and sales strategies

1.2.3.1 Sustainable Development

- (1) In response of Net-Zero Emissions by 2050 policy, the FSC has set a timeline for listed companies to disclose their greenhouse gas (GHG) inventory information. Our company has completed this process ahead of schedule as follows :

GHG Inventory Timeline		FSC Scheduled Timeline	Company Completion Timeline
Single Company	Inventory	December of 2025	January of 2023
	Verification	December of 2027	April of 2023
Subsidiaries in Consolidated Financial Statements	Inventory	December of 2026	January of 2024
	Verification	December of 2028	April of 2024

- (2) Our company continues to implement net-zero transition strategy, with the following achievements in 2024:

- Process Improvement: Upgraded to high-efficiency energy-saving equipment and implemented energy conservation and carbon reduction measures, saving 2.77 million kWh of electricity and reducing 1,368 tons of CO₂e emissions in 2024.
- Energy Transition:
 - Solar power generation reached 3.78 million kWh, reducing 1,868 tons of CO₂e emissions.
 - Transitioned boilers from coal to natural gas, reducing 8,554 tons of CO₂e emissions
- Circular Economy: Produced green products, reducing 17,140 tons of CO₂e emissions.

- (3) In order to improve power usage efficiency, we have planned to install a set of 400kW/860kWh energy storage system, expected to be operational in 2025. This will help reduce energy waste.

1.2.3.2 Product Research and Development

Our company remains committed to technological innovation, developing high-value-added fiber materials and products. By integrating fashion, function, and environmentally friendly, we challenge ourselves to push the boundaries of innovation. In 2024, we achieved significant progress in many fields:

- (1) Development of high-end PA66 fibers for apparel :
We successfully developed premium-quality nylon 6.6 fiber for high-end apparel applications, achieving a 99% yield rate in the production of 40D nylon textured yarn, which is much better than market standards.
- (2) Development of PA66 polymer in industrial yarn for hook and loop :
The production efficiency is nice and good dyeability. This product earned positive feedback from customers.
- (3) Development of differentiated Cross-Section Nylon Filaments :
We successfully developed low-denier, high thread count nylon textured yarn with differentiated cross-section. This applied in premium sportswear.
- (4) Development of eco-friendly, high thread count, low-denier polyester yarn :
Both 30D and 20D can be produced in our plants and applied in high-end elastic knitted fabrics.
- (5) Development of energy-saving, high thread count PP yarn :
This kind of fiber is warmer than cotton, moisture managing and fresh. Previously, these fibers were supplied exclusively by European manufacturers; a major breakthrough has been achieved by our company. Now we can widely apply in sportswear. Available specifications include 75/72 and 50/48.
- (6) AI-driven Production Optimization :
We have independently developed smart manufacturing technology by incorporating artificial intelligence (AI) to optimize production. Through data analysis and automation, our system continuously learns to monitor product quality, reduce production errors, and enhance product consistency
- (7) For our midterm and long-term strategy of product development, mainly focus on high value-added fiber products and environmental-friendly concepts in order to serve our customers. We

are developing fashion, function, and environmental-friendly products to meet trends; we also optimize various products such as recycled nylon yarn, recycled nylon fishing net yarn, and recycled greige yarn to make ZIG SHENG more profitable. Developing new high-value-added products such as cross-section yarns, wave-section yarns, and PP yarns to help improve profitability.

In the future, ZIG SHENG will give priority in technology innovation and quality first; collaborate with our customers to provide better products and services.

1.2.3.3 Production and Sales Management

(1) Fiber Business Division :

① Expanding PA66 in products in sportswear market :

Recently, emerging sports brands have leveraged e-commerce, social media, and digital advertising while investing in innovative designs to swiftly establish reputation in highly competitive markets. These brands demand higher quality and more stylish designs. Our PA66 products for apparel have been recognized by customers and with our expertise in processing various fiber materials, we are confident in our ability to keep up with fashion trends and collaborate with clients to develop functional fabrics that combine performance with style.

② Introducing smart manufacturing :

Enhancing AI and AOI in production processes and quality control systems to reduce labor requirements, improve inspection efficiency, and increase accuracy.

③ Strengthening process capabilities :

As global synthetic fiber production capacity continues to expand and brand customers impose increasingly stringent quality requirements, enhancing process capabilities is of paramount importance. It is crucial to refine the management of personnel, machinery, materials, methods, and the environment to ensure product quality consistency.

The forecast for the 2025 DTY yarn market and order situation indicates that profitability should be maintained.

Due to inventory digestion by brand owners during the pandemic, we experienced sluggish orders in 2025. In the meantime, pressures from industry competition, inventory digestion, and low utilization rates, those caused to losses. It will also focus on selecting high-margin specifications, closely monitor the product demands of major sports brands, and strive to secure orders to increase sales.

Looking forward to 2025, the Fiber Business Division aims to stabilize production with consistent quality. Besides this, we focus on environmental protection, carbon reduction, abundant texture, and selling all of what we produced. Additionally, we take advantage of upstream and downstream integration of nylon and polyester, balance internal coordination, improve machine utilization rates, select high-margin specifications, and enhance profitability to benefit company's operations.

(2) Chemical Material Business Division :

China's nylon industry chain continues to expand the capacity, price of CPL dropped from \$1,720 per ton to \$1,350 per ton in 2024, resulting in inventory and product price losses. Moving forward, the company will prioritize local production and nearshore procurement of key raw materials to reduce inventory risks.

The production and sales strategy will be based on order-based manufacturing, adjusting product mixes across production lines to achieve optimal efficiency and avoid excessive finished goods inventory that could lead to losses. In response to international resistance to Chinese exports, our company leverages its diverse product portfolio and strong reputation. Under the "de-China" trend, many international manufacturers are increasing their raw material procurement from us.

Our nylon 66 polymer plant successfully began production in 2024. We will focus on diversifying nylon 66 product line, not only boosting sales of injection-grade materials but also strengthening wide variety of specialty compound products with UL safety certifications. These efforts will make supply chain more comprehensive and improve our competitiveness in the market.

1.3 Future Prospects

Starting in 2025, there may be an increase in tariffs on China due to Trump taking office of the U.S. president. This could create a competitive advantage in tariffs from Taiwan to the U.S., compared to those from China. Additionally, global apparel manufacturers may shift their orders, which could have a positive impact on Taiwan's overall textile industry supply chain in 2025.

Although global inflation has eased and major countries have reached the end of raising interest rate, the challenges of high interest rates in the U. S. and the gloomy economy in China, as well as geopolitical risks, will continue to affect global economic growth. Our company plans to put effective strategies in to practice, including:

1. Optimize product combination: Increasing the range of eco-friendly recycled products and specific products to offer environmental-friendly, function, and fashion products to enhance profitability.
2. Strengthen development with upstream and downstream partners:
ZIG SHENG has solid technical capabilities in the fiber materials fields. Moreover, the clustering advantages of Taiwan's upstream, midstream, and downstream industries, rapid development, flexibility, and swift information exchange. These factors make us to be the most important partner for global sports brands.
3. Lean production: Adjusting production and sales in response to raw material supply and market conditions, integrating various product lines to make the best of production efficiency, balancing production and sales, and increasing company profitability.

These days, the utilization rate of DTY machines has reached full capacity, and the utilization rates of nylon chips, nylon yarn, and nylon compound have also increased, indicating that operations have recovered from downturns. The newly established Nylon 66 polymerization plant completed sample submissions to customers by the end of 2024. In Q1 of 2025, small trial orders have been processed, and mass production is set to begin in Q2.

Looking ahead, it seems that Russia-Ukraine war and the Israel-Palestine conflict is easing, however the trade war is escalating rapidly. Taiwanese garment manufacturers are diversifying their production bases and shifting operations to

Southeast Asia to mitigate tariff risks. But the production of high-end fabrics remains rooted in Taiwan, the clustering advantages of Taiwan's upstream, midstream, and downstream industries, reliable lead time makes us the crucial partner for international brands.

Our company will continue integrating industrial resources, focusing on high-quality production to develop high-value and differentiated products. We will work closely with our customers to drive innovation and expand our market reach. As always, we remain committed to quality, talent development, and maximizing value for our customers, employees, and shareholders while striving for a sustainable future. We sincerely appreciate the support and encouragement of our shareholders.

Finally, wishing you all health, happiness.

1.4 The effect of external competition, the legal environment, and the overall business environment

Despite the escalating conflict between Israel and Hamas, along with OPEC+ delaying its self-imposed production cuts, China's crude oil demand has slowed, leading to a continued decline in international oil prices. As of September 2024, international oil prices have fallen to the lowest point since September of this year, with a decline of approximately 5% to 8% compared to the beginning of the year.

In April 2024, oil prices peaked with West Texas Intermediate (WTI) crude at \$85.39 per barrel and Brent crude at \$89.94 per barrel.

In September 2024, oil prices reached their lowest point, with WTI crude at \$70.24 per barrel and Brent crude at \$74.02 per barrel.

The price of nylon feedstock caprolactam (CPL) continued to decline, dropping from \$1,725 per metric ton in March 2024 to \$1,433 per metric ton by the end of the year—a cumulative decrease of \$292 per metric ton, or approximately 17%.

High inflation and low growth caused a gloomy demand for textile and plastic industry. Additionally, China's continued expansion of production and dumping have resulted in contraction of demand, and brand owners becoming more cautious. In response to market changes, our company has fulfilled flexible production strategy in 2024 to secure the balance of production and sales.

Addressing the ESG trend, all textile products are required to implement sustainable and circular strategies. Our company has collaborated with our customers closely, integrated up-middle-downstream supply chain partners to develop fashion, function, and environmental-friendly products. Those efforts can meet customers' needs for environmental sustainability and continuous growth.

Compared to the high inflation and high interest rates of the global economy in 2023, inflation worldwide has gradually eased in 2024. European countries and the United States have begun cutting interest rates, while China has introduced a series of economic stimulus measures. As brand owners gradually clear their inventories, industry operations and order patterns are going back to normal. However, geopolitical tensions have continued to escalate, with the U.S.-China tariff war has disrupted global supply chains and China expanding production capacity has led to dumping. This fierce competition has significantly impacted profitability. At the same time, substantial increases in electricity and natural gas prices in Taiwan are squeezing profit margins.

Despite these challenges, ZIG SHENG continues to drive the company forward, improving product quality, gross margins, and adjusting operational strategies. With a spirit of diligence and pragmatism, we remain committed to collaborating with our customers and partners to develop high-value, niche products. We are confident in creating significant value for our stakeholders in 2025.

II. Corporate Governance Report

2.1 Directors, Supervisors and Management Team

2.1.1 Directors and Supervisors

April 12, 2025

2.1.1.1 Information of directors and supervisors (1) : Shareholding and compensation

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note10)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	YEH, SOU-TSUN	Male 81-90 years old	June 8, 2022	3 Years	April 28, 1998	19,692,945	3.70	19,692,945	3.70	10,579,054	1.99	0	0	Department of Accounting, National Chengchi University	Note 1	Director	YEH, TSUNG-HAO	Father and son	None
Director	R.O.C.	SU, PAI-HUANG	Male 61-70 years old	June 8, 2022	3 Years	June 13, 2001	27,160,455	5.11	28,150,455	5.30	116,543	0.02	16,972,000	3.19	National Taiwan University Institute of Industrial Engineering College of Engineering	Note 2	Representative of the director of the corporation	SU,CING-YUAN	brothers	None
Director	R.O.C.	YI SHENG INVESTMENT CO., LTD.	None	June 8, 2022	3 Years	June 10, 2013	52,783,760	9.93	52,783,760	9.93	0	0	0	0	None	None	None	None	None	None
Representative of the director of the corporation	R.O.C.	SU,CING-YUAN	Male 61-70 years old	Note 5	3 Years	Note 5	Note 5	0	27,094,389	5.10	25,000	0	16,973,000	3.19	Department of Business Administration, Tamkang University	Note 3	Director	SU, PAI-HUANG	brothers	None
Director	R.O.C.	YEH, TSUNG-HAO	Male 51-60 years old	June 8, 2022	3 Years	June 15, 2007	12,492,312	2.04	12,492,312	2.35	48,033	0.01	0	0	Finance, University of Southern California	Note 4	Director	YEH, SOU-TSUN	Father and son	None
Director	R.O.C.	LIANG, LONG-SHIANG (Note11)	Male 71-80 years old	June 8, 2022	3 Years	June 24, 2019	145,468	0.03	145,468	0.03	0	0	0	0	Textile Engineering Section , National Taipei Institute of Technology	Minister of Fiber Business Division	None	None	None	None
Director	R.O.C.	HUNG, JUI-TING	Male 41-50 years old	June 8, 2022	3 Years	June 8, 2022	3,000,000	0.56	3,000,000	0.56	20,000	0	0	0	National Tsing Hua University, Master of Materials Science and Engineering, University of Florida	Note 6	None	None	None	None
Director	R.O.C.	LAURE INTELLECT CORP.	None	June 8, 2022	3 Years	June 8, 2022	2,022,000	0.38	2,022,000	0.38	0	0	0	0	None	None	None	None	None	None
Representative of the director of the corporation	R.O.C.	SU, EN-PING	Female 41-50 years old	Note 5	3 Years	Note 5	Note 5	0	759,000	0.14	0	0	0	0	Department of Chinese, National Tsing Hua University	Note 7	None	None	None	None
Independent director	R.O.C.	OU, YU-LUN	Male 51-60 years old	June 8, 2022	3 Years	June 27, 2016	0	0	0	0	0	0	0	0	Faculty of Law, National Taiwan University	Note 8	None	None	None	None
Independent director	R.O.C.	SUNG, HE-YEH	Male 51-60 years old	June 8, 2022	3 Years	June 8, 2022	0	0	0	0	0	0	0	0	Department of Economics, University of Southern California	Note 10	None	None	None	None
Independent director	R.O.C.	LIN, KO-WU	Male 71-80 years old	June 8, 2022	3 Years	June 24, 2019	0	0	0	0	0	0	0	0	Department of Accounting, National Chung Hsing University	Note 9	None	None	None	None

- Note 1 : Mr. YEH, SOU-TSUN (Deceased): Former Chairman of the Company, concurrently served as Director of Evertex Fabrinology Ltd., and Representative of the director of the corporation of Everest Textile CO.,LTD. and Representative of the director of the corporation of YEN HSING TEXTILE CO., LTD.He passed away and was relieved of his duties on April 21, 2025.
- Note 2 : Mr. SU, PAI-HUANG presently acts as the President of the company, presently and concurrently acts as the Director of Eclat Textile CO., LTD., Director of LILY TEXTILE CO., LTD., Director of YI SHENG Investment CO., LTD. Director SU, PAI-HUANG was appointed as the new Chairman on April 23, 2025.
- Note 3 : Mr. SU,CING-YUAN, presently and concurrently acts as the chairman of YI SHENG Investment CO., LTD. the Director and President of LILY TEXTILE CO., LTD., and Representative of the director of the corporation of LILY Entertainment Corporation.
- Note 4 : Mr. YEH, TSUNG-HAO, Vice President of Chemical Materials Business Division of the Company, and Director of LILY Entertainment Corporation.
- Note 5 : Representative of the director of the corporation so there is no need to indicate that he holds shares at the time of appointment. : Mr. SU,CING-YUAN is Representative of the director of the corporation of YI SHENG INVESTMENT CO., LTD., and Ms. SU, EN-PING is Representative of the director of the corporation of LAURE INTELLECT CORP.,
- Note 6 : Mr. HUNG, JUI-TING, the Director and President of Eclat Textile Co., Ltd.
- Note 7 : Ms. SU, EN-PING, Representative of the Institutional Supervisor of LILY Entertainment Corporation.
- Note 8 : Mr. OU, YU-LUN, presently and concurrently acts as the Supervisor of CAR QUALITY AUTOMOTIVE CO., LTD. and Independent Director of Lealea Enterprise Co., Ltd. and Independent Director of CARBON-BASED TECHNOLOGY INC.
- Note 9 : Mr. LIN, KO-WU, presently and concurrently acts as the Independent director of TAH HSIN Indrtrial CORP. and the Independent director of The Landis Taipei Hotel Co., Ltd.
- Note 10 : Mr. SUNG, HE-YEH, presently acts as the Chairman of Allis Electric Co., Ltd., and presently and concurrently acts as Empower Technology Corporation. : Representative of the director of the corporation of ABICO NetCom Co., Ltd. and ALLIS COMMUNICATIONS COMPANY, LTD. : Representative of the director of the corporation of HUI TE Industrial Limited Company and NISSIN ALLIS UNION ION EQUIPMENT CO., LTD. : Representative of the director of the corporation of Allis Electric Co., Ltd. and NISSIN-ALLIS ELECTRIC CO., LTD. : Representative of the director of the corporation of Allis Electric Co., Ltd.
- Note 11 : Director LIANG, LONG-SHIANG retired on March 1, 2024.

Table I : Major shareholders of the institutional directors (April 12, 2025)

Name of corporate director	Major shareholder	Shareholding ratio(%)
YI SHENG INVESTMENT CO., LTD.	SU, CING-YUAN	44.37
	SU, PAI-HUANG	44.37
LAURE INTELLECT CORP.	SU, CING-LANG	83.15

2.1.1.2 Information of directors and supervisors (2)

(1) Disclosure of information on the professional qualifications of directors and supervisors and the independence of independent directors :

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Chairman YEH, SOU-TSUN	<p>At the present : Decease (Relieved from duty due to passing on April 21, 2025.)</p> <p>Relevant experience : Chairman of Zig Sheng Industrial Co., Ltd. Director of Evertex Fabrinology Ltd. Representative of the Corporate Director of EVEREST TEXTILE CO.,LTD Director of Eclat Textile CO., LTD. Representative of the director of the corporation of YEN HSING TEXTILE CO., LTD.</p> <p>Education : Department of Accounting, National Chengchi University</p>	<p>① Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>② Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>③ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>④ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑤ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑥ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	None

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Director SU, PAI-HUANG	<p>At the present : Director and General Manager of the Company (A new Chairman was appointed on April 23, 2025.) Vice Chairman of the Textile Export Promotion Council of the Republic of China Director of the Taiwan Synthetic Resins & Plastics Association</p> <p>Relevant experience : Director and General Manager of the Company (Current) Chairman of the Taiwan Man-Made Fiber Industries Association Vice Chairman of the Textile Export Promotion Council of the Republic of China (Current) Director of the Taiwan Synthetic Resins & Plastics Association (Current) Director of Eclat Textile Co., Ltd. (Current) Director of LILY TEXTILE CO., LTD. (Current) Independent Director of YEEDEX ELECTRONIC CORPORATION (Current) Supervisor of ABICO Asia Capital Corporation</p> <p>Education : National Taiwan University Institute of Industrial Engineering College of Engineering</p>	<p>① Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>② Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>③ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>④ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑤ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑥ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	None

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
<p>Corporate Director</p> <p>SU,CING-YU AN</p> <p>Representative of the director of the corporation of YI SHENG INVESTMENT CO., Ltd.</p>	<p>At the present : President of LILY TEXTILE CO., LTD.,</p> <p>Relevant experience : Chairman of YI SHENG Investment CO., LTD. Director of LILY TEXTILE CO., LTD.</p> <p>Education : Department of Business Administration, Tamkang University</p>	<p>① Employees who are not employees of the company or its affiliated enterprises.</p> <p>② Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>③ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>④ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑤ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑥ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑦ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	<p>None</p>

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
<p>Corporate Director</p> <p>SU, EN-PING</p> <p>Representative of the director of the corporation of LAURE INTELLECT CORP.</p>	<p>Current job and related experience</p> <p>Representative of the Institutional Supervisor of LILY Entertainment Corporation. (Current)</p> <p>Education :</p> <p>Department of Chinese, National Tsing Hua University</p>	<p>① Employees who are not employees of the company or its affiliated enterprises.</p> <p>② Directors and supervisors of non-company or its affiliated enterprises.</p> <p>③ Natural person shareholders who are not themselves and their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares.</p> <p>④ Spouses, relatives within the second degree, or direct blood relatives within the third degree of the managers listed in ① or persons listed in ② and ③.</p> <p>⑤ Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law. person or employee</p> <p>⑥ Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>⑦ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>⑧ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑨ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑩ Does not have a spouse or relative within the second degree of relationship with other directors.</p> <p>⑪ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑫ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative..</p>	<p>None</p>

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Director YEH, TSUNG-HAO	<p>At the present : Director and Deputy General Manager of the Chemical Materials Business Division of the Company</p> <p>Relevant experience : Director and Deputy General Manager of the Company (Current) Representative of the Institutional Supervisor of ABICO Asia Capital Corporation</p> <p>Education : Finance, University of Southern California</p>	<p>① Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law. person or employee</p> <p>② Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>③ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>④ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑤ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑥ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑦ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	None

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Director LIANG, LONG-SHIANG	<p>Resigned from the position of Director of the Company on June 11, 2024.</p> <p>Relevant experience : Head of the Fiber Business Department of the company (Retired on March 1, 2024)</p> <p>Education : Textile Engineering Section, National Taipei Institute of Technology</p>	<p>① Natural person shareholders who are not themselves and their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares.</p> <p>② Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law. person or employee</p> <p>③ Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>④ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>⑤ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑥ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑦ Does not have a spouse or relative within the second degree of relationship with other directors.</p> <p>⑧ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑨ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	None

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Director HUNG, JUI-TING	<p>At the present : Director and General Manager of Eclat Textile Co., Ltd. Director of the Company</p> <p>Relevant experience : Director and General Manager of Eclat Textile Co., Ltd. (Current) Director of the Company (Current) Director of TITAN SPORT TECH CO., LTD. (Current)</p> <p>Education : Master of Materials Science and Engineering, National Tsing Hua University, and University of Florida</p>	<p>① Employees who are not employees of the company or its affiliated enterprises.</p> <p>② Directors and supervisors of non-company or its affiliated enterprises.</p> <p>③ Natural person shareholders who are not themselves and their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares.</p> <p>④ Spouses, relatives within the second degree, or direct blood relatives within the third degree of the managers listed in ① or persons listed in ② and ③.</p> <p>⑤ Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law. person or employee</p> <p>⑥ Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>⑦ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>⑧ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑨ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑩ Does not have a spouse or relative within the second degree of relationship with other directors.</p> <p>⑪ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑫ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	None

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Independent director OU, YU-LUN	<p>At the present : Practicing Lawyer at Li Yang Law Firm Independent Director, Member of the Audit Committee, and Member of the Compensation Committee of the Company</p> <p>Relevant experience : Audit Committee and Remuneration Committee of the Company (Current) Judge of the Taiwan Shilin District Court Summary Court Judge of the Taiwan Taipei District Court Arbitrator of the Chinese Arbitration Association, R.O.C. Audit Committee, and Member of the Compensation Committee of the Company (Current) Independent Director, member of Remuneration Committee, member of Audit Committee of Lealea Enterprise Co., Ltd. (Current) Supervisor of CAR QUALITY AUTOMOTIVE CO., LTD. (Current) Independent Director, member of Remuneration Committee, member of Audit Committee of CARBON-BASED TECHNOLOGY INC. (Current)</p> <p>Education : Faculty of Law, National Taiwan University</p>	<p>① Employees who are not employees of the company or its affiliated enterprises.</p> <p>② Natural person shareholders who are not themselves and their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares.</p> <p>③ Spouses, relatives within the second degree, or direct blood relatives within the third degree of the managers listed in ① or persons listed in ② and ③.</p> <p>④ Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law. person or employee</p> <p>⑤ Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>⑥ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>⑦ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑧ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑨ Does not have a spouse or relative within the second degree of relationship with other directors.</p> <p>⑩ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑪ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	2

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Independent director LIN, KO-WU	<p>At the present : Independent Director, Audit Committee Member, and Compensation Committee Member of the Company</p> <p>Relevant experience : Managing Partner and Certified Public Accountant of First United CPA Firm Independent Director, Audit Committee Member, and Compensation Committee Member of the Company(Current) Independent Director, member of Remuneration Committee, member of Audit Committee of Tah Hsin Industrial Corporation(Current) Independent Director, member of Remuneration Committee, member of Audit Committee of The Landis Taipei Hotel Co., Ltd. (Current)</p> <p>Education : Department of Accounting, National Chung Hsing University</p>	<p>① Employees who are not employees of the company or its affiliated enterprises.</p> <p>② Natural person shareholders who are not themselves and their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares.</p> <p>③ Spouses, relatives within the second degree, or direct blood relatives within the third degree of the managers listed in ① or persons listed in ② and ③.</p> <p>④ Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law. person or employee</p> <p>⑤ Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>⑥ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>⑦ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑧ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑨ Does not have a spouse or relative within the second degree of relationship with other directors.</p> <p>⑩ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑪ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	2

Condition Name	Professional qualifications (More than five years of work experience)	Independence situation (Meet the following conditions during the two years before the election and during the term of office)	Concurrently serve as other public offerings Number of independent directors of the company
Independent director SUNG, HE-YEH	<p>At the present :</p> <p>Chairman of Allis Electric Co., Ltd. Independent Director, Audit Committee Member, and Compensation Committee Member of the Company</p> <p>Relevant experience :</p> <p>Chairman of Allis Electric Co., Ltd. (Current) Representative of the Corporate Director of Allis Electric Co., Ltd. (Current) Audit Committee and Remuneration Committee of the Company (Current) Representative of the Corporate Director of Empower Technology Corporation. (Current) Representative of the Corporate Director of ALLIS COMMUNICATIONS COMPANY, LTD. (Current) Representative of the Corporate Director of NISSIN ALLIS UNION EQUIPMENT CO., LTD. (Current) Representative of the Corporate Director of NISSIN-ALLIS ELECTRIC CO., LTD. (Current)</p> <p>Education :</p> <p>Department of Economics, University of Southern California</p>	<p>① Employees who are not employees of the company or its affiliated enterprises.</p> <p>② Directors and supervisors of non-company or its affiliated enterprises.</p> <p>③ Natural person shareholders who are not themselves and their spouses, minor children, or others who hold more than 1% of the company's total issued shares or hold the top ten shares.</p> <p>④ Spouses, relatives within the second degree, or direct blood relatives within the third degree of the managers listed in ① or persons listed in ② and ③.</p> <p>⑤ Directors and supervisors of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, are among the top five shareholders, or designate representatives to serve as company directors or supervisors in accordance with Article 27, Item 1 or Item 2 of the Company Law.</p> <p>person or employee</p> <p>⑥ Directors, supervisors or employees of other companies who are not controlled by the same person as the company's directors or more than half of the shares with voting rights.</p> <p>⑦ Directors (councilors), supervisors (supervisors) or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company.</p> <p>⑧ Directors (directors), supervisors (supervisors), managers, or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business relations with the company.</p> <p>⑨ Non-professionals, sole proprietorships, partnerships, companies or institutions that provide auditing for companies or affiliated companies or receive accumulative remuneration in the last two years that does not exceed NT\$500,000 in business, legal, financial, accounting and other related services</p> <p>Business owners, partners, directors (council members), supervisors (supervisors), managers and their spouses.</p> <p>⑩ Does not have a spouse or relative within the second degree of relationship with other directors.</p> <p>⑪ Any one of the circumstances specified in Article 30 of the Company Act does not apply.</p> <p>⑫ There is no Article 27 of the Company Law to be elected by the government, legal person or its representative.</p>	None

(2) Diversity and independence of the board of directors : the company currently has ten directors in the nineteenth session (including three independent directors)

① Diversification of the board of directors :

Based on the policy of diversification and strengthening of corporate governance, the company promotes the development of the composition and structure of the board of directors. To measure professional background, integrity or relevant professional qualifications, etc., after the resolution of the board of directors is passed, it will be sent to the shareholders' meeting for election. The composition of the board of directors should not exceed one-third of the number of directors who also serve as managers of the company, and formulate appropriate diversification policies based on their own operations, operational patterns and development needs, including but not limited to the following :

- Basic conditions and values : gender, age, nationality and culture.
- Professional knowledge and skills : operational judgment, accounting and financial analysis, business management, management ability, crisis management ability, industry knowledge, international market outlook, leadership ability and decision-making ability.
- Please refer to 2.3.3.1 on page 55 of this annual report for the implementation of the Company's Board of Directors Diversity Policy.
- The specific management objectives and achievement of the diversity policy for the composition of directors are as follows :

Board Diversity Management Goals	Achievement
1. The chairman of the company and the general manager or other persons of equivalent rank (the top manager) are not the same person or are each other's spouses or first-degree relatives.	Reach
2. No more than two directors of the company are spouses or relatives within the second degree of kinship.	Reach
3. The company's board of directors must include at least one female director.	Reach
4. Among the directors of the company, the number of employees who are employees of the company, parent, child or brother company is less than (including) one third of the number of directors.	Reach
5. A single legal person organization and its subsidiaries account for less than one-third of the board seats.	Reach
6. The term of at least two independent directors does not exceed three terms.	Reach

- If the number of directors of any one gender does not reach one-third of the board, please explain the reason and describe the measures adopted to improve gender diversity among board members: :

Reason for not reaching one-third female board representation:

Due to the nature of the textile industry, it is relatively difficult to recruit female talent. Additionally, the candidates for the 20th term of the Board, which will be re-elected at the 2025 shareholders' meeting, were nominated on April 23, making it impossible to meet the target at this time.

Measures adopted:

For the 20th term of the Board (from June 10, 2025 to June 9, 2028), the Company will, prior to the next re-election, expand its pool of potential candidates. This will be supported by training and individual development plans, and by seeking professional candidates through various channels. These efforts aim to achieve gender diversity and inclusion, and to implement the Company's board diversity policy.

② Independence of the board of directors :

- As of the end of 2024, all independent directors have met the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors.
- None of the directors and independent directors are subject to items 3 and 4 of Article 26-3 of the Securities and Exchange Act.
- Educational background, gender and work experience of each director (please refer to 2.1.1.1 on page 15~16 of this annual report for information on directors).
- The Board of Directors of the Company is independent.
(Please refer to 2.1.1.2 on pages 17~26 of this annual report, Disclosure of Professional Qualifications of Directors and Independence of Independent Directors).

2.1.2 Management Team

April 12, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	R.O.C.	SU, PAI-HUANG	Male	May 27, 2004	28,150,455	5.30	116,543	0.02	16,972,000	3.19	National Taiwan University Institute of Industrial Engineering College of Engineering	(Note 1)	None	None	None	None
Director of Fiber Division Senior Vice President	R.O.C.	LIANG, LONG-SHIANG (Note 2)	Male	January 1, 2008	145,468	0.03	0	0	0	0	Textile Engineering Section, National Taipei Institute of Technology	None	None	None	None	None
Vice President of Chemical Materials Business Division	R.O.C.	YEH, TSUNG-HAO	Male	September 1, 2007	12,492,312	2.35	48,033	0.01	0	0	Finance, University of Southern California	None	None	None	None	None
Vice President of Fiber Business Division	R.O.C.	YEH, PI-LU	Male	January 27, 2014	635,159	0.12	942	0	0	0	Master of Business Administration, National Chengchi University	None	None	None	None	None
Assistant Vice President of Fiber Business Division	R.O.C.	LIN, CHING-CHUAN	Male	April 1, 2021	50,000	0.01	0	0	0	0	Nanya Technical College Textile Faculty	None	None	None	None	None
Vice President of the Ministry of Works and Plant Management Office	R.O.C.	YOU, CONG-JHIH	Male	February 1, 2018	46,113	0.01	0	0	0	0	Taoyuan Municipal Wu-Ling Senior High School	None	None	None	None	None
Plant manager of Nylon Polymerization Plant	R.O.C.	ZENG, YU-CI	Male	February 1, 2018	35,927	0.01	0	0	0	0	PhD in Organic Polymer of National Taipei University of Technology	None	None	None	None	None
Associate Director of Innovation R&D Center	R.O.C.	LIN, YU-TANG	Male	November 1, 2020	60,185	0.01	0	0	0	0	Ph.D. Graduate School of Fiber and Polymer Engineering, National Taiwan University of Science and Technology	None	None	None	None	None
Vice President of General Management Division	R.O.C.	KUO, SHIH-CHENG	Male	March 1, 2000	7,059	0	75	0	0	0	Department of Accounting of Feng Chia University	None	None	None	None	None
Vice President of Financial Department	R.O.C.	YEN, CHUNG-TZU	Female	July 1, 1994	0	0	0	0	0	0	Accounting Statistics Section of National Taipei Commercial College	None	None	None	None	None
Manager of Accounting Department	R.O.C.	CHENG, CHIU-YUEH	Female	January 7, 2022	10,303	0	485	0	0	0	Taipei Business School Attached to Air School Business Management Division	None	None	None	None	None

Note 1 : Presently and concurrently acts as Director of Eclat Textile Co., Ltd., Director of LILY TEXTILE CO., LTD., Director of YI SHENG Investment CO., LTD., Independent Director of YEEDEX ELECTRONIC CORPORATION. A new Chairman was appointed on April 23, 2025.

Note 2 : Senior Deputy General Manager LIANG, LONG-SHIANG retired on March 1, 2024

Note 3 : Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

2.2 Remuneration paid to directors, supervisors, Presidents and Vice presidents in the most recent year :

2.2.1 Remuneration of general directors and independent directors (Individual disclosure of names and payment methods)

Unit : NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 6)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 6)		Remuneration from ventures other than subsidiaries or from the parent company (Note 7)		
		Base Compensation (A) (Note 1)		Severance Pay (B)		Directors Compensation(C) (Note 2)		Allowances (D)(Note 3)				Salary, Bonuses, and Allowances (E) (Note 4)		Severance Pay (F)		Employee Compensation (G) (Note 5)								
		The company	All companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements			
																		Cash	Stock	Cash	Stock			
Chairman	YEH,SOU-TSUN	0	0	0	0	0	0	170	170	3.2375	3.2375	5,088	5,088	0	0	0	0	0	0	0	0	100.1333	100.1333	None
Director	SU, PAI-HUANG	0	0	0	0	0	0	170	170	3.2375	3.2375	3,955	3,955	0	0	0	0	0	0	0	0	78.5565	78.5565	None
Director	YEH, TSUNG-HAO	0	0	0	0	0	0	170	170	3.2375	3.2375	2,419	2,419	0	0	0	0	0	0	0	0	49.3049	49.3049	None
Director	LIANG, LONG-SHIANG (Note A)	0	0	0	0	0	0	90	90	1.7140	1.7140	403	403	0	0	0	0	0	0	0	0	9.3887	9.3887	None
Director	SU,CING-YUAN, Representative of Yi Sheng Investment Co., Ltd.	0	0	0	0	0	0	170	170	3.2375	3.2375	0	0	0	0	0	0	0	0	0	0	3.2375	3.2375	None
Director	SU, EN-PING Representative of KuanSheng Computer CO.,LTD	0	0	0	0	0	0	170	170	3.2375	3.2375	0	0	0	0	0	0	0	0	0	0	3.2375	3.2375	None
Director	HUNG, JUI-TING	0	0	0	0	0	0	150	150	2.8566	2.8566	0	0	0	0	0	0	0	0	0	0	2.8566	2.8566	None
Independent Director	OU, YU-LUN	0	0	0	0	0	0	420	420	7.9985	7.9985	0	0	0	0	0	0	0	0	0	0	7.9985	7.9985	None
Independent Director	LIN, KO-WU	0	0	0	0	0	0	420	420	7.9985	7.9985	0	0	0	0	0	0	0	0	0	0	7.9985	7.9985	None
Independent Director	SUNG, HERR-YEH	0	0	0	0	0	0	410	410	7.8080	7.8080	0	0	0	0	0	0	0	0	0	0	7.8080	7.8080	None
1. Please describe the policy, system, standard and structure for the remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration : None.																								
2. Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee) of the Company in the most recent fiscal year : None.																								

Note A: Director LIANG, LONG-SHIANG retired on March 1, 2024. and resigned as a director on June 11, 2024.

Note B: The chairman and President are equipped with a driver, and the annual remuneration for 2024 is NT\$685 thousands and NT\$658 thousands respectively.

- Note 1 : Refers to the remuneration of directors for the most recent year (including the directors' salary, allowance, severance pay, various bonuses, rewards etc.).
- Note 2 : The amount of directors' remuneration appropriated in the most recent year and approved by the board of directors.
- Note 3 : Refers to the relevant business execution expense of directors in the most recent year (including transportation fee, special allowances, various subsidies, accommodation, company vehicles and other physical offers etc.) When there are expenses for housing, car or other transportation tools or specialized personal expense, the asset nature and cost provided shall be disclosed, and the rent shall be calculated according to the actual or fair market price, gasoline fee and other payments. If drivers are provided, please describe the compensation to relevant drivers paid by the company, but not counted as the remuneration.
- Note 4 : Refers to the expense for the compensation, including salary, allowance, severance pay, various bonuses, rewards, transportation fee, special allowances, various subsidies, accommodation, company car etc. and physical offers etc., collected by directors concurrently acting as employees (including adjunct President, Vice President, other Managers and employees). When there are expenses for housing, car or other transportation tools or specialized personal expense, the asset nature and cost provided shall be disclosed, and the rent shall be calculated according to the actual or fair market price, gasoline fee and other payments. If drivers are provided, please describe the compensation to relevant drivers paid by the Company, but not counted as the remuneration. In addition, for the salary expense recognized according to IFRS 2 "Share-Based Payment", including the employee stock warrants, new restricted employee shares and participation in subscription of shares for capital increase by cash, it shall also be counted as part of the remuneration.
- Note 5 : Refers to where directors concurrently acting as employees (including adjunct President, Vice President, other Managers and employees) obtain employees' remuneration (including stocks and cash), the employees' remuneration amount appropriated in the most recent year based on the approval of the board of directors shall be disclosed.
- Note 6 : Net income refers to the net income of an entity or individual financial statements of the most recent year.
- Note 7 : a. This field shall clearly indicate the relevant compensation amount received by the directors of the Company from non-consolidated affiliates.
b. The compensation refers to the remuneration and salary received by directors acting as directors, supervisors or managers of investees other than subsidiaries (including salaries of employees, directors and supervisors) and business execution expenses etc.

2.2.2 Remuneration of Supervisors : Not applicable. The Company had replace supervisors with audit committee from June 26, 2019.

2.2.3 Remuneration of the President and Vice President (Individual disclosure of names and payment methods)

Title	Name	Salary(A) (Note 1)		Severance Pay (B)		Bonuses and Allowances (C) (Note 2)		Employee Compensation (D) (Note 3)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 4)		Remuneration from ventures other than subsidiaries or from the parent company (Note 5)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	SU, PAI-HUANG	3,054	3,054	0	0	901	901	0	0	0	0	75.3190	75.3190	0
Senior Vice President	LIANG, LONG-SHIANG (Note)	403	403	0	0	0	0	0	0	0	0	7.6747	7.6747	0
Vice President	YEH, TSUNG-HAO	1,939	1,939	0	0	480	480	0	0	0	0	46.0674	46.0674	0
Vice President	YEH,PI-LU	2,136	2,136	0	0	513	513	0	0	0	0	50.4475	50.4475	0
Vice President	YU,TSUNG-CHIH	1,933	1,933	0	0	594	594	0	0	0	0	48.1242	48.1242	0
Vice President	GUO,SHIH-CHENG	2,029	2,029	0	0	495	495	0	0	0	0	48.0670	48.0670	0
Vice President	YEN,CHUNG-TZU	1,880	1,880	0	0	653	653	0	0	0	0	48.2575	48.2575	0

Note : Senior Vice President LIANG, LONG-SHIANG retired on March 1, 2024.

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

Note 2 : Refers to various bonuses, rewards, transportation fees, special allowances, various subsidies, accommodation, company car and physical offers etc. as well as other remuneration amounts. In addition, for the salary expense recognized according to IFRS 2 “Share-Based Payment”, including the employee stock warrants, new restricted employee shares and participation in subscription of shares for capital increase by cash, it shall also be counted as part of the remuneration.

Note 3 : The employees’ remuneration (including stocks and cash) appropriation for President and Vice Presidents approved by the board of directors for the most recent year shall be disclosed.

Note 4 : The net income refers to the net income of the most recent year. Where the IFRS standard is adopted, the net income refers.

Note 5 : The compensation refers to the remuneration and salary received by the President and Vice President acting as directors, supervisors or managers at investees other than subsidiaries (including salaries of employees, directors and supervisors) and business execution expenses, etc.

2.2.4 Managerial officers with the top five highest remuneration amounts in a TWSE/TPEX-listed company (Individual disclosure of names and payment methods) (Note 1)

Unit : NT\$ thousands

Title	Name	Salary(A) (Note 2)		Severance Pay (B)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 6)		Remuneration from ventures other than subsidiaries or from the parent company (Note 7)
		The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	The company		Companies in the consolidated financial statements (Note 5)		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	SU, PAI-HUANG (Note A)	3,054	3,054	0	0	901	901	0	0	0	0	75.3190	75.3190	None
Vice President	YEH,PI-LU	2,136	2,136	0	0	513	513	0	0	0	0	50.4475	50.4475	None
Vice President	YEN, CHUNG-TZU	1,880	1,880	0	0	653	653	0	0	0	0	48.2575	48.2575	None
Vice President	YU, TSUNG-CHIH	1,933	1,933	0	0	594	594	0	0	0	0	48.1242	48.1242	None
Vice President	GUO, SHIH-CHENG	2,029	2,029	0	0	495	495	0	0	0	0	48.0670	48.0670	None

Note A: The President is equipped with a driver, and the annual remuneration for 2024 is NT\$658 thousands.

Note B: Senior Vice President LIANG, LONG-SHIANG retired on March 1, 2024.

Note 1 : Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note 2 : Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note 3 : Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 4 : Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in the most recent year. If the amount of employee compensation cannot be estimated this year, the proposed amount should be calculated based on the actual amount and ratio distributed last year.

Note 5 : The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed.

Note 6 : The net income after-tax refers to the net income after-tax in the standalone financial statements for the most recent year.

- Note 7 : a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field (Please fill in "None" if none).
- b. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

2.2.5 Name of managers with distribution of employees' remuneration and distribution status :

	Title	Name	Stock amount	Cash amount	Total	Proportion of total amount to net profit after tax (%)
Manager	President	SU, PAI-HUANG	0	0	0	0
	Senior Vice President	LIANG, LONG-SHIANG (Note)				
	Vice President of Chemical Materials Business Division	YEH, TSUNG-HAO				
	Vice President of Fiber Business Division	YEH, PI-LU				
	Assistant Vice President of Fiber Business Division	LIN, CHING-CHUAN				
	Vice President of Engineering & Factory Administration Dept.	YU, TSUNG-CHIH				
	Assistant Vice President of Nylon Polymerization Plant	TSENG, YU-CHI				
	Assistant Vice President of R&D center	LIN, YU-TANG				
	Vice President of General Management Division	GUO, SHIH-CHENG				
	Vice President of Financial Dept.	YEN, CHUNG-TZU				
	Manager of Accounting Dept.	CHENG, CHIU-YUEH				

Note : Senior Vice President LIANG, LONG-SHIANG retired on March 1, 2024.

2.2.6 Separately compare and describe total remuneration, as a percentage of net income stated in the Company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president, and assistant presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure :

Title \ year	2023		2024	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	(2.56%)	(2.56%)	117.67%	117.67%
Supervisor	(0.52%)	(0.52%)	23.81%	23.81%
President and Vice President	(8.01%)	(8.01%)	323.99%	323.99%

Note : The remuneration or salary of the directors, supervisors and (deputy) President is based on the distribution and salary system standard of the company's articles of association. The salary structure includes the salary, job allowance, transportation allowance, performance bonus, etc., and is based on the company's annual profitability , With reference to the difference in their position, seniority and work performance, and give unequal year-end bonuses.

2.3 Implementation of Corporate Governance

2.3.1 Operations of the Board of Directors

2.3.1.1 Attendance of Directors at Board Meetings

A total of 5 (A) meetings in 2024 of the Board of Directors were held in the previous period. The attendance of director were as follows :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate(%) (B/A)	Remarks
Chairman	YEH, SOU-TSUN (Note2)	5	0	100%	None
Director	SU, PAI-HUANG	5	0	100%	
Director	SU, CING-YUAN Representative of YI SHENG INVESTMENT CO., Ltd.	5	0	100%	
Director	YEH, TSUNG-HAO	5	0	100%	
Director	SU, EN-PING Representative of LAURE INTELLECT CORP.	5	0	100%	
Director	HUNG, JUI-TING	3	0	60%	
Director	LIANG, LONG-SHIANG(Note1)	3	0	100%	
Independent director	OU, YU-LUN	5	0	100%	
Independent director	LIN, KO-WU	5	0	100%	
Independent director	SUNG, HE-YEH	4	1	80%	

Note1 : Director LIANG, LONG-SHIANG Resigned on June 11, 2024.

Other mentionable items :

- A. If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified :
- (1) Matters referred to in Article 14-3 of the Securities and Exchange Act. :
Click on the company's website : "Inv. Relations\Corporate Governance\Board of Directors\Board Decisions" query.
- (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors. :
The independent directors of the company agree with the major proposals of the board of directors, without any objections or reservations.
- B. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified : None.
- C. TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations."

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Execute once a year	January 1, 2024 to December 31 2024	A.Board of Directors B.Individual directors	Internal self-evaluation by the board of directors Board member self-evaluation	A. Board of Directors 1. Participation in the company's operations 2. Improve the quality of board decisions 3. Board composition and structure 4. Director selection and continuing education 5. Internal control B. Individual directors 1. Master the company's goals and tasks 2. Awareness of Directors' Responsibilities 3. The degree of participation in the company's operations 4. Internal relationship management and communication 5. Professional and continuing education of directors 6. Internal control

The goals of strengthening the functions of the board of directors in the current and recent years (such as establishing an audit committee, improving information transparency, etc.) and evaluation of implementation status:

C.1.1 The self-evaluation results for the year 2024 were reported to the Board of Directors on January 10, 2025. The overall evaluation results are as follows:

Assess Target	Comprehensive evaluation results
Board of Directors as a whole	83.29%
Individual directors	82.26%

C.1.2 To enhance corporate governance and improve the functionality of the Board of Directors, the Company established the "Board Performance Evaluation Measures" on January 10, 2020. The purpose is to set performance objectives and strengthen the operational efficiency of the Board. In accordance with these measures, regular annual performance evaluations are conducted for the overall Board and individual directors. Since 2020, the results have been reported and disclosed on the Company's website and in the annual report.

C.1.3 •Professional and diverse training programs were arranged for board members, and in 2024, all directors completed the required training hours.

- Through participation in a variety of ESG training courses, each director has gained substantial knowledge that significantly contributes to the promotion of corporate sustainability. This has also effectively supported the Company in aligning with the regulatory authority's progress and meeting various corporate governance evaluation indicators in 2024.

D. The company's Audit Committee disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Audit Committee, and to fill out "Implementation Status of Audit Committee Evaluations."

Evaluation	Evaluation	Scope of evaluation	Evaluation method	Evaluation items %
An internal assessment is performed every three years.	December 15, 2023 to December 14, 2024	Audit Committee Members: OU, YU-LUN LIN, KO-WU SUNG, HERR-YEH There are a total of 3 members in the Audit Committee.	The internal performance self-assessment of the Audit Committee is conducted using the "Functional Committee Performance Evaluation Self-Assessment Questionnaire" by the General Manager's Office of the company.	1. Participation in the operation of the company (20%) 2. Awareness of the duties of the functional committee (20%) 3. Improvement of quality of decisions made by the functional committee (20%) 4. Makeup of the functional committee and election of its members (20%) 5. Internal control (20%)

D.1 The current and most recent year's goal of strengthening the functions of the Audit Committee and the evaluation of its implementation.

- D.1.1 To implement corporate governance and enhance the functionality of our company's committees, the performance evaluation of functional committees is conducted in accordance with "The criteria for evaluating the performance of functional committees" approved by our board of directors.
- D.1.2 The company's In the internal self-assessment of the Audit Committee's performance for the fiscal year 2024, the evaluation results were reported to the Board of Directors on January 10, 2025. The comprehensive assessment results are as follows:
The company's for the fiscal year 2024, the "Functional Committee Performance Evaluation Self-Assessment Questionnaire" for the Audit Committee of our company achieved a 100% response rate, with a weighted total score of 93.1 points, the functions and operational efficiency of the company's Audit Committee are performing well.
- D.1.3 The company's Audit Committee will continue to enhance the following aspects of its functions:
- Assist the Board of Directors in fulfilling its oversight and related responsibilities.
 - Domestic and international regulations, significant policies, and industry development trends.

E. The company's Compensation Committee disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the audit committee, and to fill out "Implementation Status of Compensation Committee Evaluations."

Evaluation	Evaluation	Scope of evaluation	Evaluation method	Evaluation items %
An internal assessment is performed every three years.	December 15, 2023 to December 14, 2024	Compensation Committee Members: OU, YU-LUN LIN, KO-WU SUNG, HERR-YEH There are a total of 3 members in the Compensation Committee	The internal self-assessment of the Compensation Committee is conducted using the "Functional Committee Performance Evaluation Self-Assessment Questionnaire" by the Department of Management in the company.	1. Participation in the operation of the company (20%) 2. Awareness of the duties of the functional committee (20%) 3. Improvement of quality of decisions made by the functional committee (20%) 4. Makeup of the functional committee and election of its members (20%) 5. Internal control (20%)

E.1 The current and most recent year's goal of strengthening the functions of the Compensation Committee the evaluation of its implementation.

- E.1.1 To implement corporate governance and enhance the functionality of our company's committees, the performance evaluation of functional committees is conducted in accordance with "The criteria for evaluating the performance of functional committees" approved by our board of directors.
- E.1.2 The company's In the internal self-assessment of the Compensation Committee's performance for the fiscal year 2024, the evaluation results were reported to the Board of Directors on January 10, 2025. The comprehensive assessment results are as follows:
The company's for the fiscal year 2024, the "Functional Committee Performance Evaluation Self-Assessment Questionnaire" for the Compensation Committee of our company achieved a 100% response rate, with a weighted total score of 92.3 points, the functions and operational efficiency of the company's Audit Committee are performing well.
- E.1.3 The company's Compensation Committee will continue to enhance will continue to emphasize the integration of executive and director compensation policies with operational performance.

2.3.1.2 The board of directors met 5 times in 2024, and the supervisors were present as follows :

Not applicable, the company has set up an audit committee to replace the supervisor on June 24, 2019.

2.3.1.3 Implementation of Board Evaluation :

- In order to implement corporate governance and improve the functions of the company's board of directors, the company has formulated the "board performance evaluation method", which adopts two evaluation methods : "internal evaluation" and "external evaluation". Assessments are performed by an external team of experts.
- The company's board of directors approved the formulation of the "Board of Directors Performance Evaluation Methods" on January 10, 2020, and revised some provisions on November 5, 2021 and January 7, 2022 respectively. The results of the 2024 annual performance evaluation have been reported On January 10, 2025, the board of directors completed the application process and simultaneously placed the performance evaluation content on the company's website.
- The Company's Board of Directors operates in accordance with corporate governance standards, making decisions based on the best interests of the Company. All directors (including independent directors) have given positive evaluations regarding the efficiency and effectiveness of the Board's operations.
- In alignment with government-promoted ESG and sustainable development goals, the Board continues to strengthen green operations by formulating net-zero transition strategies, managing and disclosing greenhouse gas emissions reductions, and obtaining external verification, thereby fulfilling corporate social responsibility.

2.3.2 Audit Committee Implementation Status Information

2.3.2.1 There are 3 members on the Audit Committee of the company (all are independent directors).

2.3.2.2 The 2th-term committee : June 8, 2022 to June 7, 2025.

2.3.2.3 From the 2024 year to May 9 of the 2025 year, a total of 7 meetings were held (A).

The qualifications and attendance of the members are as follows :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B / A)	Remarks
Convener	OU, YU-LUN	7	0	87.5%	None
Independent director	LIN, KO-WU	7	0	100%	None
Independent director	SUNG, HERR-YEH	7	0	100%	None

Other matters to be recorded :

(1) The key annual work of the Audit Committee

- ① Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- ② Assess the effectiveness of the internal control system.
- ③ Formulate or amend the handling procedures of major financial business activities, including acquisition or disposal of assets, engagement in derivative transactions, extending loans to others, and providing endorsements or guarantees for others in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- ④ Matters involving the directors' own interests.
- ⑤ Major asset or derivative transactions.
- ⑥ Significant loan extensions, endorsements or guarantees.
- ⑦ Raising, issuing or private placement of equity securities.
- ⑧ Appointment, dismissal or remuneration of certified public accountants.
- ⑨ Appointment, dismissal or remuneration of financial, accounting or internal audit supervisors.
- ⑩ The annual financial report signed or stamped by the chairman, manager and accounting supervisor, and the second quarter financial report subject to review by accountants.
- ⑪ Other major matters stipulated by the company or competent authorities.

(2) From the 2024 year to May 9 of the 2025 year, the company's audit committee reviewed the key points

① Review financial reports

The Board of Directors has submitted the Company's 2024 Business Report, Financial Statements, and Profit Distribution Proposal. The Financial Statements have been audited and certified by the appointed accountants, CHEN,KUI-MEI and LIN,CHIH-LUNG of Crowe (TW) CPAs, who have issued an unqualified audit opinion. The Audit Committee has reviewed the aforementioned Business Report, Financial Statements, and Profit Distribution Proposal and found no irregularities.

② Evaluate the effectiveness of internal control systems

The Audit Committee has assessed the effectiveness of the Company's internal control system and reviewed periodic reports from the Internal Audit Office and the external auditors. It concludes that the Company's risk management and internal control systems are effective, and that the Company has implemented the necessary control mechanisms to monitor and rectify any violations.

③ Appointment of Certifying Accountant

The Audit Committee is responsible for overseeing the independence of the external audit firm to ensure the fairness and integrity of the financial statements. In general, except for tax-related services or specially approved projects, the external audit firm is not permitted to provide other services to the Company. All services provided by the external auditors must be approved by the Audit Committee.

To ensure the independence of the external audit firm, the Audit Committee has established an independence evaluation framework based on Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Code of Professional Ethics for Accountants, titled "Integrity, Fairness, Objectivity, and Independence." The evaluation assesses the auditors' independence, professionalism, and suitability, including whether they have any related-party relationships or business or financial interests with the Company.

On March 7, 2025, during the 12th meeting of the 2nd Audit Committee and the 15th meeting of the 19th Board of Directors, the Audit Committee and the Board reviewed and approved that CHEN,KUI-MEI and LIN,CHIH-LUNG of Crowe (TW) CPAs, meet the independence evaluation standards and are qualified to serve as the Company's financial and tax auditors.

- (3) From the 2024 year to May 9 of the 2025 year, if the operation of the audit committee falls under any of the following circumstances, the meeting date of the audit committee, the period, the content of the proposals, the independent directors' objections, reservations or major recommendations, the results of the audit committee's resolutions, and the company's comments on the audit committee's opinions shall be stated. deal with :

① Resolutions related to Article 14-5 of Securities and Exchange Act :

Audit Committee					Report to the board meeting		
Meeting date	Period	Proposal content	independent directors' dissenting opinions, reservations or significant recommendations	Resolution result	Date	Period	Handling of the opinions of the Audit Committee
March 8, 2024	7th session of the 2th term	<ul style="list-style-type: none"> ●Review of the 2023 business report. ●Review of the 2023 financial reports. ●Review of the 2023 profit and loss compensation. ●Review of the 2024 audit certification appointment evaluation and public expense case. ●Review of the 2023 internal control statement. 	None	All members attended and agreed.	March 8, 2024	10th session of the 19th term	Passed without objection.
May 10, 2024	8th session of the 2th term	●Review of the First Quarter Consolidated Financial Statements for the year 2024.	None	All members attended and agreed.	May 10, 2024	11th session of the 19th term	Passed without objection.
August 9, 2024	9th session of the 2th term	<ul style="list-style-type: none"> ●Amendment to the company's internal control system. ●Review of the Second Quarter Consolidated Financial Statements for the year 2024. 	None	All members attended and agreed.	August 9, 2024	12th session of the 19th term	Passed without objection.
November 8, 2024	10th session of the 2th term	<ul style="list-style-type: none"> ●Amendment to the Company's Procedures for Acquisition or Disposal of Assets. ●Renting an office from a related party. ●Review of the Third Quarter Consolidated Financial Statements for the year 2024. 	None	All members attended and agreed.	November 8, 2024	13th session of the 19th term	Passed without objection.
January 10, 2025	11th session of the 2th term	●Amendment to the Company's Procedures for Acquisition or Disposal of Assets.	None	All members attended and agreed.	January 10, 2025	14th session of the 19th term	Passed without objection.
March 7, 2025	12th session of the 2th term	<ul style="list-style-type: none"> ●Amendment to the company's internal control system. ●Review of the 2024 business report. ●Review of the 2024 financial reports. ●Review of the 2024 profit and loss compensation. ●Review of the 2025 audit certification appointment evaluation and public expense case. ●Review of the 2024 internal control statement. 	None	All members attended and agreed.	March 7, 2025	15th session of the 19th term	Passed without objection.
May 9, 2025	13th session of the 2th term	●Review of the First Quarter Consolidated Financial Statements for the year 2025.	None	All members attended and agreed.	May 9, 2025	18th session of the 19th term	Passed without objection.

- ②Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors : The company does not have this situation.

(4) Execution of the recusal of the proposal by independent directors to the stake :

- ① Reminder of avoidance of interests :
Before each audit committee meeting, the organizing unit will announce the relevant regulations on avoidance of interests to the independent directors.
- ② From the 2024 year to May 9 of the 2025 year, the execution of the recusal of the interests of independent directors : None.

(5) Status of communication between independent directors and the internal audit supervisor and the accountants :

- ①Independent directors communicated with the internal auditing officer separately (at least once a year)

Audit Committee (2st term)	Communication focus	Attendees	Communicate results
March 8, 2024	<ul style="list-style-type: none"> ●Internal audit business report. ●Self-assessment of the internal control system in 2023 Report 	OU, YU-LUN LIN, KO-WU SUNG, HE-YEH All independent directors are present	After the audit supervisor individually reported to the independent directors before the meeting, each of the independent directors had no special recommendations.
March 7, 2025	<ul style="list-style-type: none"> ●Internal audit business report. ●Self-assessment of the internal control system in 2024 Report 	OU, YU-LUN LIN, KO-WU SUNG, HERR-YEH All independent directors are present	After the audit supervisor individually reported to the independent directors before the meeting, each of the independent directors had no special recommendations.

- ② The accountant holds separate communication meetings with independent directors at least once a year before the audit committee meetings.

Corporate governance communication meeting	Communication focus	Attendees		Communicate results
		Certified Public Accountants	Independent directors	
March 8, 2024	<ul style="list-style-type: none"> ●Description of Key Audit Matters ("KAM") ●Overall summary of audit results ●Type of audit opinion ●Materiality and uncorrected misstatement in the current period ●Significant deficiency in internal control ●Other communication matters 	HSIAO, YING-CHIA	OU, YU-LUN LIN, KO-WU SUNG, HE-YEH All independent directors are present	After the accountants communicated with the independent directors individually and explained the contents, each of the independent directors had no special suggestions.
March 7, 2025	<ul style="list-style-type: none"> ●Previously communicated the main points of the group's audit plan Change ●Description of Key Audit Matters ("KAM") ●Overall summary of audit results ●Type of audit opinion ●Materiality and uncorrected misstatement in the current period ●Significant deficiency in internal control ●Other communication matters 	CHEN, KUI-MEI	OU, YU-LUN LIN, KO-WU SUNG, HERR-YEH All independent directors are present	After the accountants communicated with the independent directors individually and explained the contents, each of the independent directors had no special suggestions.

2.3.3 Corporate governance Implementation status and deviation from“ the Corporate overnance Best-Practice Principles for TWSE/TPEx Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	✓		The company formulated the "Code of Practice for Corporate Governance" in 2015, and on March 11, 2022, the board of directors revised some of the provisions and disclosed it on the information reporting website designated by the competent authority.	None
2. Shareholding structure & shareholders’ rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		(1) Our company has set up a spokesperson and deputy spokesperson system and an "Stakeholder Area " on the corporate website to properly handle shareholder suggestions, doubts and disputes. (Home / ESG / Corporate Sustainability/Stakeholders)	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) Our company has entrusted a professional stock affairs agency to be responsible for, and cooperate with our company's financial department to manage related matters.	None
(3) Does the board of directors formulate diversity policies, specific management objectives and implement them?	✓		(3) Our company has formulated the management and control mechanism of "Related Party Transaction Procedures" and "Operation Risk Management Procedures" to protect investors	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		and safeguard the rights and interests of our company. (4) Our company has formulated the management system of "Management Regulations for Preventing Insider Trading" to protect investors and safeguard the rights and interests of our company.	None
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) The Company’s Board of Directors consists of 6 directors and 3 independent directors. The academic and professional backgrounds of each director are fully disclosed on (Please refer to 2.1.1.1 page 15~16) of the Annual Report, while their diverse backgrounds and extensive experience are presented on (Please refer to 2.3.3.1, P.55). (Note: Director YEH, SOU-TSUN passed away, resulting in a vacancy on the Board.)	None
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) Our company set up its Compensation Committee on December 23, 2011, and the Audit Committee on June 24, 2019. Currently, there are no other functional committees.	None
(3) Does the company establish a standard to measure the	✓		(3) The company formulated the "Board of Directors Performance	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>	✓		<p>Evaluation Methods" on January 10, 2020, and has conducted board of directors performance evaluations since 2020. The 2024 annual evaluation results have been reported to the stock exchange on January 10, 2025, and were approved by the board of directors on the same day.</p> <p>(4) The audit committee of Company assesses the independence and suitability of the auditors annually. In addition to requesting auditors to provide a ‘Statement of Independence’ and ‘Audit Quality Indicators (AQIs),’ the evaluation is conducted based on the criteria specified in Note 2 and the 13 AQI indicators. After confirming that the auditors and the auditors’ firm have not violated relevant regulations regarding independence under the CPA Act and considering AQI information, it has been established that the auditors and their firm have audit experience and quality control review experience superior to industry averages. Furthermore, the firm has implemented digital audit tools in the past three years to enhance audit quality. The evaluation results for the most recent fiscal year were discussed and approved by the Audit</p>	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Committee on March 7, 2025, and subsequently presented to the Board of Directors for approval. The board of directors also discussed and passed the assessment of independence and suitability of audit CPA on March 7, 2025. Our company regularly reports the independent assessment results of the independent auditor to the board meeting in March each year. (Please refer to 2.3.3.2, P.56)	
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	✓		(1) In terms of organizational structure, the company has set up a "Corporate Governance Office" and a "Board Secretary Office" under the board of directors to strengthen corporate governance. The finance department is also responsible for compliance with laws and regulations related to corporate governance. Corporate Governance Supervisors' further training . (Please refer to 2.3.3.3, P.57)	None
	✓		(2) On May 7, 2021, the company set up the position of Corporate Governance Director which was assumed by the Vice President of the Finance Department. Two corporate governance staff were also assigned to be jointly responsible for affairs related to corporate governance.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		Our company has built an "Stakeholder Area" on its corporate website((Home / ESG / Corporate Sustainability/Stakeholders) for employees, investors, creditors, customers, suppliers, contractors, subsidiaries, peers, residents and government agencies to inquire and express their opinions, in order to provide a proper response mechanism.	None
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		Stock Transfer Agency : Registrar Agency Department of Capital Securities Corporation	None
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) Website : www.zigsheng.com , under the "Investor Relations" area, set up information such as "Financial Information" and "Corporate Governance" and "Shareholder Information ", and regularly update financial, business information and corporate governance information.	None
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting	✓		(2) Our company has a spokesperson and deputy spokesperson system, which publishes company-related financial and business information externally, and places the information on briefings to legal persons on	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
	✓		management practices. (3) For details of directors’ further training related to corporate governance, see page 58～59. (Please refer to 2.3.3.4)	None
	✓		(4) For details of managers’ further training related to corporate governance, see page 60. (Please refer to 2.3.3.5)	None
	✓		(5) Our company maintains a smooth communication channel with customers, and the execution status is good.	None
	✓		(6) Since 2016, the company has purchased liability insurance for directors (supervisors) and important staff for the compensation liability for the execution of their business scope. The latest insurance period is from July 1, 2024 to July 1, 2025, and the insured amount is Shenbai Ten thousand U.S. dollars.	None
	✓		(7) The company attaches great importance to labor relations and provides employment opportunities to fulfill social responsibilities.	None

9. Please explain the improvements made based on the corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year. Situations, and priority enhancement measures for those that have not yet been improved:

(1) 2024 Evaluation results for : 84.95 points, level 4. [Improved by 4.36 points compared to 2023, same level]

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<ul style="list-style-type: none">● The Stock Exchange follows the Financial Supervisory Commission's "Corporate Governance 3.0 - Sustainable Development Blueprint" and international sustainable development trends. The evaluation indicators have been revised year by year, the structure and operation of the board of directors have been strengthened, and the transparency of information has been improved. The effect has been evident. In recent years, the focus of corporate governance has been on promoting sustainable development and fulfilling corporate social responsibility, with nearly 50% of the focus being on (2020 → 2024, 21% → 35%), and it will increase to 49% in 2025. In 2024, the company will cooperate with the competent authorities to promote key points and formulate greenhouse gas reduction management policies, etc. Nearly 92% of companies have met the sustainability assessment standards, which is fully in line with the stock exchange’s corporate governance promotion schedule.● The improvement in corporate governance evaluation is as follows:<ul style="list-style-type: none">● Protect shareholders' rights and interests and treat shareholders equally Indicator 1.2 : Establish [operational standards for financial transactions between related parties]. Indicator 1.3 : The convener of the audit committee is invited to attend regular shareholders meetings.● Strengthen the structure and operation of the board of directors Indicator 2.17 : The board of directors refers to AQIs to assess the independence and competence of certified accountants. Indicator 2.25 : All directors have completed the required hours of training in accordance with the regulations. (Additional points to total score) Indicator 2.27 : Disclose the intellectual property management plan that is linked to operational objectives.● Promote sustainable development Indicator 4.4 : Prepare a sustainability report in accordance with GRI standards and upload it for disclosure before the end of August. (Additional points to the total score) Indicator 4.24 : The sustainability report was submitted to the 8/9 board of directors for approval. Indicator 4.25 : Disclose annual greenhouse gas emissions for the past two years and obtain external verification. (Additional points to total score) Indicator 4.26 : Formulate greenhouse gas reduction management policies (including reduction targets, promotion and achievement)				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) 2025 In line with the addition (revision) of corporate governance evaluation indicators, priority is given to strengthening the ability to meet the standards, as follows:				
Indicators strengthened last year			3.20: Hold legal briefings twice a year to fully disclose video links and improve information transparency. 4.14: Report to the Board of Directors annually on communications with all stakeholders.	
Promote governance upgrades with new indicators			4.27: Disclose the three categories of greenhouse gas emissions and annual emissions in the past year. 4.28: Develop an energy management plan and disclose the implementation status on the company website, annual report, and ESG report. 4.30: Develop employee training plans to enhance employees’ career capabilities, and disclose implementation and improvement status. 4.32: Formulate personal information protection policies and disclose their implementation.	

2.3.3.1 Implementation status of policy on diversity of board members :

Diversity Core Items Name of director	Basic Composition						Experience				Professional Competence				
	Nationality	Gender	Conat the present as Employee of the Company	Age			Seniority of Independ ent Director	Business managem ent	Financial and accountin g	Expe rienc e in the indus try	Knowled ge of the industry	Leadership, decision making, managemen t, judgment and crisis handling abilities	Contrib ution to public welfa re	Expertise in the operating business	Expertise in finance, legal
				70 years old and above	60 ~ 69 years old	Unde r 60 years old									
YEH, SOU-TSUN (Note1)	R.O.C	Male	✓	✓				✓	✓	✓	✓	✓	✓	✓	✓
SU, PAI-HUANG (Note2)	R.O.C	Male	✓		✓			✓		✓	✓	✓	✓	✓	✓
SU,CING-YU AN Representativ e of YI SHENG INVESTMEN T CO., Ltd.	R.O.C	None	None	None	None	None		None	None	None	None	None	None	None	None
	R.O.C	Male			✓			✓		✓	✓	✓	✓	✓	✓
SU, EN-PING Representativ e of LAURE INTELLECT CORP.	R.O.C	None	None	None	None	None		None	None	None	None	None	None	None	None
	R.O.C	Female				✓		✓		✓	✓	✓			
YEH, TSUNG-HAO	R.O.C	Male	✓			✓		✓	✓	✓	✓	✓		✓	✓
LIANG, LONG-SHIA NG(Note3)	R.O.C	Male	✓	✓				✓		✓	✓	✓		✓	
HUNG, JUI-TING	R.O.C	Male				✓		✓	✓	✓	✓	✓	✓	✓	
OU, YU-LUN	R.O.C	Male				✓	8 years and 8 months	✓			✓	✓	✓	✓	✓
LIN, KO-WU	R.O.C	Male		✓			5 years and 8 months	✓	✓	✓	✓	✓		✓	✓
SUNG, HE-YEH	R.O.C	Male				✓	2 years and 8 months	✓	✓	✓	✓	✓		✓	✓

Note1: Director YEH, SOU-TSUN passed away on April 21, 2025.

Note2: Director SU, PAI-HUANG was appointed as the new Chairman on April 23, 2025.

Note3: Director LIANG, LONG-SHIANG resigned on June 11, 2024.

2.3.3.2 Independence and Competency of CPA Assessment Item :

(1) Evaluation content (refer to Article 47 of the CPA Act and the Bulletin of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10)

Item	Independence and Suitability Assessment Criteria	Yes	No
1	CPA and their spouse or relatives up to the second degree are not related parties to the company or its affiliated enterprises.	✓	
2	They do not have any direct or indirect financial interests in the company.	✓	
3	There are no close business relationships or potential employment relationships with the company.	✓	
4	CPA and their audit team members have not held positions as directors, executives, or roles significantly affecting audit work within the company currently or in the past two years.	✓	
5	They have not provided non-audit services to the company that could directly impact audit work.	✓	
6	They have not received contingent fees related to audit cases.	✓	
7	They have not continuously provided audit services to listed or OTC companies.	✓	
8	There are no circumstances falling under Article 30 of the Company Act.	✓	
9	Other relevant information includes issuing an CPA's independence statement on February 14, 2025, and the most recent Audit Quality Index (AQI) for the year 2023.	✓	

(2) Evaluation Result

The company's assessment of the independence of the certified accountant audit in 2025 was submitted to the board of directors for approval on March 7,

2025 :

- ① The company appointed Crowe (TW) CPAs Firm to audit the 2025 annual financial reports and income tax declaration. The audit accountants are CHEN, KUI-MEI、LIN, CHIH-LUNG.
- ② Pursuant to Article 29 of the "Code of Practice on Governance of Listed Companies", after the accounting department's assessment on February 14, 2025 (as above), the CPAs appointed by the company in 2025 meet the above independent assessment items. And the evaluation criteria of independence can continue to be suitable for the appointment of the company's financial (tax) audit assurance related business.

2.3.3.3 For details of Corporate Governance Directors' further training related to corporate governance in 2024 and 2025 ended on the date of publication of the annual report :

Title	Name	Total hours	Date of study	Organizer	Course title	Training hours
Corporate Governance Officer	YEN, CHUNG-TZU	12	July 10, 2024	Securities and Futures Institute	How does the board of directors ensure the sustainable operation of the enterprise - starting from the discovery and cultivation of talents	3
			July 19, 2024	Securities and Futures Institute	Introduction to disputes over company management rights and commercial incident trial law	3
			August 1, 2024	Securities and Futures Institute	Economic Situation and Market Opportunities of New Southbound Countries	3
			September 6, 2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3

2.3.3.4 For details of directors' further training related to corporate governance in 2024 and 2025 ended on the date of publication of the annual report

Title	Name	Total hours	Date of study	Organizer	Course title	Training hours
Chairman	YEH, SOU-TSUN	6	July 3, 2024	Taiwan Academy of Banking and Finance	The era of carbon pricing and corporate ESG actions	3
			September 6, 2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3
			November 27, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Forum: From Digital Transformation to AI Empowerment	3
Director	SU, PAI-HUANG	12	May 8, 2024	Securities and Futures Institute	Analysis and case studies on unconventional transactions of directors and supervisors	3
			August 7, 2024	Securities and Futures Institute	Global net-zero carbon emissions trend and how companies can respond	3
			August 8, 2024	Accounting Research and Development Foundation of the Republic of China	Analysis of legal responsibilities and practical cases related to "Integrity Management, Securities Fraud, and Money Laundering Prevention"	3
			November 7, 2024	Accounting Research and Development Foundation of the Republic of China	Senior managers' compensation and ESG performance system design	3
Director	SU, CING-YUAN Representative of the director of the corporation of YI SHENG INVESTMENT CO., Ltd.	6	May 8, 2024	Securities and Futures Institute	Analysis and case studies on unconventional transactions of directors and supervisors	3
			August 7, 2024	Securities and Futures Institute	Global net-zero carbon emissions trend and how companies can respond	3
Director	SU, EN-PING Representative of the director of the corporation of LAURE INTELLECT CORP.	6	May 10, 2024	Taiwan Corporate Governance Association	Nomination and Compensation Committees in the U.S. Law: Case Analysis	3
			May 17, 2024	Taiwan Corporate Governance Association	Board of Directors Information Security Governance Oversight Strategy	3
Director	YEH, TSUNG-HAO	6	January 12, 2024	Taiwan Corporate Governance Association	Corporate Carbon Management following the Promulgation of the Climate Change Act	3
			February 22, 2024	Taiwan Corporate Governance Association	Tax management of intellectual property rights from the perspective of corporate governance	3

Title	Name	Total hours	Date of study	Organizer	Course title	Training hours
Director	HONG,RE-TING	6	August 8, 2024	Accounting Research and Development Foundation of the Republic of China	Analysis of legal responsibilities and practical cases related to "Integrity Management, Securities Fraud, and Money Laundering Prevention"	3
			December 20, 2024	Taiwan Corporate Governance Association	What directors and supervisors need to know to protect themselves: Understand how criminals use unconventional transactions and related party transactions	3
Independent Director	OU,YU-LEN	6	September 6, 2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3
			October 22, 2024	Taiwan Corporate Governance Association	Taiwan Renewable Energy Certification Mechanism & Renewable Energy Trading	3
Independent Director	LIN, KO-WU	12	May 9, 2024	Securities and Futures Institute	Mainland China Economic and Financial Trends	3
			September 11, 2024	Securities and Futures Institute	Sustainable development strategies and plans for listed companies	3
			October 1, 2024	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3
			December 17, 2024	Taiwan Corporate Governance Association	Senior managers' compensation and ESG performance system design	3
Independent Director	SUNG, HERR-YEH,	6	July 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance And Climate Change Summit	3

2.3.3.5 For details of managers' further training related to corporate governance in 2024 and 2025 ended on the date of publication of the annual report :

Title	Name	Total hours	Date of study	Organizer	Course title	Training hours
Vice President of General Management Division	KUO,SHIH-CHENG	12	March 21,2024	Accounting Research and Development Foundation of the Republic of China	Legal liability for employee fraud and internal control and audit practices	6
			November 16, 2024	Accounting Research and Development Foundation of the Republic of China	Corporate fraud investigation practice and case analysis	6
Vice President of Financial Department	YEN,CHUN-G-TZU	12	July 10, 2024	Securities and Futures Institute	How does the board of directors ensure the sustainable operation of the enterprise - starting from the discovery and cultivation of talents	3
			July 19, 2024	Securities and Futures Institute	Introduction to disputes over company management rights and commercial incident trial law	3
			August 1, 2024	Securities and Futures Institute	Economic Situation and Market Opportunities of New Southbound Countries	3
			September 6,2024	Securities and Futures Institute	2024 Annual Insider Trading Prevention Promotion Conference	3
Manager of the Accounting Department	CHENG,CHIU-YUEH	12	December 16, 2024-December 17, 2024	Accounting Research and Development Foundation of the Republic of China	Continuing Education for Accounting Supervisors	12

2.3.4 Composition, Responsibilities and Operations of the Remuneration Committee

2.3.4.1 The company established the Compensation Committee on December 23, 2011 and appointed three committee members.

2.3.4.2 Effective date of the 5th-term Compensation Committee : June 10, 2022 to June 7, 2025.

A. Information of Remuneration Committee members :

April 23, 2025

<div>Criteria</div> <div>Title (Note1)</div> <div>Name</div>		Professional qualifications (Note 1) and experience	Independence situation	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Independent director	OU, YU-LUN (Convener)	<ul style="list-style-type: none"> ● Practicing Lawyer at Li Yang Law Firm (Current) ● Arbiter at the Chinese Arbitration Association, Taipei ● Judge at the Shilin District Court ● Court Summary Judge at the Taipei District Court ● Supervisor of CAR QUALITY AUTOMOTIVE CO., LTD. (Current) ● Independent Director, member of Remuneration Committee, member of Audit Committee of Lealea Enterprise Co., Ltd. (Current) ● Independent Director, member of Remuneration Committee, member of Audit Committee of CARBON-BASED TECHNOLOGY INC. (Current) 	(Note 1)	2
Independent director	LIN, KO-WU	<ul style="list-style-type: none"> ● Former Partner and Director of FIRST UNITED CPA OFFICE.(Has ended his accounting practice June 30,2024) ● Independent Director, member of Remuneration Committee, member of Audit Committee of The Landis Taipei Hotel Co., Ltd. (Current) ● Independent Director, member of Remuneration Committee, member of Audit Committee of Tah Hsin Industrial Corporation. (Current) 	(Note 1)	2

Criteria Title (Note1) Name		Professional qualifications (Note 1) and experience	Independence situation	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
Independent director	SUNG, HERR-YEH	<ul style="list-style-type: none"> ● Chairman of Allis Electric Co., Ltd. (Current) ● Empower Technology Corporation. : Representative of the director of the corporation of ABICO NetCom Co., Ltd. (Current) ● ALLIS COMMUNICATIONS COMPANY, LTD. : Representative of the director of the corporation of HUI TE Industrial Limited Company. (Current) ● NISSIN ALLIS UNION ION EQUIPMENT CO., LTD. : Representative of the director of the corporation of Allis Electric Co., Ltd. (Current) ● NISSIN-ALLIS ELECTRIC CO., LTD. : Representative of the director of the corporation of Allis Electric Co., Ltd. (Current) 	(Note 1)	0

Note 1: Each member of the Remuneration Committee is an independent director of the company. For their relevant working experience, professional qualifications and independence, please refer to "Information Disclosure on Directors' Professional Qualifications and Independent Directors' Independence" on pages 17~26 (please refer to 2.1.1.2) and "Information Disclosure on Independent Directors' Independence" on page 55 (please refer to 2.3.3.1) "Implementation of Board Member Diversity Policy" related content.

B. Information of Operation Status of Remuneration Committee.

B1. There are 3 members on the Compensation Committee of the company.

B2. The term of office of the 5th-term committee : June 10, 2022 to June 7, 2025

B3. From the 2024 year to February 26 of the 2025 year, a total of 3 meetings were held (A). The qualifications and attendance of the members are as follows :

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B / A)	Remarks
Convener	OU, YU-LUN	3	0	100%	None
Committee Member	LIN, KO-WU	3	0	100%	None
Committee Member	SUNG,HERR- YEH	3	0	100%	None

B3. Other matters to be recorded

B3.1 If the board meeting does not adopt or amend the recommendations of the Compensation Committee : None.

B3.2 If the members have objections to or reservations on the resolutions of the Compensation Committee, with records or written statements in place : None.

B3.3 The company's Compensation Committee shall meet at least twice a year and may hold meetings at any time as needed. Its member function is to make recommendations on the salary distribution of company directors and managers from a professional and objective viewpoint, with the salary system, structure and operating performance in compliance with relevant laws and regulations; such recommendations, which shall be submitted to the board meeting for discussion, is very helpful to improve the company's corporate governance.

B3.4 The responsibilities of the company's Compensation Committee, the principle of performing its responsibilities, and the current compensation structure are as follows :

B3.4.1 Responsibilities

- (1) Review this regulation regularly and propose amendments.
- (2) Formulate and regularly review the company's directors and managers' annual and long-term performance targets and compensation policies, systems, standards and structures.
- (3) Regularly evaluate the compensation of the company's directors and managers.

B3.4.2 When the company's Compensation Committee performs the responsibilities above, the following principles shall be followed :

- (1) Ensure that the company's compensation arrangements comply with relevant laws and regulations and can attract outstanding talents.

- (2) For the performance evaluation and compensation of directors and managers, the normal compensation level of the industry should be referred to, while taking into consideration the time devoted, the responsibilities of the individual, the achievement of personal target, the performance in other positions, the compensation of position holders on the same level in the company in recent years, as well as the achievement of the company's short-term and long-term business goals, the company's financial status, etc. to evaluate the rationality of the relationships between personal performance and the company's operating performance and future risks.
- (3) Directors and managers should not be guided to engage in behavior beyond the company's risk appetite for the pursuit of compensation.
- (4) The ratio of short-term performance growth dividends for directors and senior managers and the payment time of some variable salary compensation should be determined by considering the characteristics of the industry and the nature of the company's business.
- (5) The members of this committee shall not participate in the discussion and voting on their personal compensation decisions.

B3.4.3 Current compensation structure

- (1) The compensation of the directors and supervisors of the company includes travel fee, attendance fee, remuneration for directors and supervisors, and compensation for their part-time employee work.
- (2) The current compensation of the company's managers includes fixed monthly salary, year-end bonus, employee remuneration and supervisor bonus.

B4. From the 2024 year to February 26 of the 2025 year, the company's handling of the opinions of the salary and remuneration committee was submitted to the board of directors for discussion. The key points and resolutions of each meeting are as follows :

Compensation Committee				Report to the board meeting		
Proposal content	Meeting data	Period	Resolution result	Meeting data	Period	Resolution result
● Review of the company's 2023 employee remuneration and director remuneration.	March 1, 2024	4th session of the 5th term	All members attended and agreed.	March 8, 2024	10th session of the 19th term	Passed without objection.
● Review of the 2024 year-end bonus and supervisor bonus for the company's managerial officers and directors who concurrently serve as employees. ● Review the 2025 director compensation. ● Review the 2025 managerial officers compensation.	December 18, 2024	5th session of the 5th term	All members attended and agreed.	January 10, 2025	14th session of the 19th term	Passed without objection.
● Review of the company's 2024 employee remuneration for manger officers and director remuneration.	February 26, 2025	6th session of the 5th term	All members attended and agreed.	March 7, 2025	15th session of the 19th term	Passed without objection.

C. Nomination Committee member information and operation information :

The corporation has not established a nomination committee.

2.3.5 Promoting Sustainable Development Implementation from the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies"

2.3.5.1 Promote the implementation of sustainable development

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish established a governance structure to promote sustainable development, and set up a dedicated (or concurrently) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	✓		<p>(1) The Company established the "Sustainable Development Governance Organization" in 2021. The Chairman leads a number of senior executives from different fields to jointly formulate sustainable development plans. For details of its composition, please refer to the "Sustainability Report".</p> <p>(2) To enhance corporate governance and promote sustainable development, our company has designated the President's Office as a part-time unit responsible for promoting sustainable development. This office's duties include establishing and maintaining the sustainable development system, assisting in the formulation or revision of sustainable development policies, and proposing and implementing relevant management policies and specific plans. Additionally, it reports annually to the board of directors on the implementation of sustainable development, various indicators, and future work plans.</p> <p>(3) The board of directors regularly receives reports from the Sustainable Development Governance Organization each year. They review and provide recommendations for adjustments to management policies concerning significant topics, including policies,</p>	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			objectives, and action plans. (4) On August 9 ,2024, a report was presented to the board of directors regarding the sustainable development performance for the fiscal year 2023 and the efforts planned for the year 2024.	
2. Does the Company, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations, and formulate relevant risk management policies or strategies".	✓		(1) This disclosure and risk assessment boundary covers the sustainable development performance of our Taipei office and Taoyuan plants. (2) The Company has formulated an "Operational Risk Management Procedure" to conduct risk assessments on environmental, social and corporate governance issues related to operations and formulate relevant risk management strategies based on the principle of materiality. Its major risk assessment items are: stricter environmental regulations, net zero carbon emissions, employee safety awareness, employee health management, regulatory compliance, sustainable development, and integrity management. (For details on risk management policies or strategies, please refer to the Appendix to “Risk Management Policy” on page 94~98 in the attachment for details) (3) Report to the Board of Directors on the performance of sustainable development risk management execution in 2024 on May 9, 2025.	None
3. Environmental issues (1) Does the company establish an	✓		(1) ①Our company has introduced the ISO 14001 environmental management	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
appropriate environmental management system according to its industrial characteristics?			<p>system since 2013 and established management methods and procedures. All factories conduct internal audits regularly every year to confirm their effectiveness. Guanyin Factory 2, 3, and 4 passed the third-party impartial unit certification in 2014 and are regularly verified every year. Certificate validity period: 2023.10.1-2026.9.30</p> <p>② Our company has introduced ISO 14064-1 (GHG) emissions inventory since 2012, Each year, verification is conducted by a third-party impartial entity.</p> <p>③The company completed the ISO 14067 product carbon footprint inventory in 2022 and was verified by a third party (BSI-British Standards Institution). The verification scope includes general nylon pellets, environmentally friendly miscellaneous nylon pellets, and environmentally friendly fishing net nylon pellets.</p>	
(2)Does the company committed to improving energy utilization efficiency and using recycled materials with low impact on the environment?	✓		<p>(2) ① Energy efficiency In order to improve energy efficiency, the company has eliminated old high-energy-consuming equipment and replaced it with high-efficiency and low-energy-consuming equipment such as false twisting</p>	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>machines, air compressors, and chilled water main machines. It continues to formulate energy-saving plans with the goal of reducing electricity consumption by at least 1% each year, saving approximately 2.78 million kWh of electricity in 2024. To date, the company has built 3,368.38kW of solar energy, and will generate 3.78 million kWh of solar power in 2024. It is planned to convert part of the solar energy into self-generation and self-use starting in 2025, and will continue to plan available space in the future to increase the capacity of solar energy installations.</p> <p>② Environment friendly renewable products</p> <p>In order to implement the environmental policy of resource recycling and reuse, our company produces high-quality recycled products that meet international environment standards for 7 products, including Nylon chip, Nylon filament, Draw Textured yarn, and Air-textured yarn, Bottle recycled PET chips, Polyester yarn, PA Compound and continue to accept verification by third-party verification units to do our part for environmental protection.</p> <p>Since 2019, the company has expanded its nylon Recycle products in response to the</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>development trend of environmentally friendly products. (through the recycling of spinning mills’ own waste yarn and the acquisition of discarded fishing nets through the regeneration process and the integrated spinning process) to improve the reuse efficiency of various resources.</p> <p>In 2021, the company purchased additional recycling granulation equipment, acquired waste bottle flakes as recycled raw materials to produce bottle recycled PET chips. In 2023, the scope of GRS verification will be added, using waste silk to replace some industrial plastic grade raw materials, and the produced Recycle compound materials can be applied to products such as people's livelihood and sports.</p> <p>In 2024, in response to the global circular economy and carbon reduction trends, the ISCC international sustainability and carbon certification was introduced. In January 2025, the second polymerization plant and the second false twisting plant obtained certificates, giving the company more long-term development advantages.</p> <p>③ Green products and services Our company establishes the annual</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company assess the potential risks and opportunities of climate change to the company now and in the future, and take measures to respond to climate-related issues?	✓		<p>recycling plan target in accordance with the environmental policy every year. For the packaging materials used for domestic products, it selects those that can be recycled and reused and account for the bulk (FIBC Bags, Holds Cardboard and Paper Bobbin) for recycling management, and counts the number of recycled packaging materials, the recycling rate and the achievement rate on a monthly basis, and reports the effectiveness of the implementation to the senior management in the quarterly business meeting.</p> <p>(3) Our Company assesses the risks and opportunities of climate change in accordance with the framework of the TCFD proposal published by the Financial Stability Board, and reviews and updates it annually.</p> <p>In 2024, four significant risks were identified based on the Climate Risk Matrix:</p> <ul style="list-style-type: none"> ① Increasing carbon pricing ② Tightening regulations ③ Transition to low-carbon technologies ④ Changes in rainfall patterns <p>Mitigation strategies and measures for these four significant risks are detailed in the "Execution Status of Climate-Related Information."</p>	None
(4) Does the company take inventory of its	✓		<p>(4)</p> <ul style="list-style-type: none"> ① Greenhouse gas 	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			<p>Our company introduced the ISO 14064-1 greenhouse gas management system in 2012 to carry out greenhouse gas inventory and formulate the company's energy conservation and carbon reduction and greenhouse gas reduction strategies. Complete the greenhouse gas inventory for the consolidated financial statements in 2023.</p> <p>For details of the greenhouse gas inventory results, confirmed status and reduction policies of the consolidated company in the past two years, please refer to "Appendix 2-2-3 - Climate-related Information of Listed and OTC Companies" on page 95~99 of this annual report.</p> <p>② Water consumption</p> <p>The company continuously collects statistics on water usage of each unit, reviews whether there is unreasonable water usage every month, and makes improvements. There are two wastewater treatment plants in the factory area. The treated water is regularly tested for discharge quality and has a qualified water pollution prevention and control plan and license.</p> <p>The goal is to reduce water consumption by 6.9% by 2024, based on the average water consumption in the previous five years and with a 2% annual decrease.</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons												
	Yes	No	Abstract Explanation													
			<p>The main measures include the reuse of waste liquid distilled water, conversion of pure water system to RO/EDI/MD, and recovery of air compressor condensate water.</p> <p>The data covers all factories in Taoyuan. The data are internal statistics of the company and have not been verified by a third party.</p> <p>The water consumption in the past two years is as follows:</p> <div><div>Unit:MT</div><table><tr><td>Year</td><td>benchmark</td><td>2023</td><td>2024</td></tr><tr><td>Total</td><td>631,852</td><td>512,364</td><td>588,123</td></tr><tr><td colspan="2">Density</td><td>3.35</td><td>3.29</td></tr></table></div> <p>③ Waste</p> <p>Our company attaches great importance to waste management. All waste produced is non-hazardous waste and is entrusted to qualified manufacturers for removal.</p> <p>The reduction target was to reduce the average amount of combustible and non-combustible garbage produced in the previous two years by 10%. In 2014, the amount of combustible and non-combustible garbage decreased by 16.5%.</p> <p>The data covers all factories in Taoyuan. The data are internal statistics of the company and have not been verified by a third party.</p>	Year	benchmark	2023	2024	Total	631,852	512,364	588,123	Density		3.35	3.29	
Year	benchmark	2023	2024													
Total	631,852	512,364	588,123													
Density		3.35	3.29													

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons												
	Yes	No	Abstract Explanation													
			<p>The waste removal volume in the past two years is as follows:</p> <table><tr><td colspan="3">Unit : MT</td></tr><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Total</td><td>1,228.08</td><td>1,666.29</td></tr><tr><td>Density</td><td>0.0080</td><td>0.0093</td></tr></table>	Unit : MT			Year	2023	2024	Total	1,228.08	1,666.29	Density	0.0080	0.0093	
Unit : MT																
Year	2023	2024														
Total	1,228.08	1,666.29														
Density	0.0080	0.0093														
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		<p>(1) In order to protect the basic human rights of our employees and approve and support the “United Nations Universal Declaration of Human Rights”, the “United Nations Global Compact” and other international human rights conventions, and eliminate any violations and infringements of human rights so that our employees can be treated fairly and with dignity, the Company has established this Policy.</p> <p>(2) Human Rights Policy and Management Program</p> <p>① Compliance with laws and regulations; Compliance with local labor and environmental laws and regulations in the place where we operate.</p> <p>② Eliminating unlawful discrimination and ensuring equal work opportunities : The Company does not discriminate or treat our employees unfairly on the basis of race, class, nationality, region, age, disability, gender, marital status, sexual orientation, association,</p>	<p>None</p> <p>None</p>												

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>political beliefs, or other personal characteristics.</p> <p>③ Prohibition of forced labor : Employees will not be forced to perform involuntary labor, and there will be complaint channels.</p> <p>④ Prohibition of child labor : Complying with local law on minimum age and not employing child labor.</p> <p>⑤ Providing a healthy and safe working environment : Through various preventive measures and protective equipment, and regular education and training on safety, health, and fire prevention, we take the necessary preventive measures to prevent occupational hazards and further reduce the risk factors in the work environment.</p> <p>⑥ Freedom of association and diversified communication mechanism : We respect the right of employees to form and join various clubs and organizations. In terms of labor-management communication, in addition to regular labor-management meetings, we provide a diversified communication mechanism and platform to ensure a harmonious and win-win labor-management relationship.</p> <p>⑦ Protection of personal data and information security : We have established comprehensive personal data protection measures to ensure</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>the personal privacy of all customers, employees and stakeholders.</p> <p>(3)Specific program</p> <p>① Providing instruction on compliance with relevant laws and regulations during pre-employment training for new employees, requiring compliance with human rights laws and regulations.</p> <p>② Providing employees with occupational safety training : Labor safety and hygiene, fire protection, environmental protection, emergency response, etc.</p> <p>③ Establishing "Sexual harassment preventive measures, complaints and disciplinary measures" to protect employee rights and interests at work and provide a working environment free from sexual harassment, and take appropriate preventive, corrective and punitive measures against sexual harassment.</p> <p>④ We require our suppliers to sign the "Supplier Commitment Letter", promising to cooperate with ZIG SHENG INDUSTRIAL CO., LTD. to contribute to social welfare, environmental protection, to fulfill the responsibility required by policy and law, and to jointly pursue sustainable corporate development based on the principle of mutual benefit and cooperation.</p>	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		<p>(2) Please refer to the description of the employee benefit system in "Labor-Management Relations" on page 162 (please refer to 4.5).</p> <p>① Employee welfare measures</p> <p>(A) Three-festival and birthday gift money, marriage allowance, funeral allowance, travel vouchers and dinner subsidy, children's scholarships and grants.</p> <p>(B) Labor and health insurance and group accident insurance.</p> <p>(C) Free health check every year.</p> <p>(D) Uniforms for plant personnel every year.</p> <p>(E) The plant has a restaurant and suite-style dormitories with central air conditioning.</p> <p>(F) The plant has an activity center and provides a number of leisure and entertainment facilities.</p> <p>② Employee leave</p> <p>In compliance with the provisions of the Labor Standards Law and the company's regulations QP-H-03 Practitioners’ Work Rules. Employees are entitled to various vacations as required by law.</p> <p>③ Business performance is reflected in employee compensation</p> <p>(A) Employee compensation</p> <p>a. Employee salaries are determined and paid</p>	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>according to the Salary Payment Method.</p> <p>b. Employee remuneration is handled in accordance with the Year-end Bonus and Employee Compensation Payment Method, disbursed according to the profit status of the current year.</p> <p>c. According to the company's articles of association, if there is a profit in the company's annual final accounts, after retaining the amount to make up the accumulated loss, 2% shall be allocated as employee compensation, which shall be distributed after the resolution of the board of directors.</p> <p>(B) Overall Compensation Policy In terms of salary payment, it is based on long-term stable development, product quality and efficiency, competitiveness in the industry and the company's ability to pay and consider the degree of price increase and plan the salary adjustment range.</p> <p>(C) Implementation situation a. Remuneration for management and professionals is assessed and evaluated by the</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		<p>management based on the unit contribution and personal work performances distribute project incentives.</p> <p>b. Promotion or salary adjustment based on individual performance to motivate employees.</p> <p>(3) Please refer to the description of various employee rights protection measures in "Labor-Management Relations" on page 162 (please refer to 4.5).</p> <p>① Employee safety and hygiene maintenance measures :</p> <p>(A) Prevention of unlawful harm in the workplace</p> <p>To prevent workers from suffering physical or mental unlawful infringements due to the actions of others while performing their duties, The Company implemented workplace unlawful infringement prevention measures as part of its 2024 Occupational Safety and Health On-the-Job Training. The company conducted assessments on employee job suitability, work design, workplace environment, physical conditions, and administrative management.</p> <p>In 2024, two cases of unlawful infringements occurred. In accordance with the Ministry of Labor’s "Guidelines for Preventing Unlawful</p>	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>Infringements While Performing Duties," investigations were conducted, job adjustments were made, and training sessions were provided. A total of 10 sessions were held, with 302 employees completing the training, enhancing their awareness and understanding of workplace unlawful infringement prevention. Through these efforts, the company actively fosters a friendly and safe working environment.</p> <p>(B) Personnel Hazard Awareness Training</p> <p>To enhance the company’s safety culture and improve employees’ awareness and capabilities in occupational safety and health, the company provides comprehensive training programs. These include mandatory occupational safety and health training for new employees, contractor safety induction training, on-the-job employee training, fire drills, specialized operations training, and health-related awareness programs. The company prioritizes employees' professional safety competencies by organizing specialized training for forklift operators, fixed cranes, aerial work</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>platforms, hazardous equipment, and harmful work environments. Training is conducted through certified institutions or in collaboration with the Guanyin Service Center, enabling employees to obtain relevant professional certifications.</p> <p>a. In April 2024, one training session was conducted for Filipino employees operating forklifts over one ton, with eight participants undergoing training and skill certification. Among them, four Filipino employees successfully obtained the forklift technician license.</p> <p>b. The company invited instructors from the Taoyuan City Government Transportation Bureau and Luzhu Police Precinct to conduct nine road safety awareness sessions, with a total of 377 employees.</p> <p>(C) Health Promotion Activities</p> <p>a. To enhance employees’ understanding of the prevention and management of chronic diseases such as the “Three Highs” (high blood sugar, high cholesterol, and high blood pressure), raise awareness of their own health conditions, and improve emergency response capabilities, the company</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>annually invites professional instructors to conduct on-site training sessions. This year, the following courses were conducted:</p> <ul style="list-style-type: none"> ● High Cholesterol Awareness Course: 4 sessions, 87 employees. ● Occupational Activity Course: 5 sessions, 252 employees. ● CPR Training Course: 1 session, 41 employees. ● Dental Care Course: 1 session, 30 employees. ● Medication Safety Course: 1 session, 34 employees. <p>b. Walking Challenge In collaboration with Derlin Company's Walking Challenge initiative, our company participated in a two-month ESG Walking Challenge involving 7 companies and 40 teams. Our company had 70 employees participate across 7 teams. Through continuous effort and perseverance over the two-month period, our team achieved impressive results:</p> <ul style="list-style-type: none"> ● Total Steps: 64,350,620 steps (an average of 14,827 steps per person per day) ● Total Distance: 38,641 kilometers (equivalent to 0.97 laps around the Earth) ● Total Carbon Emission Reduction: 9,173 kilograms <p>Our company was honored</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>with 1st and 2nd place in the team category, as well as 1st and 3rd place in the individual category in the Derlin awards.</p> <p>c. Automated External Defibrillator (AED) Installation: Exceeding government regulations requiring AED placement in designated public areas, our company has proactively installed a total of 10 AED units since 2011 across various sites, including factory areas, Guishan and Guanyin dormitories, and Yongji Hall. Additionally, AED managers have been assigned to ensure regular maintenance and keep the devices in operational condition.</p> <p>d. Health Checkups The company prioritizes employees' health by exceeding legal requirements, offering annual general health checkups for all employees. Additional screenings for cerebrovascular diseases and cancer are also provided. In 2024, a total of 1,135 employees underwent medical examinations. Based on health checkup results, analyses and evaluations are conducted, followed by ongoing health monitoring and physician consultations as needed. Workplace adjustments are</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>arranged where necessary to help employees better understand and manage their health.</p> <p>(D) Occupational Disease Prevention In 2024, 639 employees from all plant sites underwent health examinations for high-risk occupational exposures, including noise, Ionizing radiation, Dust, Chromic acid, Mmercury, and Tetrachloroethane.</p> <p>(E) Health Awareness Campaign In collaboration with the Health Bureau’s chronic disease prevention initiatives, occupational health professionals regularly prepare educational materials on metabolic syndrome and dementia awareness. These materials are posted on bulletin boards and presented during morning meetings, shift handovers, and various training sessions.</p> <p>(F) Infectious Disease Prevention a. Tuberculosis: In 2024, our company received notifications from health authorities regarding tuberculosis cases and promptly cooperated with medication administration, treatment, and management. Furthermore, after culturing</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>bacterial strains from two cases, the Centers for Disease Control (CDC) confirmed that both belonged to the same strain. As a result, expert committees and relevant health authorities conducted on-site environmental inspections and held discussions regarding this cluster event. During the inspections, experts provided recommendations for improving ventilation in both the workplace and residential areas. To safeguard employees' health, the company has installed ventilated and windproof equipment in dormitories and implemented measures such as maintaining dining distances or installing partitions in dining areas to reduce the occurrence of respiratory infectious diseases.</p> <p>b. Dengue Fever: In collaboration with the Taoyuan City Government's Department of Labor and Department of Health, our company participated in joint inspections and awareness campaigns regarding dengue fever. We have produced dengue prevention materials and instructed all units to regularly clean their respective areas to prevent mosquito breeding in factory</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>premises or dormitories due to stagnant water, thereby reducing the spread of mosquito-borne diseases.</p> <p>(G) Lung Cancer Screening: Lung cancer ranks as the leading cause of cancer-related deaths in the country. Early screening can improve the cure rate and reduce mortality. In line with the Taoyuan City Government’s Economic Development Bureau’s lung cancer screening program, our company collaborated with the Guanyin District Health Center in 2024 to assist eligible employees with registration and verification processes. A total of 20 employees participated in the screening.</p> <p>② Emergency Response Training To prevent casualties in the event of a disaster, each plant site conducts regular fire and hazardous material emergency drills every six months. These drills help employees understand fire hazards, evacuation techniques, and emergency response measures to ensure they can protect themselves during emergencies.</p> <p>③ In 2024, there were 6 cases of occupational accidents involving 6 people, accounting for 0.56% of the total number of employees. Safety education will be strengthened to reduce the occurrence of</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company provide its employees with career development and training sessions?	✓		<p>occupational accidents.</p> <p>④ In 2024, there was a total of 2 fire incidents, with zero casualties or injuries among employees, and the ratio of casualties or injuries to the total number of employees was 0. Education and training were provided to relevant personnel during the year, and operational procedures were set up in the workplace. In order to prevent casualties when disasters occur, fire and public hazardous materials disaster prevention drills are conducted regularly in each factory area every six months to ensure that workers understand how to survive and emergency response measures when disasters occur to protect their own safety.</p> <p>(4) In order to comply with the company's long-term development and improve the quality of employees, the company has formulated the "Training Management Measures" and built it into the ERP system, and planned the following talent training courses for pre-employment and on-the-job training :</p> <p>① Pre-employment training: All education and training provided to employees who have just registered and are in the probation period.</p> <p>(A) Joint training: New employees are trained on company profile, safety and health,</p>	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>common regulations and management concepts.</p> <p>(B) Training New and newly transferred personnel are mainly trained in internship upon arrival; they are given training in the short term to develop the professional knowledge and work skills required for the position so that they can perform their job functions as quickly as possible.</p> <p>② On-the-job training: All education and training provided to employees who have completed their probation period and are formally hired.</p> <p>(A) Professional training Provide training to employees in accordance with their job levels and positions on the professional knowledge and skills they need for their jobs.</p> <p>(B) Management training For managers at or above level 3, training is provided on the concepts, knowledge and skills required for management.</p> <p>(C) Work safety training Provide training on safety and health-related hazard awareness and emergency response drills.</p> <p>(D) Environmental protection training Provide training on environmental protection-related operations and emergency response drills.</p> <p>The company's actual number of employees participating in on-the-job</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons																																			
	Yes	No	Abstract Explanation																																				
(5)With regard to issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company follow relevant laws and regulations and international standards, and has it formulated relevant consumer and customer protection policies and complaint procedures?	✓		training in 2024 totaled 10,647 person-times (including internal and external training courses). The implementation status is as follows :	None																																			
			<table><tr><td>Training nature</td><td>Training course</td><td>Total attendees</td><td>Total hours</td></tr><tr><td rowspan="3">On-the-job training</td><td>Professional training course</td><td>2,341</td><td>5,513</td></tr><tr><td>Management training course</td><td>29</td><td>52</td></tr><tr><td>Work safety training course</td><td>7,563</td><td>19,829</td></tr><tr><td>Pre-employment training</td><td>Professional training course</td><td>209</td><td>41,316</td></tr><tr><td rowspan="4">Pre-employment training</td><td>Professional training course</td><td>2</td><td>6</td></tr><tr><td>Management training course</td><td>24</td><td>192</td></tr><tr><td>General training course</td><td>192</td><td>328</td></tr><tr><td>Work safety training course</td><td>287</td><td>821</td></tr><tr><td colspan="2">Total</td><td>10,647</td><td>68,057</td></tr></table>		Training nature	Training course	Total attendees	Total hours	On-the-job training	Professional training course	2,341	5,513	Management training course	29	52	Work safety training course	7,563	19,829	Pre-employment training	Professional training course	209	41,316	Pre-employment training	Professional training course	2	6	Management training course	24	192	General training course	192	328	Work safety training course	287	821	Total		10,647	68,057
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			(5) ①Our Company has established a product after-sales service department to proactively check the implementation of various customer policies, receive and handle customer complaints from time to time, and assist front-line business staff in handling customer complaints and protecting customer rights and interests.																																				
			②If it is confirmed by facts that the products or services are hazardous to the safety and health of consumers or other stakeholders, we shall, in principle, immediately recall the products or stop the services.																																				

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	Yes	No	Abstract Explanation	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		<p>(6) ① Our company has formulated the supplier management policy as follows :</p> <p>(A) Quality assurance : Through supplier interviews, on-site evaluations and market data collection, our company can learn about the supplier’s quality.</p> <p>(B) Quantity stabilization : Raw materials are supplied by multiple manufacturers to maintain supply flexibility and quantity stability.</p> <p>(C) Short lead time : Choosing local and creditable suppliers to ensure punctual delivery and shorten the lead time.</p> <p>(D) Price : More flexible procurement skills and the ability to respond to changes in market prices more quickly are required for purchases to reduce costs under the premise of meeting quality standards.</p> <p>(E) Expectation : When selecting suppliers, suppliers are required to pay attention to the following issues :</p> <ul style="list-style-type: none"> ● Human rights and social impact. ● Environmental protection : Complying with all applicable environmental protection laws and regulations, ensuring the safe discharge of waste, waste gas 	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>and sewage, minimizing the use of non-renewable resources, using all resources efficiently, and reducing the impact on the environment.</p> <ul style="list-style-type: none"> ● Personnel safety and hygiene : Providing employee with a safe working environment, appropriate training and protection for hazardous machinery and equipment, and complying with relevant labor health and safety regulations. <p>(F) Integrity and morality :</p> <ul style="list-style-type: none"> ● Avoid dealing with suppliers with dishonest behavior. ● When dealing with suppliers, explanation needs to be made about our company's integrity management policy, and they should be clearly required not to bribe our company's personnel or provide or receive unfair benefits. If the behavior above is found, proactive reporting to our company is required. <p>② Implementation status :</p> <p>(A) Suppliers are required to sign a "Supplier Commitment Letter" .In 2024, 213 suppliers have signed up to comply and promise to comply with the</p>	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>following regulations :</p> <ul style="list-style-type: none"> ● Maintaining social welfare, including labor and human rights, personnel health and safety, product safety, integrity and ethics. ● Environmental protection. ● Compliance with policies and laws. ● Violation of liability : In case of any violation of the provisions of this undertaking, our company may terminate the transaction contract, and demand compensation if there is any damage. <p>(B) Regularly conduct supplier evaluation, and require suppliers to self-evaluate and then re-evaluate by relevant personnel of the company. The items include whether they have passed ISO9001 and ISO45001 verification.</p>	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as Sustainability Report ? Do the reports above	✓		The preparation of the sustainability report follows the GRI 2021 standards issued by the Global Sustainability Reporting Institute (GRI) and refers to the Sustainability Accounting Standards Board (SASB) standards to disclose industry indicator information and the SASB indicator corresponding report content index. It has been verified by a third-party verification unit (BSI) and meets the AA1000 V3 TYPE I medium assurance level standards and has	None

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
obtain assurance from a third party verification unit?			obtained a guarantee statement.	

6. Describe the difference, if any, between actual practice and the Sustainable development principles, if the company has implemented such principles based on the Sustainable development Best Practice Principles for TWSE/TPEX Listed Companies :

The company formulated the "Code of Practice for Corporate Social Responsibility" on November 6, 2020. In May 2022, the Board of Directors changed its name to "Code of Practice for Sustainable Development" and regularly reported to the Board of Directors on the company's annual implementation and operation. There is no difference between the operating conditions and the set code.

7. Other useful information for explaining the status of sustainable development practices :

(1) Environmental protection :

In 2024, we will strengthen waste management, reorganize waste storage areas to make classification clearer, and strengthen publicity to enhance colleagues' awareness of waste classification and management.

The company sets annual recycling plan targets based on environmental policies every year, and selects recyclable packaging materials for recycling management. In 2024, 7,840 polymer space bags were recycled, with a recycling rate of 100%; 352,320 spinning hole plates were recycled, with a recycling rate of 100%; 1,181,486 spinning paper tubes were recycled, with a recycling rate of 88%; and 713,798 spinning paper tubes were recycled, with a recycling rate of 99%.

(2) Social contribution :

To reward industry-academia collaboration students interning at our company, starting from November 1, 2024, a bonus will be granted upon completion of the internship. This initiative aims to encourage financial independence, support household expenses, and enhance skill development. Additionally, it serves as a training program for future managerial talent and work force development within our facilities.

Internship Type	Bonus	Transportation allowance
Semester Type	NT\$10,000	For those registered in the central, southern, Hualien and Taitung regions, the maximum period of payment is 6 months.
Academic Year Type	NT\$20,000	

Promote Item	Implementation Status			Deviations from “the Corporate Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>(3) Social Welfare Initiatives:</p> <ul style="list-style-type: none">● Beach Cleanup Activities In 2024, Chisun participated in beach cleanup efforts to support environmental protection. On May 5, the company took part in the “Cao Tun Sand Dunes Marine Ecology Beach Cleanup and Energy Conservation & Carbon Reduction Environmental Awareness Event” organized by the Taoyuan Environmental Education and Cultural Creativity Association. On September 28, Chisun also joined the “Taoyuan-Hsinchu-Miaoli Joint Coastal Cleanup Event” organized by the Hsinchu City Environmental Protection Bureau. This collaborative coastal cleanup across the four counties of Taoyuan, Hsinchu, Hsinchu County, and Miaoli took place at the southern shore of Guanyin Coastal Recreation Area. The initiative aimed not only to clean the beach but also to instill environmental awareness in participants, emphasizing the importance of beach cleanliness and marine conservation. The effort also sought to enhance the importance of coastal environment maintenance and foster a sense of environmental responsibility and community service.● Guanyin Industrial Park Environmental Cleanup Day As part of the “Clean Homeland Movement” at Guanyin Industrial Park, Chisun joined forces with Shulin Village, the local environmental volunteer team, the Guanyin Industrial Park Manufacturers Association, and 10 other companies in the park. On April 28, 2024, Chisun sent staff to participate in a collaborative environmental cleanup within the district. The event promoted the “ESG Clean Homeland” initiative, with corporate teams and volunteer families working hand-in-hand to maintain a clean and sustainable living environment.● Street Tree Adoption Initiated by the Guanyin Industrial Park, the Street Tree Adoption Program invited companies within the park to adopt and care for trees along the sidewalks surrounding their facilities. Responsibilities included pruning, pest control, fertilizing, lawn maintenance, flower replacement, setting up support structures, repairing facilities, garbage removal, and dismantling of unauthorized advertisements. This program fosters a cleaner and greener environment around the industrial area and reinforces the social responsibility of each participating enterprise.● Blood Donation for Charity On May 9, the Taoyuan City Department of Health, Dayuan Industrial Park Manufacturers Association, Taoyuan Peach Blossom Rotary Club, and Min-Sheng General Hospital jointly held a charitable blood donation event at the Dayuan Industrial Park Service Center. In support of the cause, Chisun encouraged its employees to participate. Staff members rolled up their sleeves and actively joined the effort, contributing to the health and well-being of the community. This blood donation campaign brought warmth and compassion to society, with each act of kindness offering hope and extending the gift of life.				

Annexes

Risk Management Policy

ZIG SHENG Corporation has established a "Risk Management Procedure," addressing risks across three key areas: environmental, social, and corporate governance (ESG). The Office of the General Manager serves as the unit responsible for promoting risk management, formulating related policies or strategies, and ensuring their implementation. A report on the execution status is submitted to the Board of Directors annually.

The policies or strategies and implementation status for each major risk assessment item in the year 2024 are as follows:

Major Issues	Risk Assessment Items	Risk Policy or Strategy	Implement
Environment	<ul style="list-style-type: none"> ● Stricter Environmental Regulations ● Net Zero Carbon Emissions 	<ol style="list-style-type: none"> 1. Value the issues of climate change and global warming, and comply with environmental regulations. 2. Net-zero strategy: process improvement, energy transition, and circular economy. 3. Continuously promote energy conservation with full employee participation in energy saving and carbon reduction. 	<p>Our company is committed to energy conservation and carbon reduction, industrial waste minimization, pollution prevention, and resource recycling and reuse.</p> <ol style="list-style-type: none"> 1. We follow the ISO 14001 Environmental Management System standard, conducting annual assessments of environmental risks and setting environmental objectives and management plans to eliminate or control these risks. Certificate validity: October 1, 2023 – September 30, 2026. 2. We conduct greenhouse gas inventories in accordance with ISO 14064-1 and complete third-party verification by the end of April each year. 3. To implement environmental protection and develop green energy, we continue to expand solar power generation installations. In 2024, electricity generation reached 3.78 million kWh, and starting in 2025, part of the solar power will be used for self-consumption. 4. We have obtained GRS (Global Recycled Standard)

Major Issues	Risk Assessment Items	Risk Policy or Strategy	Implement
			<p>and ISCC (International Sustainability and Carbon Certification) to promote a circular economy through recycling and reuse. We manufacture high-quality, environmentally friendly products to meet market and customer demands and contribute to environmental protection. In 2024, green products accounted for 10% of total revenue.</p> <p>5. In line with the Task Force on Climate-related Financial Disclosures (TCFD) framework, we conduct climate risk assessments and management. In 2024, we identified key risks and opportunities and implemented measures such as enhanced monitoring of regulatory changes, phasing out energy-intensive equipment, and tracking water consumption. In response to carbon fee regulations, we plan to propose a voluntary carbon reduction plan in 2025. In 2024, our main reduction measures included replacing high energy-consuming air compressors and chillers, saving a total of 2.78 million kWh of electricity. In terms of water resources, we continued to monitor water usage and implemented water-saving measures, conserving a total of 13,389.8 tons of water.</p> <p>6. To improve energy efficiency, we continue to implement energy-saving initiatives and plan to introduce energy storage systems in 2025 to reduce energy waste.</p>

Major Issues	Risk Assessment Items	Risk Policy or Strategy	Implement
Social	<ul style="list-style-type: none"> ● Employee Safety Awareness ● Employee Health Management 	<ol style="list-style-type: none"> 1. Comply with occupational safety and health regulations and fulfill corporate responsibility. 2. Promote training and education to enhance staff emergency response capabilities. 3. Prevent potential hazards and implement effective risk management. 4. Promote health and build a friendly workplace. 	<p>Certified under the ISO 45001 Occupational Health and Safety Management System. Certificate validity: October 12, 2022 – October 12, 2025</p> <ol style="list-style-type: none"> 1. To prevent hazards, we provide a safe and protective environment for high-risk operations and equipment, and offer necessary occupational health and safety training to personnel as needed. In 2024, a total of 54 training sessions were held, with 1,882 participants. Additionally, 245 safety improvement proposals were submitted in 2024, of which 99% have been completed. 2. To promote occupational health, annual health checkups are conducted, along with the planning of suitable health promotion activities. In 2024, the health checkup participation rate reached 99.5%. Moreover, 12 health awareness sessions were held in 2024, covering topics such as prevention of the three highs (hypertension, hyperglycemia, hyperlipidemia), CPR, dental care, and medication safety, with a total of 444 participants. 3. We actively promote fire safety management by holding fire drills every six months to ensure employees are familiar with emergency procedures. For fire-related incidents, we implement corrective actions to enhance safety. In 2024, we participated in the Guanyin Industrial Park emergency response drill and the fire evacuation drill for migrant worker dormitories,

Major Issues	Risk Assessment Items	Risk Policy or Strategy	Implement
			strengthening emergency response capabilities and safeguarding both personnel and property.
Governance	<ul style="list-style-type: none"> ● Regulatory Compliance ● Sustainable Development ● Ethical Business Practices 	Establish sound corporate governance and risk control mechanisms to create a sustainable business environment.	<ol style="list-style-type: none"> 1. In accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,” the Company has established its own “Corporate Governance Best-Practice Principles” as the basis for corporate governance. By establishing a governance structure and implementing internal control mechanisms, we ensure that all personnel and operations comply with relevant laws and regulations. 2. Following the “Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies,” the Company has formulated its own “Sustainable Development Best-Practice Principles” to ensure the timely and accurate disclosure of corporate social responsibility-related information. We are committed to fulfilling our corporate social responsibility and promoting economic growth, environmental sustainability, and social progress to achieve the goal of sustainable development. 3. In accordance with the “Ethical Corporate Management Best-Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct,” the Company has

Major Issues	Risk Assessment Items	Risk Policy or Strategy	Implement
			established an integrity management policy based on the principles of honesty, transparency, and accountability. In 2024, we conducted integrity and ethics promotion and evaluation through an internal online questionnaire, with a total participation of 453 person-hours.

2.3.5.2 Climate-related information implementation status

project	Execution situation			
1. Describe board and management oversight and governance of climate-related risks and opportunities.	The Company's Sustainable Development Governance Organization conducts annual discussions and assessments related to climate change, formulates countermeasures for significant risks and opportunities, and will report to the Board of Directors on May 9, 2025.			
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term).	The Sustainable Development Organization conducts cross-departmental communication and discussions, and utilizes the Intergovernmental Panel on Climate Change (IPCC) 2°C global warming scenario (RCP8.5) to analyze climate risks in the operational process. Through this analysis, annual short-, medium-, and long-term climate risks and opportunities are identified.			
	Risk Categories and Opportunities		Short term (1-3 years)	Medium term (3-5 years)
	Risk	Transition risk	1. Increase carbon pricing 2. Tightening regulations	1. Low-carbon technology transition 2. Changes in customer behavior
		physical risk	None	Changes in rainfall patterns
	Chance	Chance	1. Recycling 2. Use high-efficiency equipment	1. Use low-carbon energy 2. Participate in the carbon trading market 3. Changes in consumer preferences 4. Participate in renewable energy projects and adopt electricity saving measures 5. Energy substitution/diversification
			Long term (more than 5 years)	
			1. Rising raw material costs 2. Increased concerns and negative feedback from stakeholders 1. The severity of extreme weather events such as typhoons and floods will increase 2. Rising average temperature	
			1. Use new technologies 2. Develop climate adaptation and insurance risk solutions	

project	Execution situation				
	Based on the climate risk matrix, four major risks and three major opportunities were identified in 2024, and the following countermeasures were proposed: 【Major risk assessment and response strategies】				
	Risk category	Related risks	Business and financial impact	Countermeasures and measures	
	Transformation	Policies and regulations	Increase carbon pricing	1. If carbon fees increase, operating costs will increase. 2. Replacement of low-carbon equipment assets will be written off and scrapped in advance.	1. Pay close attention to regulatory changes and international trends. 2. Strengthen energy management and replace high-energy-consuming equipment with low-energy-consuming equipment to reduce carbon emissions.
			Tighter regulations	1. Carbon emission disclosure requirements are expanded and inspection costs are increased. 2. Renewable energy development regulations require the use of a certain proportion of renewable energy, which increases the cost of green energy. 3. The power saving rate requirements are higher, and more costs need to be invested in improvement.	1. Provide relevant courses to enhance staff's inventory capabilities and experience to meet needs. 2. Build a solar power plant and apply for a green energy certificate to comply with regulatory requirements. 3. Appoint a professional team to find more energy-saving opportunities.
		Technology	Low carbon technology transition	Adding related equipment and building a new factory building will increase costs.	1. Develop polyester recycling products and enhance the added value of products. 2. Continuously save energy and reduce carbon emissions.
	entity	long term	Changes in rainfall patterns	Lack of water will affect the cooling of equipment, making it impossible for the equipment to operate normally, affecting production and reducing income.	1. Monitor water consumption and take water-saving measures. 2. Improve water resource recovery rate.

project	Execution situation				
	【Major opportunity assessment and management strategies】				
	Risk category		Related opportunities	Business and financial impact	Management strategies and goals
	Chance	resource usage efficiency	Recycle	Green products increase revenue.	1. Recycle waste silk into environmentally friendly products and pass GRS verification. 2. Promote recycled products and increase the business proportion of green products. 3. Expanded diversified environmentally friendly products and passed ISCC certification.
			Use high-efficiency equipment	Reduce energy usage, save energy costs and reduce carbon emissions.	Replace high-energy-consuming equipment with high-efficiency equipment, such as false twisting machines, air compressors, and ice-water main machines.
		energy source	Use low carbon energy	1. Use renewable energy to reduce your electricity bill. 2. Using low-carbon energy is more expensive.	1. Continue to build solar power plants since 2018 and use 10% of the contracted capacity from renewable energy in accordance with regulations. 2. It is expected that part of the solar energy will be converted to self-generation and self-use in 2525, and green energy certificates will be applied for.

project	Execution situation
3. Describe the financial impact of extreme climate events and transition actions.	<p>1. Extreme climate impacts (impacts of physical risks)- Changes in rainfall patterns have increased the risk of water shortages. It is necessary to understand water use conditions in advance and evaluate water shortage countermeasures to avoid equipment damage and production reduction, which will increase costs and reduce income.</p> <p>2. Impact of transition risks - (1) Increase carbon pricing: The increase in carbon fees will increase operating costs, and carbon reduction measures should continue to be implemented. (2) The power saving rate is required to be higher, and more costs need to be invested for improvement. (3) Low-carbon technology transformation: Adding related equipment and factory building construction will increase equipment costs.</p>
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	<p>The company has established operating risk management procedures, and the risk scope covers financial risks, climate risks, environmental risks (E), social responsibility (S), corporate governance (G)... etc. The sustainable development governance team collects climate issues and refers to domestic and foreign climate risk reports to assess the extent and incidence of impacts and identify risks related to the company through discussions. Use the risk matrix diagram to identify major risks, discuss countermeasures and measures for major risks, and set relevant indicator targets.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	<p>The company uses the 2°C global warming scenario (RCP8.5) of the United Nations Intergovernmental Panel on Climate Change (IPCC) to analyze climate risks in its operations. It is analyzed that the location of the factory will be less affected by climate in the next ten years, but extreme weather (such as short-term heavy rainfall, drought, typhoon) may still cause flooding or water shortage problems, resulting in damage to equipment and factory buildings and loss of production and water resources. Problems such as insufficient equipment that cannot operate properly will increase operating costs.</p>

project	Execution situation
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks.	<p>The company aims to achieve net zero carbon emissions and has formulated the following net zero transformation strategies and target plans:</p> <p>Target: Average annual electricity saving rate reaches 1.5% from 2025 to 2028</p> <p>(1) Process improvement - Replacement of high energy-consuming equipment and continuous promotion of energy conservation and carbon reduction</p> <p>(2) Energy conversion - switch to natural gas as boiler fuel, build a solar power plant and obtain green energy certificates</p> <p>Goal: Green products account for 10% of total revenue by 2025</p> <p>(1) Circular Economy - Continuously develop green products and obtain relevant certification</p> <p><input type="checkbox"/> GRS Global Recycling Standard System - Recycling of filaments, fishing nets, polyester bottle flakes, fabrics</p> <p><input type="checkbox"/> ISCC International Sustainability and Carbon Verification - Using ISCC raw materials to manufacture nylon pellets and processed yarns.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	In accordance with the Ministry of Environment's "Regulations Governing the Collection of Carbon Fees" and the officially announced "Fee-charging Rates of Carbon Fees," the company has established a carbon pricing rate of NT\$300 per metric ton.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if	<p>With net zero carbon emissions as our ultimate goal, the company has introduced ISO 14064-1 greenhouse gas inventory since 2012 for planning and formulating strategic plans.</p> <p>The scope of the 2024 inspection will be all factories in Taoyuan, the Taipei office and the subsidiary Hong Yousheng.</p> <p>The inventory categories are Scope 1 (direct emissions), Scope 2 (indirect emissions), and Scope 3 (other</p>

project	Execution situation
<p>carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs).</p>	<p>indirect emissions).</p> <p>Taking 2013 as the base year for greenhouse gas reduction, the (direct + energy indirect) emissions in 2013 were 235,798.276 metric tons of CO₂e.</p> <p>Set carbon reduction targets on a five-year basis. It is expected to reduce carbon emissions by 25% by 2028.</p> <p>For details on greenhouse gas reduction targets, net zero strategies, specific implementation plans, and target achievement, please see Appendix 1-2</p>
<p>9. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately).</p>	<p>ISO 14064-1 greenhouse gas inventory is conducted every year and passed through third-party verification.</p> <p>For other information, see 1-1 and 1-2</p>

【1-1】 Greenhouse Gas Inventory and Assurance Situation in the Past Two Years

●1-1-1 Greenhouse Gas Inventory Information:

Outline the greenhouse gas emissions (metric tons CO₂e), intensity (metric tons CO₂e/ton of production), and data coverage for the past two years.

(1) the greenhouse gas emissions (metric tons CO₂e), intensity (metric tons CO₂e/ton of production)

Year	Category 1 (Direct)	Category 2 (Energy indirect)	intensity (Production - tons)	Density (Sales - million yuan)	Category 3 (other indirect)
2023	23,883	101,062	0.82	16.14	18,487
2024	31,374	110,750	0.79	15.08	22,203

(2) Coverage Scope of Data

2023	2024
Direct, energy indirect, and other selected indirect GHG emissions include Plants 1 to 5 (including off-site dormitories), Taipei Office, and the subsidiary, Suzhou Hongyousheng. According to the disclosed scope in the 2023 consolidated financial statements, Ding Sheng Material Technology Corporation and Nicest Int'l Trading Corp, the greenhouse gas emissions generated from locations without operational activities are therefore not included in the relevant calculations.	Direct and energy indirect emissions include those from Plants 1 to 5 (including off-site dormitories), Taipei Office, and subsidiary Suzhou Hong You Sheng. According to the 2024 consolidated financial statements, subsidiaries Ding Sheng Material Technology Corporation, Ding Sheng Material Technology Corporation, and Nicest Int'L Trading Corp do not have greenhouse gas emissions from operating activities in their locations, so they are not included in the relevant calculations. Other indirect emissions include upstream energy-electricity, upstream transportation emissions, and wastewater treatment volume. The applicable scope is the first to fifth factory sites (including off-site dormitories) and the Taipei office. The subsidiary Suzhou Hongyousheng excludes electricity consumption outside Taiwan because it is difficult to collect the indirect coefficient of Chinese electricity.

●1-1-2 Greenhouse Gas Assurance Information:

Explanation of the Confidence Situation for the Most Recent Two Fiscal Years up to the Printing Date of the Annual Report,
Including the Scope of Confidence, Certifying Institutions, Certification Criteria, and Certification Opinion.

Item	2023	2024
Scope of Confidence:	Plants 1 to 5 (including off-site dormitories), Taipei Office, and the subsidiary, Suzhou Hongyousheng. According to the disclosed scope in the 2023 consolidated financial statements, Ding Sheng Material Technology Corporation and Nicest Int'l Trading Corp, the greenhouse gas emissions generated from locations without operational activities are therefore not included in the relevant calculations.	Plants 1 to 5 (including off-site dormitories), Taipei Office, and the subsidiary, Suzhou Hongyousheng. According to the disclosed scope in the 2024 consolidated financial statements, Ding Sheng Material Technology Corporation and Nicest Int'l Trading Corp, the greenhouse gas emissions generated from locations without operational activities are therefore not included in the relevant calculations.
Certifying Institution	British Standards Institution Group Private Limited Company Taiwan Branch	BSI Group Singapore Pte. Ltd. Taiwan Branch
Certification Criteria	ISO 14064-1:2018.	ISO 14064-1:2018.
Certification Opinion	For the entire group, the level of assurance for direct emissions and energy indirect emissions is reasonable assurance. Other indirect greenhouse gas emissions are based on conclusions obtained through certification and agreement procedures.	For the entire group, the level of assurance for direct emissions and energy indirect emissions is reasonable assurance. Other indirect greenhouse gas emissions are based on conclusions obtained through certification and agreement procedures.

【1-2】 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Set out the baseline year, data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress towards achieving the targets.

I. Using the year 2013 as the baseline for greenhouse gas reduction, with emissions totaling 235,798.276 metric tons CO₂e (including direct and energy indirect emissions), a five-year period is established to set carbon reduction targets.

II. Reduction Targets, Net Zero Strategy, Specific Implementation Plans, and Achievement Status:

The carbon reduction in 2024 is 13,233 metric tons CO₂e, and the cumulative carbon reduction is 52,601 metric tons CO₂e, with a cumulative carbon reduction of 22.31%.

Year	Targets (%)	Achievement Status		Net Zero Strategy	Specific Action Plans
		Cumulative carbon reduction (%)	Cumulative carbon reduction amount (tons of CO ₂ e)		
2018	5%	4.32%	10,197	Process Improvement, Energy Conversion, Circular Economy	1. Replacement of outdated spinning machines, installation of variable frequency drives, etc. 2. Implementation of solar power systems.
2023	15%	16.70%	39,369		1. Replacement of false twist machines, air compressors, chiller units, etc. 2. Conversion of thermal boilers to natural gas boilers, installation of solar power systems. 3. Development of green and environmentally friendly products.
2028	25%	2024: 22.31%	2024: 52,601		1. Replacement of air compressors, installation of liquid level controllers, etc. 2. Continuous installation of solar power systems, promoting self-use of solar energy.
2030	30%	None	None		3. Development of green and environmentally friendly products.

**2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the
"Ethical Corporate Management Best Practice Principles for
TWSE/GTSM Listed Companies"**

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p>	✓		<p>(1)</p> <p>① Based on the business philosophy of integrity, transparency and responsibility, our company has formulated the "Ethical Corporate Management Best Practice Principles" and clearly defined in it the ethical corporate management policy as follows : "Based on the principles of fairness, honesty, trustworthiness and transparency of business activities, our company staff is prohibited from engaging in unethical behavior" and approved by the board of directors.</p> <p>② When our company communicates with the supplier, the Order Notice , Sales and Works Contracts provided to the supplier contains our company's "Ethical Corporate Management Best Practice Principle" and a statement prohibiting unethical behavior, and the supplier is required to sign a "Supplier Commitment Letter" or " Contractor's Letter of Commitment " to follow our company's ethical corporate management best practice principle.</p> <p>③ All the directors and senior management of our company realize that unethical behavior is our company's core value, agree to follow our e company's "Ethical</p>	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p>	✓		<p>Corporate Management Policy", jointly signed the "Statement of Compliance with Ethical Corporate Management Policy" and will implement it</p> <p>(2) Our company has formulated the "Ethical Corporate Management Operation Procedures and Behavior Guidelines". Article 5 of it contains an unethical behavior prevention plan formulated for business activities assessed and analyzed to have a higher risk of unethical behaviors, and the content covers prevention measures against various behaviors in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" (please refer to Article 5 of the "Ethical Corporate Management Operation Procedures and Behavior Guidelines").</p>	None
<p>(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>	✓		<p>(3) Our company has formulated the "Ethical Corporate Management Operation Procedures and Behavior Guidelines", which clearly contains the operating procedures and behavior guidelines of the plan against unethical behavior, as well as the system of punishment for violations and complaint (please refer to Article 9 of the Operation Procedures and Behavior Guidelines); the aforementioned plan is implemented and regularly reviewed and revised.</p>	None
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in</p>	✓		<p>(1)</p> <p>① Before doing business, the company should consider the legitimacy of agents, suppliers,</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
business contracts?			<p>customers or other business partners and whether they are involved in dishonest behavior, and try to avoid transactions with dishonest behavior.</p> <p>② When the company communicates with supplier, the Ethical Corporate Management is stated on the order notice and the Sales and Works Contracts.</p> <p>(A) Supplier are required to abide by the company's "Ethical Corporate Management " Policy : "Engage in business activities based on the principles of fairness, honesty, trustworthiness and transparency, and prohibit the company's personnel from engaging in dishonest behavior."</p> <p>(B) Supplier are prohibited from directly or indirectly providing, promising, requesting or accepting any improper benefits, or engaging in other dishonest acts that violate integrity, illegality, or breach of fiduciary obligations (including commissions, remuneration, kickbacks, bribes, refunds, etc.) payments, entertainment, gifts, etc.) in order to obtain or maintain benefits.</p> <p>(C) If the supplier engages in dishonest behavior, the company has the right to terminate or cancel the contract or order directly, and has the right to demand compensation from the</p>	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		<p>supplier.</p> <p>(2)</p> <p>① In order to improve our company’s ethical corporate management, the President's Office of our company is a dedicated unit responsible for the formulation, supervision and implementation of policies and prevention plans, and reports to the board of directors at least once a year.</p> <p>② On November 8, 2024, it reported to the board of directors the Ethical Corporate Management Policy, plan for preventing unethical behavior, and supervision and implementation status as follows :</p> <p>(A) Statement of Ethical Corporate Management Policy</p> <p>(B) Description of Plan for preventing unethical behavior</p> <p>(C) Explanation on the implementation of education, training and promotion of integrity and ethics</p> <p>(D) Description of the Implementation of the Whistleblowing System</p>	None
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>(3) Our company has formulated a policy in Article 19 of the "Ethical Corporate Management Best Practice Principle" to prevent conflicts of interest :</p> <p>① For the directors, managers and other interested parties of our company present at the board meeting either with or without voting rights, if they or the legal persons they represent have a personal interest in the proposals</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		<p>of the board meeting, they shall explain the important content of their interest at the current board meeting; if it is harmful to the interests of our company, they shall avoid participating in the discussion or voting, and shall not act for other directors to exercise their voting rights. Directors shall also be self-disciplined and shall not to support each other in improper deeds. If a director’s spouse or second-tier relative, or a company in which the director has a controlling interest, has a personal interest in the proposal of the board meeting, then the director shall be regarded as having a personal interest in the proposal.</p> <p>②The staff of our company shall not use their position or influence in our company to obtain illegitimate benefits for themselves, their spouses, parents, children or anyone else.</p> <p>(4) Our company formulates an internal audit plan based on the results of the risk assessment, and the internal audit unit implements various audit operations according to the plan. When special circumstances occur, additional special inspections will be arranged.</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		<p>(5)</p> <p>① Internal training In 2024, our company used an internal online questionnaire for publicity and evaluation, with a total of 453 people participating/hour.</p> <p>Propaganda points :</p> <p>(A) Description of systems related to ethical corporate management.</p> <p>a. The ethical corporate management system and policy description.</p> <p>b. Prohibition of offering or accepting bribes and dishonest behavior plans for providing or accepting illegitimate benefits.</p> <p>c. Description of whistleblowing system.</p> <p>d. Requirements for honest behavior of transaction partners.</p> <p>(B) Explanation of the implementation of integrity management.</p> <p>a. Signing of "Supplier Commitment Letter".</p> <p>b. Management of receiving gifts during festivals.</p> <p>c. Implementation of the reporting system.</p> <p>② External propaganda Advocacy of external personnel's moral integrity</p> <p>(A) When the company signs a contract with a supplier, it shall provide promotion materials to explain the company's integrity management policy to the</p>	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>transaction partner and require them to sign a "Supplier Commitment Letter", "Contractor's Letter of Commitment" requesting that bribery or bribery and the provision or acceptance of improper benefits are prohibited when dealing with the company. In case of violation of the regulations, the company may suspend or terminate the transaction contract and have the right to demand compensation for damages. In 2024, 542 suppliers have signed "Supplier Commitment Letter" (213 suppliers and 329 contractors).</p> <p>(B) When the company interacts with manufacturers, the terms of the company's "Integrity Management Statement" are recorded on the order notices and sales and engineering contracts provided to the suppliers, which include the "Integrity Management Policy" and a statement prohibiting dishonest behavior.</p>	

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) <ul style="list-style-type: none"> ① Our company has established a whistleblowing and reward system, as detailed in Article 23 : Whistleblowing System of our company's "Ethical Corporate Management Best Practice Principle". ② Our company has established and announced an internal independent whistleblowing mailbox and dedicated line on our company website for internal and external personnel to use. ③ If there is any whistleblowing, the President’s Office responsible for ethical corporate management shall assign a dedicate person in accordance with the prescribed procedures.. 	None
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		(2) Our company has formulated standard investigation procedures and the related confidentiality mechanism for the acceptance of whistleblowing. (Please refer to Article 23 of our Company's Ethical Corporate Management Best Practice Principle)	None
(3) Does the company provide proper whistleblower protection?	✓		(3) <ul style="list-style-type: none"> ① Article 23 : Whistleblowing System of our company's "Ethical Corporate Management Best Practice Principles” clearly stipulates that our company's relevant personnel handling whistleblowing shall declare, in writing, that the identity of the whistleblower and the content of the whistleblowing are confidential, and anonymous whistleblowing is allowed. Our 	None

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>company also promises to protect whistleblowers from improper treatment due to whistleblowing.</p> <p>② On our company's website regarding the whistleblowing channel, it is also clearly stated that our company will keep confidential the identity of the whistleblower and the content, will investigate and deal with the matter as soon as possible, and will prevent improper disposal due to the whistleblowing.</p>	
<p>4. Strengthening information disclosure</p> <p>Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?</p>	✓		<p>Our company is planning to disclose its "Ethical Corporate Management Best Practice Principle" on the corporate website, and there is a dedicated person responsible for our company's information at all times and disclosing and updating it when necessary.</p>	None
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>There have been no differences.</p> <p>Our company revised the “Ethical Corporate Management Best Practice Principles of our Company” based on the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, and has it passed by the board meeting on March 20, 2020. There is no difference between the operation and the established principles.</p>				
<p>6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).</p> <p>In order to implement the ethical corporate management policy, our company has formulated the "Ethical Corporate Management Operation Procedures and Behavior Guidelines" on October 20, 2020.</p> <p>Formulated main points as follows :</p> <p>(1) Establishment of the "Ethical Corporate Management Operation Procedures and Behavior Guidelines" prevention program.</p> <p>① Prohibition of offering and accepting bribes or improper benefits.</p> <p>② Procedures for handling political contributions.</p>				

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<div>③ Procedures for handling charitable donations and sponsorships.</div> <div>④ Prevention of conflict of interest (recusal due to conflict of interest).</div> <div>⑤ Prevention of infringement of intellectual property rights.</div> <div>⑥ Prevention of unfair competition.</div> <div>⑦ Prevention of products or services from harming consumers or other stakeholders.</div> <div>(2) Whistleblower reporting system.</div> <div>(3) Training and promotion of integrity and ethics.</div>				

2.3.7 Other Important Information Regarding Corporate Governance

2.3.7.1 The company has formulated the "Management Regulations for Preventing Insider Trading and Procedures for Handling Material Inside Information" as the basis for the company's major information processing and disclosure mechanism, and reviews the regulations from time to time to meet current laws and regulations and practical management needs.

2.3.7.2 Prevention of Insider Trading Propaganda and Execution

- At least once a year, the company conducts education and publicity on "Insider Trading Prevention Management Standards" and related laws and regulations for directors, managers and employees, and for new employees, education and publicity will be provided during pre-employment training by personnel.
- On June 10, 2022, the new director (elected on June 8) held the board meeting for the first time after taking office, and the company's corporate governance office issued a publicity report and attended the meeting:

In order to prevent insider trading, company insiders, quasi-insiders and information recipients who meet the legal requirements are not allowed to buy or sell the company during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. Stocks or other securities with equity nature.

Since then, after the discussion of the agenda of the board of directors meeting, the secretary office of the board of directors

will inform the next meeting that if there are any quarterly financial report discussion proposals, it will also remind the attention again.

- On December 23, 2023, the publicity page was completed and placed on the company's official website under the [Investors Zone] under [Corporate Governance]--Company Regulations [Propaganda Prohibition of Insider Trading], there are five chapters explained with pictures and texts , easy-to-understand propaganda for all colleagues and insiders of the company to follow, so as to avoid violations or insider trading.
- On January 6, 2023, the board of directors issued the [Management Standards for the Prevention of Insider Trading and Operating Procedures for Handling Important Internal Information] and printed illustrations of Chapters 1-5 of the "Prohibition of Insider Trading Propaganda" (as shown below) to remind all directors to follow them.

Insider Trading Prohibition Promotion – 1 What is Insider Trading/Purpose of Insider Trading Prohibition

Prohibition of Insider Trading Promotion – 2 Regulated Targets

Promotion of Prohibition of Insider Trading – 3 Illustrations of Components of Insider Trading

Prohibition of Insider Trading Propaganda – 4 Differences between Insider Trading/Short-term Trading

Prohibition of Insider Trading Propaganda – 5 Legal and Regulatory Framework for the Scope of Major Information.

- Starting in 2024, the Company has been forwarding quarterly notifications from the Taiwan Stock Exchange to insiders, regularly promoting awareness of common violations related to changes in insider shareholding under the Securities and Exchange Act. These include failure to comply with Article 22-2 regarding prior declaration of share transfers, and violations of Article 25 concerning post-event reporting of shareholding changes. The Company has strengthened internal communication on these matters and urges all insiders to strictly adhere to the regulations to avoid penalties.

2.3.8 Disclosures relating to the execution of internal control policies

2.3.8.1 Internal Control Statement

【Path】 : Market Observation Post System / Corporate Governance / Internal Control Section / Announcements of Internal Control Statements

【Website】 : <https://mopsov.twse.com.tw/mops/web/t06sg20>

2.3.8.2 Disclosure of CPA Review Reports for Special Engagements to Review the Internal Control System: Not applicable.

2.3.9 Major resolutions made by the Shareholders' Meeting and the Board of Directors during the latest financial year up until the publication date of this annual report :

2.3.9.1 Important Resolutions of the General Meeting of Shareholders and Implementation Status : (Convened on June 6, 2024)

Resolutions of attending shareholders	Execution Status
<ol style="list-style-type: none">1. Approval of the 2023 profit and loss appropriation plan - no distribution2. Amend some articles of the company's articles of association.3. Approval of the 2023 business report and financial statements.4. Revise the Company's [Procedures for Acquisition or Disposal of Assets].	<ol style="list-style-type: none">1. The minutes of the shareholders' meeting were uploaded to the Public Information Observatory on June 6, 2024.2. Amendment of Articles of Association:<ol style="list-style-type: none">(1) The number of directors will be reduced from 10 to 13 to 9. The list of candidate directors will be announced on April 23, 2025 and will be applicable to the re-election at the 2025 general meeting of shareholders.(2) Profit distribution shall be paid in cash and reported to the shareholders' meeting after the special resolution is passed by the board of directors. The board of directors' resolution on March 7, 2024 not to distribute profits has been announced and will be reported to the shareholders' meeting on June 10.

2.3.9.2 Major resolutions made by the Board of directors' Meeting (19th) :

Date	Major resolutions
2024.01.19 9th	Financial Report ----- 2023 Board of Directors Performance Evaluation Results Report. Discussion passed ----- <ol style="list-style-type: none">1. The payment standards for the year-end and supervisory bonuses for the company's managers and directors who are part-time employees in 2023.2. The payment standards for the Company's directors' remuneration for 2024.3. The payment standards for the company's managers' remuneration for 2024.

Date	Major resolutions
2024.03.08 10th	<p>Corporate Governance Office Report – ●Report on the qualification review of independent directors during their term of office.</p> <p>●Corporate Governance The latest laws and regulations for fiscal year 2024 apply.</p> <p>Discussion passed ----- 1. Review and approve the 2023 internal control system statement.</p> <p>2. Review the distribution of employee remuneration and directors' remuneration for 2023.</p> <p>3. Review the company's individual and consolidated financial statements for 2023.</p> <p>4. Review the assessment and appointment of the independence of the CPA audit for 2024.</p> <p>5. Review the profit and loss appropriation proposal for 2023.</p> <p>6. Discuss the proposal to amend the company's articles of association.</p> <p>7. Determine the date, location and agenda for the 2024 General Meeting of Shareholders. (Thursday, June 6)</p> <p>8. Review and accept matters related to shareholders' proposals at the 2024 shareholders' meeting.</p> <p>9. Revise the Company's [Rules of Procedure for Board Meetings].</p>
2024.05.10	<p>Corporate Governance Office Report – 2023 Corporate Governance Assessment Results Report.</p> <p>Discussion passed ----- Review of the Company's first quarter 2024 consolidated financial statements.</p>
2024.08.09 12th	<p>Corporate Governance Office Report – Report on the review of qualifications of independent directors during their term of office (fifth time).</p> <p>Discussion passed ----- 1. Review the company's 2023 annual sustainability report.</p> <p>2. Revise the Company's "Audit Committee Organizational Charter".</p> <p>3. Review the Company's consolidated financial report for the second quarter of 2024.</p>
2024.11.08	<p>Corporate Governance Office Report – Report on the review of qualifications of independent directors during their term of office (sixth time).</p> <p>Discussion passed ----- 1. Audit plan for the year 2025.</p> <p>2. Renting an office from a related party.</p> <p>3. Add and revise relevant corporate governance regulations and internal control systems.</p> <p>●Establish [operational standards for financial transactions between related parties].</p> <p>●Establish [Sustainable Information Management Operating Procedures].</p> <p>●Revise the [internal control system].</p> <p>4. Review the Company's consolidated financial report for the third quarter of 2024.</p> <p>5. Authorize the Chairman to sign a medium-term guarantee credit agreement with Bank of Taiwan.</p>
2025.01.10 14th	<p>General Manager's Office Report--2024 Functional Committee Performance Evaluation Results Report.</p> <p>Financial Report ----- 2024 Board of Directors Performance Evaluation Results Report.</p> <p>Corporate Governance Office Report – including the latest applicable laws for 2025.</p>

Date	Major resolutions
	<p>Matters acknowledged ----- Signed a three-year NT\$2 billion guaranteed credit line with the Wanhua Branch of Bank of Taiwan.</p> <p>Discussion passed ----- 1. The payment standards for the year-end and supervisory bonuses for the company's managers and directors who are part-time employees in 2024.</p> <p>2. The payment standards for the Company's directors' remuneration for 2025.</p> <p>3. The payment standards for the company's managers' remuneration for 2025.</p> <p>4. Revise the [Procedures for Acquisition or Disposal of Assets].</p>
2025.03.07 15th	<p>Corporate Governance Office Report – Report on the review of qualifications of independent directors during their term of office (seventh time).</p> <p>Discussion passed ----- 1. Review of the 2024 annual financial report.</p> <p>2. Review the 2025 annual financial report audit, certification, commissioned assessment and public expenses.</p> <p>3. Review and approve the 2024 Annual Internal Control System Statement.</p> <p>4. Review the 2024 profit distribution proposal.</p> <p>5. Review the 2024 employee remuneration and directors' remuneration distribution plan.</p> <p>6. Discuss and revise the company's [year-end bonus and employee remuneration payment method].</p> <p>7. Discuss and amend some articles of the company's Articles of Association.</p> <p>8. It is planned to re-elect all directors and lift the non-competition restrictions on new directors.</p> <p>9. To determine the date, location and agenda for the 2025 Annual General Meeting of Shareholders. (Tuesday, June 10).</p> <p>10. Review and accept matters related to the nomination of director candidates by shareholders.</p> <p>11. Review and approve matters related to shareholders' proposals at the 2025 Annual General Meeting.</p>
2025.04.18 16th	<p>Discussion passed ----- Nomination of director and independent director candidates for the Company's 2025 Annual General Shareholders' Meeting.</p>
2025.04.23 17th	<p>Discussion passed ----- 1. Due to the passing of Chairman Yeh, a new Chairman was elected by the Board in accordance with the law.</p> <p>2. As Chairman Yeh was one of the nominated director candidates for the 2025 Annual General Shareholders' Meeting, the Board revised the list of nominated candidates.</p>
2025.05.09 18th	<p>Corporate Governance Office Report –Report on the 2024 Corporate Governance Evaluation Results.</p> <p>Discussion passed -----Review of the Company's consolidated financial statements for the first quarter of 2025.</p>

2.3.10 Documented opinions or written statement made by Directors or Supervisors against board resolutions in the most recent year, up till the publication date of this annual report : None.

2.4 Information on the professional fees of the attesting CPAs (external auditors)

2.4.1 The amount of public audit fees and non-audit fees paid to certified accountants and their affiliated firms and affiliated companies and the content of non-audit services

Unit: NT\$ thousand

Name of CPA firm	Name of CPA	Accountant's review period	Audit fee	Non-audit fees	Total	Remark
Crowe (TW) CPAs	CHEN, KUI-MEI	January 1, 2024 to December 31, 2024	2, 230	40	2,270	<ul style="list-style-type: none"> •Certify duty files of dual-status business entities •Salary information of full-time non-managerial employees
	LIN, CHIH-LUNG	January 1, 2024 to December 31, 2024				

- (1) When the accounting firm is changed and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed : None.
- (2) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees : None.

2.5 Information regarding Change of CPA

Change of accountants in the last two years and later periods :

2.5.1 Information relating to the former CPAs :

Replacement Date	March 08, 2024		
Replacement reasons and explanations	Due to internal restructuring at Crowe (TW) CPAs, Formerly HSIAO, YING-CHIA and LIN, MEI-LING accountants changed to CHEN, KUI-MEI and LIN, CHIH-LUNG .		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties		
	Status	CPA	The Company
	Termination of appointment	Not applicable	Not applicable
	No longer accepted (continued) appointment	Not applicable	Not applicable
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Differences with the company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None	✓	
	Remarks/specify details:		
Other Revealed Matters	None		

2.5.2 Information relating to the successor CPAs : Not applicable.

2.5.3 Replay of former auditor to item 1 and item 2-3 of Subparagraph 6 of Article 10 of these Regulations : None.

2.6 The Company's chairman, president or managers in charge of finance and accounting operations, who holds any positions within the CPA firm or its affiliates in the most recent year, the name, job title and the employment period at the independent audit firm or its affiliates : None.

2.7 Transfer or pledge of stock rights of directors, supervisors, managers, shareholder with a stake of more than 10 percent in the most recent fiscal year and up till the publication date of this annual report.

2.7.1 Changes in Shareholding of Directors, Supervisors, Managers, and Major Shareholders

【Path】 : Market Observation Post System / Basic Information / Shareholding, Pledging, and Transfer by Directors, Supervisors, and Major Shareholders / Summary of Shareholding Changes of Directors and Supervisors / Summary of Shareholding Changes of Directors, Supervisors, Managers, and Shareholders Holding More Than 10%

【Website】 : <https://mopsov.twse.com.tw/mops/web/IRB110>

2.7.2 Share Pledging Information

【Path】 : Market Observation Post System / Basic Information / Shareholding, Pledging, and Transfer by Directors, Supervisors, and Major Shareholders / Summary of Shareholding Changes of Directors and Supervisors / Summary of Pledge Information of Directors, Supervisors, Managers, and Shareholders Holding More Than 10%

【Website】 : <https://mopsov.twse.com.tw/mops/web/IRB130>

2.8 Information on the top ten shareholders with shareholding ratio who are related persons, spouses, second parents, etc.

April 12, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
SU,CING-YUAN, Representative of YI SHENG INVESTMENT CO., LTD.	52,783,760	9.93%	0	0	0	0	SU,CING-YUAN	Chairman of the company	Director of the company
							SU, PAI-HUANG	Director	
SU, PAI-HUANG	28,150,455	5.30%	116,543	0.02%	0	0	SU,CING-YUAN	Brothers	Director and President of the company (Note2)
					6,000,000	1.13%	YI SHENG INVESTMENT CO., LTD.	Director of the company	
					10,972,000	2.06%	Qiang You Sheng Co., Ltd.	Director of the company	
SU, CING-YUAN	27,094,389	5.10%	25,000	0	0	0	SU, PAI-HUANG	Brothers	Representative of the director of the corporation of the company
					6,000,000	1.13%	YI SHENG INVESTMENT CO., LTD.	Chairman of the company	
					10,973,000	2.06%	Qiang You Sheng Co., Ltd.	Supervisor of the company	
HOU, SHENG-YUAN, Representative of QIANG YOU SHENG Co., Ltd.	21,945,000	4.13%	0	0	0	0	SU, PAI-HUANG	Director	None
							SU,CING-YUAN	Supervisor	
YEH, SOU-TSUN	19,692,945	3.70%	10,579,054	1.99%	0	0	YEH LAN, SU-CHIN	Spouse	Chairman of the company(died) (Note1)
							YEH, TSUNG-HAO	Father and son	
							YEH, YU WUNG	Father and daughter	
JHANG,BING-RONG, Representative of SHUO CYUAN CO., LTD.	19,212,176	3.61%	0	0	0	0	None	None	None
YEH, TSUNG-HAO	12,492,312	2.35%	48,033	0.01%	0	0	YEH, SOU-TSUN	Father and son	Director of the company
							YEH LAN, SU-CHIN	Mother and son	
							YEH, YU WUNG	Sister and brother	
YEH, LAN SU-CHIN	10,579,054	1.99%	19,692,945	3.70%	0	0	YEH, SOU-TSUN	Spouse	None
							YEH, YU WUNG	Mother and daughter	
							YEH, TSUNG-HAO	Mother and son	
SU, CING-LANG	8,590,154	1.62%	4,563,505	0.75%	0	0	None	None	None
YEH, YU WUNG	7,554,337	1.42%	0	0	0	0	YEH, SOU-TSUN	Father and daughter	None
							YEH, LAN SU-CHIN	Mother and daughter	
							YEH, TSUNG-HAO	Sister and brother	

Note1 : Director YEH, SOU-TSUN passed away on April 21, 2025.

Note2 : Director SU, PAI-HUANG was appointed as the new Chairman on April 23, 2025.

2.9 The number of shares held by the company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the company in the same reinvested enterprise, and the consolidated shareholding ratio is calculated

Unit : shares/ % ; As of March 31 2025

Affiliated Enterprises (Investment using the equity method)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
ZIS Holding Co.,Ltd.in Republic of Mauritius	5,400,000	100.00	0	0	5,400,000	100.00
Nicest Int'L Trading Corp. in Independent State of Samoa	300,000	100.00	0	0	300,000	100.00
Ding Sheng Material Technology Co., Ltd. in Taiwan	1,500,000	100.00	0	0	1,500,000	100.00

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

3.1.1.1 Issued Shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (thousands)	Amount (NT\$ thousands)	Shares (thousands)	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1969.08	10,000	1,600	16,000	1,600	16,000	Registration	None	None
1987.12	10	19,604	196,040	19,604	196,040	None	None	None
1991.11	10	42,808	428,080	42,808	428,080	1	None	None
1992.06	10	90,000	900,000	61,643	616,435	2	None	None
1993.08	10	90,000	900,000	75,821	758,215	3	None	None
1994.04	10	90,000	900,000	90,000	900,000	4	None	None
1994..07	10	160,000	1,600,000	108,000	1,080,000	5	None	None
1995.06	10	160,000	1,600,000	129,600	1,296,000	6	None	None
1996.07	10	160,000	1,600,000	149,040	1,490,400	7	None	None
1996.12	10	330,000	3,300,000	190,000	1,900,000	8	None	None
1997.09	10	330,000	3,300,000	280,000	2,800,000	9	None	None
1998.06	10	550,000	5,500,000	336,000	3,360,000	10	None	None
1999.07	10	550,000	5,500,000	383,040	3,830,400	11	None	None
2000.08	10	600,000	6,000,000	406,022	4,060,224	12	None	None
2003.08	10	600,000	6,000,000	422,263	4,222,633	13	None	None
2004.08	10	600,000	6,000,000	439,153	4,391,538	14	None	None
2005.09	10	600,000	6,000,000	472,090	4,720,903	15	None	None
2007.08	10	600,000	6,000,000	480,588	4,805,880	16	None	None
2008.09	10	600,000	6,000,000	489,239	4,892,386	17	None	None
2009.04	10	600,000	6,000,000	482,116	4,821,166	18	None	None
2010.09	10	600,000	6,000,000	489,348	4,893,483	19	None	None
2011.09	10	600,000	6,000,000	518,709	5,187,092	20	None	None
2012.05	10	600,000	6,000,000	599,709	5,997,092	21	None	None
2012.08	10	800,000	8,000,000	605,706	6,057,063	22	None	None
2013.09	10	800,000	8,000,000	611,763	6,117,634	23	None	None
2020.07	10	800,000	8,000,000	578,000	5,780,004	24	None	None
2020.11	10	800,000	8,000,000	550,001	5,550,013	25	None	None
2021.01	10	800,000	8,000,000	531,688	5,316,883	26	None	None

Remark	Source of capital (NT\$)						Department of Commerce, MOEA Approval number
1、Cash capital increase	36,000,000	Capitalization of earnings	196,040,000				JING(1991)-SHANG-ZIH No. 126830
2、Capitalization of earnings	149,828,000	Additional paid-in capital	38,527,200				JING(1992)-SHANG-ZIH No. 111910
3、Capitalization of earnings	141,780,100						JING(1993)-SHANG-ZIH No. 114797
4、Cash capital increase	141,784,700						JING(1994)-SHANG-ZIH No. 106616
5、Capitalization of earnings	180,000,000						JING(1994)-SHANG-ZIH No. 111110
6、Capitalization of earnings	108,000,000	Additional paid-in capital	108,000,000				JING(1995)-SHANG-ZIH No. 108398
7、Capitalization of earnings	64,800,000	Additional paid-in capital	129,600,000				JING(1996)-SHANG-ZIH No. 112973
8、Cash capital increase	409,600,000						JING(1996)-SHANG-ZIH No. 122254
9、Cash capital increase	520,000,000	Capitalization of earnings	190,000,000	Additional paid-in capital	190,000,000		JING(1997)-SHANG-ZIH No. 118953
10、Capitalization of earnings	280,000,000	Additional paid-in capital	280,000,000				JING(1998)-SHANG-ZIH No. 116419

Remark	Source of capital (NT\$)					Department of Commerce, MOEA Approval number
11、	Capitalization of earnings	201,600,000	Additional paid-in capital	268,800,000		JING(1999)-SHANG-ZIH No. 129189
12、	Capitalization of earnings	172,368,000	Additional paid-in capital	57,456,000		JING(2000)-SHANG-ZIH No. 089127894
13、	Capitalization of earnings	162,408,000				JING-SHOU-SHANG-ZIH No. 0920125250
14、	Capitalization of earnings	126,678,990	Additional paid-in capital	42,226,330		JING-SHOU-SHANG-ZIH No. 09301156140
15、	Capitalization of earnings	329,365,370				JING-SHOU-SHANG-ZIH No. 09401177070
16、	Capitalization of earnings	84,976,260				JING-SHOU-SHANG-ZIH No. 09601239900
17、	Capitalization of earnings	86,505,840				JING-SHOU-SHANG-ZIH No. 09701243000
18、	Decrease in treasury stock	71,220,000				JING-SHOU-SHANG-ZIH No. 09801065890
19、	Capitalization of earnings	72,317,490				JING-SHOU-SHANG-ZIH No. 09901218930
20、	Capitalization of earnings	293,609,000				JING-SHOU-SHANG-ZIH No. 10001194830
21、	Capitalization of earnings	810,000,000				JING-SHOU-SHANG-ZIH No. 10101083150
22、	Capitalization of earnings	59,970,930				JING-SHOU-SHANG-ZIH No. 10101171260
23、	Additional paid-in capital	60,570,630				JING-SHOU-SHANG-ZIH No. 10201191360
24、	Decrease in treasury stock	337,630,000				JING-SHOU-SHANG-ZIH No. 10901120120
25、	Decrease in treasury stock	279,990,000				JING-SHOU-SHANG-ZIH No. 10901205850
26、	Decrease in treasury stock	183,130,000				JING-SHOU-SHANG-ZIH No. 11001014500

3.1.1.2. Type of Stock

April 12, 2025

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common shares	531,688,380	268,311,620	800,000,000	None

3.1.2 List of Major Shareholders

April 12, 2025

Shareholder's Name	Shareholding	
	Shares	Percentage
YI SHENG INVESTMENT CO., LTD.	52,783,760	9.93%
SU, PAI-HUANG	28,150,455	5.30%
SU, CING-YUAN	27,094,389	5.10%
QIANG YOU SHENG Co., Ltd.	21,945,000	4.13%
YEH, SOU-TSUN (Note)	19,692,945	3.70%
SHUO CYUAN CO., LTD.	19,212,176	3.61%
YEH, TSUNG-HAO	12,492,312	2.35%
YEH, LAN SU-CHIN	10,579,054	1.99%
SU, CING-LANG	8,590,154	1.62%
YEH, YU WUNG	7,554,337	1.42%

Note : Director YEH, SOU-TSUN passed away on April 21, 2025.

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend policy stipulated in the articles of association of the company :

【Article 25】:

The company's dividends should be distributed in accordance with the company's articles of association with the goal of maintaining a stable dividend, taking into account the characteristics of business climate changes, and considering the impact of the life cycle of each product or service on future capital needs and taxation.

Measure the capital needs in the coming year, and comprehensively consider factors such as profit status, financial structure, and dilution of earnings per share, and formulate an appropriate ratio of cash and stock dividends, and submit the proposal to the shareholders' meeting for approval.

Shareholder dividends are given priority in cash dividends. However, if the company has a major investment plan or needs to improve its financial structure, part of the dividends will be paid in stock dividends. In order to avoid excessive capital expansion and affect the level of dividends in future years, stock dividends are 0% ~ 60% of all dividends for the current year.

【Article 26】:

If the company makes a profit in the annual settlement, it should first allocate 2% as employee remuneration, and allocate a maximum of 3% for directors' remuneration. However, if the company has accumulated losses, it should reserve the amount in advance to make up for it.

The resolution on employee remuneration distribution in the preceding paragraph shall be implemented after passing a special resolution of the board of directors, and shall be submitted to the shareholders' meeting.

The decision on the distribution ratio of directors' remuneration for the current year shall be submitted to the Board of Directors for resolution after the Remuneration Committee makes a recommendation.

【 Article 26-1 】 :

If the Company has earnings at the end of the fiscal year, it shall first pay income taxes and offset accumulated losses. Thereafter, 10% of the remaining balance shall be allocated as legal reserve. Any special reserve shall then be appropriated or reversed in accordance with applicable laws and regulations. The remaining balance, together with undistributed earnings carried forward from the previous year, shall constitute the distributable earnings for the current year. The Board of Directors shall draft a proposal for earnings distribution accordingly.

If the earnings distribution is made in cash, it shall be authorized by the Board of Directors pursuant to Article 240, Paragraph 5 of the Company Act, by a resolution passed by at least two-thirds of the directors present at a meeting attended by at least two-thirds of the total number of directors, and reported to the shareholders' meeting.

If the earnings are to be distributed in the form of newly issued shares, the distribution must be resolved at the shareholders' meeting.

In accordance with Article 241, Paragraph 1 of the Company Act, if the Company distributes all or part of the legal reserve and capital reserve in cash to shareholders in proportion to their shareholding, such distribution shall be authorized by the Board of Directors pursuant to Article 240, Paragraph 5 of the Company Act, by a resolution passed by at least two-thirds of the directors present at a meeting attended by at least two-thirds of the total number of directors, and reported to the shareholders' meeting. If the distribution is made in the form of newly issued shares, it shall be resolved by the shareholders' meeting.

3.1.3.2 Proposed Distribution of Dividend

On March 7, 2025, the company's board of directors approved not to distribute the 2024 annual profit. This proposal is submitted to the 2025 shareholders' meeting for discussion and resolution.

3.1.4 Impact to Business Performance and EPS Resulting from Stock Dividend :

Item		2024 (Estimate)
Beginning Paid-in Capital (in thousands of NT\$)		5,316,883
Current dividend distribution (Note)	Cash dividend per share (NT\$)	0
	Dividend per share for capitalization of earnings (share)	0
	Dividend per share for capitalization of Capital Surplus (share)	0
Changes in Operating performance	Operating profit (in thousands of NT\$)	No public finances
	Operating profit increase (decrease) ratio from same period of last year	
	Net income (in thousand NT\$)	
	Net income increase (decrease) ratio from same period of last year (in thousands of NT\$)	
	Earnings per Share (EPS) (NT\$)	
	EPS increase (decrease) ratio from same period of last year	
	Annual average return on investment (annual average PER reciprocal)	
Pro Forma EPS and PER	Capitalization of earnings changed to distribution of cash dividend in full	Pro Forma EPS (NT\$)
		Pro Forma annual average return ratio
	Without capitalization of Capital Surplus	Pro Forma EPS (NT\$)
		Pro Forma annual average return ratio
	Without capitalization of Capital Surplus and capitalization of earnings changed to issuance of cash dividends	Pro Forma EPS (NT\$)
		Pro Forma annual average return ratio

3.1.5 Compensation of Employees, Directors and Supervisors

3.1.5.1. Distribution in accordance with Article 26 of the Company's Articles of Association, the content of which is as follows :

[If the company makes a profit in the annual settlement, it should first allocate 2% as employee remuneration, and allocate directors and supervisors' remuneration at a maximum of 3%. Do it and report it to the shareholders' meeting.]

3.1.5.2. Approved by the resolution of the Company's 19th Board of Directors at its 15th meeting,
no remuneration will be distributed to employees (including all employees and managerial officers) or directors for the year 2024.

3.1.5.3 Employee remuneration and director remuneration distribution in the previous year (2023):

Due to the pre-tax loss in 2023, no employee or director remuneration will be distributed.

This case has been approved by all directors present at the 10th meeting of the 19th Board of Directors of the Company.

3.1.6 Buy-back of Treasury Stock : None.

3.2 Issuance of corporate bonds : None.

3.3 Issuance of preferred shares : None.

3.4 Issuance of overseas depository receipts : None.

3.5 Status of employee stock option plan and status of employee restricted stock : None.

3.6 Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies : None.

3.7 Capital plans and execution : None.

IV. Operational Highlights

4.1 Sales Information

4.1.1 Scope of sales

4.1.1.1 Main sales information

The production, buying, and selling of nylon chips, nylon POY, polyester DTY, polyester ATY, nylon DTY, nylon ATY, and Compounding materials.

4.1.1.2 Revenue distribution

Major Divisions	Operating Percentage	Operating Income of 2024	Domestic and export sales ratio
DTY	31.3%	NT\$2.95 billion	Domestic 51% Foreign 49%
Nylon filament	9.3%	NT\$0.88 billion	
Nylon Chip	51.8%	NT\$4.88 billion	
Compounding	6.5%	NT\$0.61 million	
Others	1.1%	NT\$0.11 million	

4.1.1.3 New products under development

(1) DTY products

- ① Under the earth-friendly trend, nylon and polyester are increasingly being developed into eco-friendly, recycled materials.
- ② In collaboration with 3M, we have developed 3M water-repellent yarn, enabling fabrics to repel water on the surface while also allowing for breathability in the inner layers, creating functional fabric varieties.
- ③ Nylon has always been the advantage of the factory, developing N6 modified cross-section yarn and waved section yarn, providing fibers with a cool, comfortable, and breathable sensation.
- ④ ATY will be incorporated into polyester, nylon, and blended fibers; and used in yarn dye and elastic fiber processing to mimic the feel of cotton, hemp, and wool. As yoga wear moves from the indoor to the outdoor space, ATY products demonstrate good potential in a market sector set apart from the typical market for elastic nylon products.
- ⑤ ZIG SHENG Industrial has developed a new generation of sustainable elastic fiber—SOUFFLEX—highlighting four key features: comfortable stretch, soft touch, environmental sustainability, and lightweight design. Just like the soft and bouncy dessert soufflé, SOUFFLEX is Ji Sheng's latest mechanically elastic polyester yarn, and it has quickly become a favorite among major fabric suppliers and brands.

- ⑥ The new processed yarn product, PP yarn, is globally recognized as the most environmentally friendly petrochemical fiber. It is not only lightweight, warm, and resistant to dirt, but most importantly, it is eco-friendly. In Europe and the U.S., garments made from PP yarn do not cause skin allergies, making them widely adopted by hospitals and elderly care facilities.

(2) Nylon products

① Nylon chips :

- Unlike other manufacturers in the industry, Ji Sheng adopts a diversified multi-production line approach. Its wide range of products includes recycled eco-friendly chips, functional and specialty-grade yarns, bright and dull finishes, as well as high-tenacity industrial yarns. These high-performance yarns have been successfully adopted by major Japanese and European companies for use in food packaging and home textile carpets.
- The compound division and the R&D polymerization test line were established to expand our territory into electronics, motors, sports, automotive, food packaging, etc.

② Nylon Filament :

- In response to the rapid rise of spinning industries in China, India, and other emerging countries, the only viable path is to pursue specialization and diversification. This includes the development of ultra-coarse, ultra-fine denier, and high-filament-count yarns. Additionally, by adopting a "vertical integration" model for the in-house production of nylon textured yarns, the company fully leverages its advantage of self-produced raw materials.
- Develop deep dyed/high and low amino nylon/original dyed yarn/environmentally friendly nylon/fishing net recycling, and implement the environmental protection demands of "energy saving" and "wastewater reduction".
- The production of far-infrared/hydrophilic cooling yarn/antibacterial/special-section nylon/collagen and other functional diversified products.
- Expanding the scope of our products will allow supply of nearly all nylon-6 products, including : nylon mono Nylon Filaments, yarn for Velcro, yarn for ribbons, yarn for ATY, and POY for export, GRS certified pre-consumer waste, and recycled fishing net nylon.
- To enhance competitiveness by increasing the rate of Grade-A products and reducing costs, machinery is being upgraded to support small-batch, high-variety, and multifunctional differentiated products.
- With the advantages of product differentiation and stable quality, wages are increased and profits are also increased.

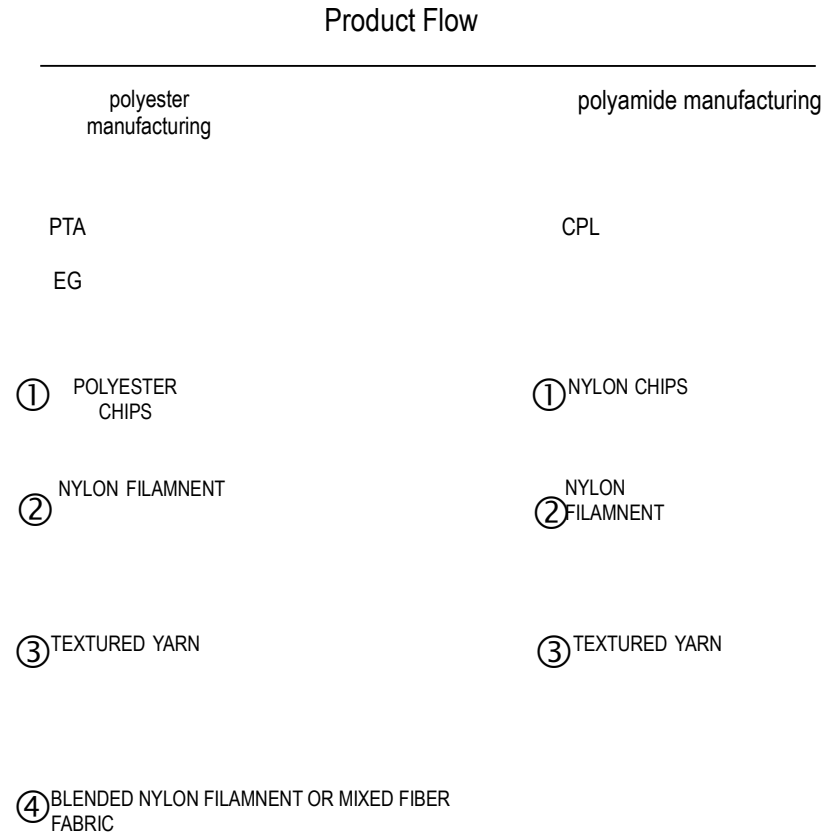
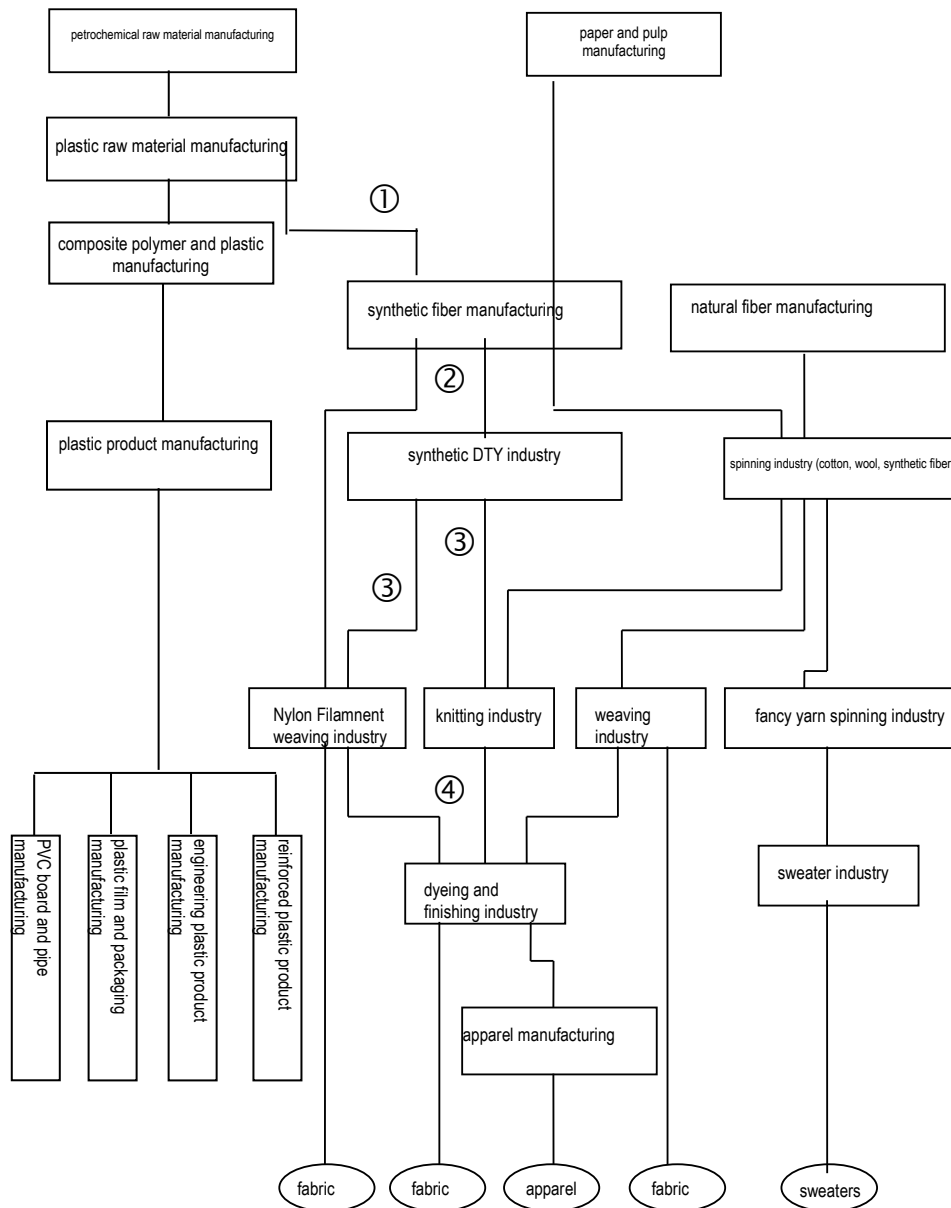
- Combined with the brand, the export market is dispersed, and the order is more stable through certification.

(3) Compounding department

- Development of specifications for agricultural sprinkler valves and fittings in compliance with NSF specifications.
- Development and promotion of a series of antibacterial PP and ABS plastic products for reproductive waste such as oyster shells and eggshell powder.
- In line with the company's future production of 66 nylon, it will develop PA66 flame retardant grade and strengthen related UL94 safety certification.

4.1.2 Industry Overview

4.1.2.1 System diagram of upstream, midstream and downstream industrial structure



4.1.2.2. Industry Outlook and Development

(1) Industry status

Since 2022, the world have gradually lifted restrictions and returned to normal levels. However, the demand side has not shown significant recovery. Nylon raw material - CPL (caprolactam) prices ranged from \$1,500 to \$1,720 per ton in 2023, and currently the price remain at high levels.

Currently, the market demand remains sluggish, and the mainstream view among clients is that significant recovery may only occur in the latter half of 2024. Fortunately our clients are mostly on long-term contracts, our sales volume can still be maintained steadily.

On the production side, the strategy continues to focus on inventory control. However, China's man-made fiber capacity continued to expand last year. With weak domestic demand and an oversupply situation, Chinese producers exported at low prices, intensifying competition in overseas markets.

In addition to maintaining existing volumes, Taiwan and Japan continue to maintain higher profits through differentiated new products. Products such as GRS certified, high flow, deep or pale dyeable grade, and cationic dyeable nylon, are continuously produced in collaboration with customers.

Given the current international landscape—characterized by the rise of regional economies, obstacles to exports, unchecked expansion in China, and an imbalance between supply and demand in the industry—Taiwan is undergoing a transformation toward high-value development. The only way to stay competitive is to continue pursuing diversification and specialization, thereby distinguishing itself from China's mass-market approach and creating unique competitive advantages.

(2) Development of the Taiwanese textile industry in recent years

During COVID-19 epidemic, the epidemic situation in Southeast Asian countries has been serious. Compared with the epidemic situation in Taiwan, the epidemic situation is relatively stable, and the industry is developing normally. Under the structural changes of the chemical fiber industry in Taiwan in the past ten years, it has removed the ruds and preserved the essence, and differentiated itself from the mainland mass production market. Relying on the support of domestic sales and government policies, the mainland polyester and nylon chemical fiber industry still plans to extend upstream raw materials PTA, MEG, CPL to polymer spinning mills to process silk for one-stop development, and then to weaving, dyeing and finishing. , garments and other textile industries.

In contrast, Taiwan, despite global economic fluctuations and sharp increases in energy and material costs, still sees its overall industry heavily expanding operations in China.

The following is an economic overview of the upstream, midstream, and downstream industries responsible for ZIG SHENG's main products (polyester DTY, nylon filaments, nylon chips) followed by an analysis of related product development trends.

① Economic outlook of the synthetic polyester fiber industry

Industry Overview	
Upstream Synthetic Fiber Industry	<p>Domestic synthetic fiber manufacturers are facing rising water and electricity prices, increasing raw material costs, and weakened customer order momentum due to easing inflation. Externally, they are challenged by standardized production in China and the rise of the industrial chain in Vietnam. The business environment is expected to become even more difficult over the coming year. With production line utilization rates at around 60%, which is insufficient to cover production costs, the industry remains cautious about operations in the first half of this year. Facing both internal and external uncertainties, ZIG SHENG, though operating on a smaller production scale, demonstrates strong resilience. The company has begun adjusting its product mix and is developing innovative, eco-friendly, recyclable, and circular economy products to differentiate itself in the market.</p> <p>Chinese synthetic fiber manufacturers have moved toward vertically integrated development upstream into petrochemicals, causing Taiwanese fiber producers to lose their market dominance. However, since Chinese POY (Partially Oriented Yarn) still cannot be exported to Taiwan, Taiwanese POY manufacturers continue to have a breathing space.</p>

Industry Overview	
DTY Industry	<p>Mass-produced and standardized products no longer offer competitive or profitable advantages. Therefore, efforts are being made to actively develop and produce specialized and customized products. Although the production volume of specialty processed yarns has decreased, they remain profitable and competitive.</p> <p>Global apparel brands such as NIKE, Adidas, and Under Armour continue to clear out inventory. While inflation has impacted the market, the extent of its effect remains to be seen. These brands are placing orders cautiously throughout the supply chain and hold a pessimistic view of business prospects this year. However, customers believe that small to mid-sized brands will drive operational growth in 2024.</p> <p>In terms of overseas business, the focus is mainly on specialized products. Foreign markets are gradually shifting toward N/T composite yarns or other specialty products, and ZIG SHENG will position itself in the market through these specialty offerings.</p>

Industry Overview	
Downstream Fabric Mills	<p>The impact of war and China's lockdowns last year continues to be felt. Currently, apparel customers' demand in the first quarter remains sluggish, with poor sales performance. Whether demand improves will depend on how effectively brands reduce their inventory in the second half of the year. There is already a noticeable month-by-month decline in finished garment inventory, and growth is expected to gradually appear in the second quarter. Monitoring inventory digestion remains a key focus.</p> <p>With industrial relocation and rising environmental awareness, dyeing and finishing plant costs have increased. While European and American countries have lifted pandemic restrictions, Southeast and Northeast Asian countries were still heavily affected by the pandemic. Port congestion led brands to rush orders, and thanks to Taiwan's quick response capabilities, the knitted fabric industry experienced a fruitful year.</p> <p>Through integration of R&D, customer service, and brand interaction, the demand for end-use functional garments grew significantly over the year. Only by continuously collaborating with downstream brands to jointly develop products that meet the demand for functionality and fashion can companies stand out in a fully competitive market.</p>

② Economic outlook of the nylon industry

Industry Overview	
Nylon Chips	<p>China's polymer expansion plans are ongoing, leading to a significant increase in supply. Coupled with weak domestic demand, China has not only achieved self-sufficiency but also resorted to dumping products at lower prices into overseas markets. In response, our company continues to leverage its flexible production capabilities—characterized by small-volume, multi-line operations—to develop a diverse product portfolio and differentiate from Chinese competitors. At the same time, we are actively expanding into markets such as Europe and the United States.</p> <p>Currently, the U.S. still imposes a 25% anti-dumping duty on polyester</p>

Industry Overview	
	<p>chips imported from China, while European producers are facing a sharp rise in energy costs due to the Russia-Ukraine war. Our company has successfully started to penetrate the U.S. and European markets with our polyester chips.</p> <p>In addition, ZIG SHENG continues to expand its business scope. This year, we plan to produce high-quality PA66 chips to meet customer demand, as well as environmentally certified recycled materials. As environmental protection and carbon reduction remain global trends, related demand is expected to continue growing.</p>
Nylon Filament	<p>The new capacity expansions in China and India have inevitably impacted business to some extent. In Taiwan, Pou Yuen shut down one of its plants, Zhan Song sold its polymerization facility to CPC Corporation, Korea's KOLON closed its plant, and Da Sheng and Sanyo shut down their ATY plants. However, as our company has expanded its product range, we have also broadened our customer base in new markets.</p> <p>By continuously developing and diversifying our export markets, we have been able to avoid direct competition with China and focus on product development in ultra-coarse, ultra-fine, and multi-filament directions. We have exited the highly competitive Chinese market and shifted toward high-value products targeting major brands in Europe, the U.S., and Japan—particularly in the ultra-fine segment—achieving modest success. Nevertheless, the company operated under challenging conditions throughout the year.</p> <p>Through our own polymerization R&D, we have developed eco-friendly, water-saving, moisturizing, and deodorizing new products, which have now become a stable source of profit.</p>
Downstream Fabric Mills	<p>Our company is the largest and most competitive producer of coarse denier industrial fabrics across both sides of the Taiwan Strait. By coordinating with downstream twisting and weaving operations, we have become the leading supplier of high-end industrial fabrics. As Korea's KOLON exited the market, many of its downstream customers have turned to us for raw materials. With nylon filament prices remaining low throughout the year, weaving mills maintained stable</p>

Industry Overview	
	<p>profits.</p> <p>However, general medium-to-low denier plain-woven fabrics faced intense price competition from Chinese manufacturers and substitution by polyester, resulting in lackluster performance. In contrast, warp-knitted high-end products and ultra-fine denier down-proof fabrics continued to perform steadily.</p> <p>In recent years, weaving mills have increasingly upgraded their equipment and shifted toward small-batch, diversified, and differentiated products to avoid direct competition with China. Our company is also actively expanding into the home textiles, functional apparel, hook-and-loop yarns, ribbon yarns, and ATY yarn segments, as well as developing new export customers. Although downstream fabric mills have been affected by the economic climate, the expansion of our customer base has allowed us to maintain steady production volume, albeit at lower pricing.</p>

③ Overview of nylon Compounding materials market

In 2024, downstream industries related to composite materials have been widely affected by inflation and soaring freight costs, leading to a significant decline in order volumes in the second half of the year. On the other hand, intense internal competition among Chinese manufacturers has led to aggressive price cuts and vicious competition in external markets. These factors have greatly weakened the momentum of industry recovery in 2024. As a result, the industry as a whole holds a cautious outlook for the future.

④ Product development trends and scope of competition

ZIG SHENG continues to improve our production lines following the collective, albeit disorderly, expansion of manufacturing in Mainland China. The company has shown promising results in regions outside the Mainland. Annual production volume is slightly smaller than this time last year but our added-value has increased. As quality and volume continues to improve, ZIG SHENG will be able to enter stable long term contracts with foreign and domestic customers to strengthen the nylon industry.

The market for Taiwanese nylon is slowly disappearing in China. ZIG SHENG should not postpone the development of new markets or product applications. The company has had some progress in recent years, but continuing to reduce our export volume to Mainland China and reducing dependence on textile applications will help our nylon chips and Nylon Filament to reach long term sales goals. Food packaging, industrial materials, and spare automotive parts will become part of future mainstream markets. ZIG SHENG is already performing well in these areas.

4.1.3 Overview of Technology and R&D

4.1.3.1. Research and development expenses invested during the year and up to the printing date of the annual report

Unit : NT\$ thousands

Project	2024	2025 Q1
R&D Budget (Including equipment investments)	47,526	13,295

4.1.3.2. Successfully developed technologies and products

(1) DTY

- ①The year-by-year replacement of the old has been completed, improving production capacity and quality, and reducing the rework rate of secondary inspection.
- ②Seeking to develop more nylon raw yarns to produce nylon, terylene and CD multiple composite variations.
- ③We are involved in both polyester and nylon, making our products more diversified. We have introduced elastic yarn compounding process to provide customers with multiple choices and cooperation.
- ④Develop and promote 3M water-repellent yarn.
- ⑤Actively research and develop new products, create brand image, and match the company's logo, such as: PUFY, NICECOOL, MILTITITI, ZIBRA, MAGICIL...

a marketing model developed together with major international brands.

- ⑥ Highly hygroscopic nylon has good hand feel, heat absorption, cooling, antibacterial and whitening effects, and has been successfully used in high-end underwear brands.
- ⑦ Collagen moisturizes, deodorizes, softens, and promotes skin-fitting.
- ⑧ The research and development of fine denier processed silk is in general and double colors, and the production is being expanded, plus PET bottle environmentally friendly recycled yarn, such as environmentally friendly dot-shaped twist, environmentally friendly tiger shrimp, environmentally friendly white silk alpaca, etc.
- ⑨ The new generation of sustainable elastic fiber - SOUFFLEX, plus N6 and N66 SOUFFLEX are loved by major brands.
- ⑩ AI artificial intelligence yarn defect detection system reduces manpower input.
- ⑪ N6 special-shaped cross-section processed yarn, developed into a straight wave yarn, making the yarn cool and breathable.
- ⑫ Launch of new material P.P yarn, white, black and white, fluorescent white.
- ⑬ Launched new generation twisted yarn, tiger prawns, Jinpu lobsters, plum prawns and other products, with 3D three-dimensional visual effects, which are different from the previous flat pattern effects.
- ⑭ Develop T/N, CD/N, N6/N66 composite yarn products to increase the coolness of clothing and replace existing T/CD products.

(2) Nylon Filament

- ① Improved machinery in response to demand for high density industrial belt yarn, fishing nets, and Velcro.
- ② Ultrafine denier high Nylon Filament yarns were used to increase tensile strength in response to demand for lighter products by foreign brands.
- ③ Continued to develop earth friendly functional products, dope-dyed yarn, deep-dyed yarn, antimicrobial yarn, GRS recycled yarn, PP yarn , hydrophilic cooling yarn, anti-odor collagen yarn etc.
- ④ Improved quality of nylon monoNylon Filaments to increase competitiveness.
- ⑤ Coordinated with our ATY/N DTY factories to produce diversified products.
- ⑥ The nylon factory left by Spinning 2, which only produces special/high-paid products.

(3) Nylon chips

- ① Functional slices, collagen nylon pellets, and differentiated product injection-grade engineering plastics have become one of the company's mainstream products.
Special dyed slices can be applied to carpets and clothing, helping customers

develop more unique products to enhance market competitiveness. At this stage, some foreign customers have completed testing and have started stable purchases, and we expect sustainable growth.

- ② In terms of food packaging film, the company combines upstream raw materials and downstream users to provide stable production and supply with excellent product quality, moving out of the development stage and achieving steady sales growth as it obtains orders from world-class manufacturers.
- ③ In terms of industry trends, the application of lightweight excellent engineering plastics and nylon has occupied a place in key components of automobiles and motorcycles.
- ④ Cooperate with international manufacturers to supply nylon pellets with various specifications and characteristics.

(4) Compounding department

- ① Single 6 internal additive injection grade Due to product stability and years of stable promotion, this product has been recognized by major customers in the domestic and foreign markets, and orders are growing steadily.
- ② Cooperate with world-renowned bicycle and fishing tackle customers to develop nylon high glass fiber reinforced specifications to meet customers' lightweight needs.
- ③ Develop flame-retardant and halogen-free flame-retardant specifications for PA6 and PA66 that comply with UL safety regulations for the electrical and electronic industries.
- ④ Continue to develop PBT electroplatable automotive lighting products as a major brand supplier in the automotive lighting industry.

4.1.4 Long-term and short-term sales development plan

4.1.4.1 Short-term sales development plan

(1) DTY :

We continue to differentiate and customize our products to quickly respond to customer needs. We also vertically integrate our own nylon raw yarn to develop unique composite nylon processed yarn. The processing of silk and spinning machines continue to be transformed, and we continue to move towards diversification and differentiation. In response to the small-scale and diverse customization needs of the market, R&D and sales personnel have invested a lot of effort in cooperating with customers. Various post-sales data, customer complaint handling, sales service reports and other information are concentrated on the platform, and appropriate improvement measures are proposed.

In order to attract textile orders from mainland China and Southeast Asia, our company optimized production lines, improved production efficiency, innovated high-value products, increased profitability, and built new high-value new product nylon 66 processed yarn production lines to compete for the high-price market.

On the market side, functional processed silk is being developed for home furnishing or sports brand manufacturers in Europe. In response to the rise of regional economic protectionism in the Association of Southeast Asian Nations, downstream companies are all developing in Southeast Asia, viewing Southeast Asian countries as an extension of domestic sales. Domestic TATIAS exhibition, FFF NY New York functional textile exhibition, Vietnam exhibition, follow-up customer visits and tracking.

(2) Nylon sales

① Nylon chips :

Nylon pellets: The company has been growing steadily in the fields of food packaging, domestic and foreign sales of textiles, and non-clothing applications. The company continues to cooperate with multinational companies and is moving towards its diversification goal. Now, rapid response and diversified production are the operational focus. In terms of market, in addition to existing customers in Northeast Asia, Southeast Asia and India, the European and American markets are also the current sales focus.

② Nylon Filament :

Nylon raw yarn: Due to the mainland's blind expansion, interest rate hikes in Europe and the United States, the Russia-Ukraine war, the impact of US tariffs, consumer tightening, supply and demand imbalance and dissatisfaction with the operating rate, resulting in increased costs, efforts will be made to promote export/diversify products and combine branding and certified products. And strengthening the stable sales of nylon processed yarn and increasing the operating rate can naturally increase profits.

③ Compounding department :

Composite materials: Due to inflation, the recovery of the entire industry has slowed down. In the short term, we will use the advantage of self-produced raw materials to win orders and increase the production line operation rate, and use the global sales channels to disperse market risks and stabilize production and sales.

4.1.4.2 Long term sales development plan

Long term development of the textile industry is restricted by the lack of resources in Taiwan; sustainability concerns including carbon emissions, earth friendly policy, energy conservation, waste reduction, and recycling; and the impact of regional economies.

(1) DTY :

① Adhere to specialization, differentiation and green environmental protection.

Under the guidance of the world trend, we cooperate with raw material factories and brand channel customers to jointly develop and drive new trends.

② Cooperate with upstream companies to develop environmentally friendly, original-color polyester nylon raw yarns, process colored yarns with high-performance sunlight resistance and washing fastness, reduce downstream dyeing and finishing processes to achieve energy-saving, water-saving and less pollution-free environmental protection demands, and do our part for the earth.

- ③Increase polyester POY spinning equipment to produce differentiated raw materials and functional products to improve competitiveness.
- ④The false twisting machines are divided into three plant areas. Although the cost is slightly increased, it is suitable for the market demand of quick response and short delivery time. Grey cloth recycled eco-friendly yarn is in cooperation with customers, market research, searching customers' existing product lines, sorting out items that can use new materials, and comparing the functional differences of new and old materials applied to products.
- ⑤With the recent rapid increase in domestic electricity prices and various raw material costs, as well as the upcoming carbon fee, it is necessary to enhance market competitiveness, actively increase the shipment ratio of high-value products, and reduce the pressure of rising costs by increasing shipments of products with higher gross margins.
- ⑥Develop high-value functional products, combine functional products such as moisture absorption and perspiration, warmth retention and heat storage, water-repellent yarn, deodorization and odor removal with cross-industry cooperation in fashion, medical and other industries, and recycle and regenerate grey fabrics and ready-made garments to move towards sustainable, environmentally friendly and low-carbon development.
- ⑦Introduce AI into factory equipment, increase energy utilization, improve production processes, reduce labor costs, expand intelligence, save energy and reduce carbon emissions, and enhance corporate competitiveness.

(2) Nylon Sales :

① Nylon Filament :

- Break away from the competition of general specifications, strengthen the sales of warp knitting yarn, and develop functional products and original color-drawn yarn and environmentally friendly nylon to respond to the demands of energy saving/environmental protection.
- Increase the export ratio to countries outside the mainland and maintain a stable balance between production and sales.
- In response to the epidemic, expand and diversify export markets through trading companies and online meetings.
- In response to the popularity of intimate apparel, we work with customers to develop new products in the existing underwear/shoulder straps field to make products more diversified and increase market share.
- Strive towards special fiber/high tensile strength and high quality requirements and cooperate with nylon monofilament MONO and world brands.

② Nylon chips :

- Seize the environmental protection trend and combine it with international brands, and expand special functions and environmentally friendly slices in line with environmental protection demands. With the popularization of electric vehicles, the call for lightweight and energy-saving has emerged. Synthetic plastic steel has been rapidly replaced by energy-intensive metals in automobile and motorcycle parts, auto tools, sports equipment, electronic and electrical machinery, etc. Nylon particles have become one of the fastest growing raw materials in the field of engineering plastics.
- Seize the obstacles to export to the mainland caused by anti-dumping measures from Europe and the United States, provide cooperation plans, do not give up on expanding sales outside the mainland, and cooperate with advanced countries to develop the application and sales of food packaging materials is also one of the topics.
- Add PA66 business by the end of 2023 to produce high-quality and diverse PA66 chips that meet customer needs and increase overall competitiveness.

③ Compounding materials :

- Continue the research and development of new products and certification of major customers.
- Continue to develop the nylon 66 market and obtain UL safety certification for related flame retardant grade products.
- Actively expand markets such as India, Southeast Asia, New Zealand and Australia.

- Seek the possibility of expanding production bases in Southeast Asia to enhance the competitiveness of local production.
- Development and certification of new products other than reinforced nylon.

4.2 Overview of market, production, and sales

4.2.1 Market analysis

4.2.1.1 Sales region of main products

Unit : NT\$ thousands

Region \ Year	2023		2024	
	Subtotal	Subtotal	Subtotal	Total
Domestic revenue		4,114,511		4,850,595
Foreign revenue		3,626,077		4,576,407
Europe	12,506		3,864	
North America	130,387		131,909	
Africa	89,460		73,863	
Oceania	15,675		17,765	
Southeast Asia	709,409		1,462,806	
Northeast Asia	1,483,260		1,403,741	
Other Asian Regions (including Hong Kong and Mainland China)	1,185,380		1,482,459	
Total Revenue		7,740,588		9,427,002

4.2.1.2 Market share in 2024

Product Line	ZIG SHENG Sales Volume (tons)	Taiwan Annual Sales Volume (tons)	Market share (%)
DTY	32,680	379,208	8.62
Nylon filament	10,081	102,665	9.82
Nylon Chips	80,439	155,243	51.81

Source : Taiwan Man-made Fiber Manufacturing Industries Association

4.2.1.3 Overview and growth potential of future market supply and demand

(1) DTY / Polyester Nylon Filament

Global brand manufacturers increasing their inventory will add pressure on the operations of DTY factories. The market indicates that inventory adjustments by brands typically take about six months to a year to gradually complete. During this period of global brand inventory adjustment, customers also face uncertainties such

as when inflation will slow down, the ongoing impact of the Russo-Ukrainian War and rising interest rates on the consumer market, and when the economy will warm up again, all of which relate to when domestic DTY factories can return to normal operation. In addition to domestic operational disadvantages, after China's market reopening, the resurgence of standardized products has increased price competition pressure on the domestic market.

With the implementation of RCEP, considering tariffs, brand supply chains are moving to Southeast Asia, Vietnam, Indonesia, Thailand, and other places. In terms of cost considerations, brands will undoubtedly prioritize orders in the Southeast Asia region; general, mass-market products will not be placed in Taiwan, while differentiated, specialized, and functional products will be the future production options.

Over the past decade, with rapid expansion, China has become the world's leading producer of polyester and nylon POY and DTY. Under China's planned economy, the polyester yarn continues to grow by more than 10% annually, having already completed the integration of the petrochemical industry with PTA and MEG. The nylon yarn is also expected to achieve this within two years. The apparel consumption market is gradually warming up, but it will take time for brands to digest the "over-ordering" inventory from the previous pandemic wave. It is expected that the economy will recover comprehensively by the third quarter of this year. According to past supply chain economic cycles, the timing for the rebound in synthetic fiber product orders depends on the order receiving status of the garment industry. Currently, the garment industry primarily takes short, urgent orders, and it is estimated that orders will gradually increase in the second half of the year.

(2) Nylon Chips

With the rapid expansion of China's CPL and nylon pellets, China's nylon pellet imports have been decreasing year by year. Only special viscosity and special specifications still need to be imported. In terms of promotion in new markets and new areas, results have been achieved this year. The company has reduced direct and indirect sales in mainland China to 10%, and increased its share in other markets.

(3) Nylon Filament

The world environment is characterized by sluggish demand, excess supply, and low operating rates, resulting in losses. It will focus on the research and development of high-end fine denier for clothing and strengthen the use of coarse denier for industrial use to avoid competition from mainland products. If we can

combine the brand and use Taiwan's raw material advantages in ASEAN, Central Asia, India and Central and South America, we can use the abundant local labor force to create another alternative market outside the mainland.

(4) Compounding department

In the second half of 2024, the recovery of the entire industry will slow down due to inflation and vicious price competition among Chinese manufacturers. Due to the long-term operation of the brand and market of the department, the above-mentioned impact will gradually slow down, and the visibility of subsequent order placement will gradually become clear. The subsequent order volume and start-up rate are expected to increase, making production and sales more stable.

4.2.1.4 Competitive strategy

- (1) Establish long-term partnerships with upstream CPL, polyester chip, and Nylon Filament suppliers to not only ensure a stable supply of raw materials but also to increase competitiveness by quickly acquiring industry information through exchanges with international brands.
- (2) Continue to research and develop diversified production, and use high value products to establish a core competitive strategy in the market.
- (3) Pursue and implement quality products; manufacturing controls; and automated warehouses that quickly and effectively manage inventory. Maintain product quality and volume, respond rapidly, and provide customers with the best possible product.
- (4) Establish a stable financial structure, monitor industry development, and embed the industry.
- (5) Phase-out and improve equipment to remain competitive.
- (6) Integrate our branding and sales while providing new products to create collective value.

4.2.1.5 Benefits and risks of long term development and mitigation strategies thereof

(1) Benefits

At a time when oil prices are low and the global economy enters a period of recovery :

- ① Poor operating conditions in Mainland China, including pollution, shifting logistics, insufficient workforce, insufficient capital, and environmental concerns, will cause slack in the production line. This will benefit Taiwanese industries focused on product quality, lead times, effective service, and R&D.
- ② While Mainland China and Taiwan both have nylon chip plants, nylon production is unique in that the industry requires advanced technology,

substantial investment, and personalized service. Mainland China may absorb most commodity product; however, Taiwan has extensive production, sales, and R&D experience that will absolutely remain competitive.

- ③Nylon applications have expanded into areas including home décor, industry and engineering, food packaging, and automotive or motorcycle parts; especially in areas where the application of engineering plastic continues to replace traditional metal components.
- ④Taiwan is still a leading competitor in terms of the price and quality of nylon chips or yarn.

(2) Risks and mitigation strategies thereof

- ① In recent years, fast moving international capital and changes in the global economic climate have contributed to large fluctuations in crude oil prices. The global price of raw materials has responded accordingly. ZIG SHENG imports almost 50% of our main raw material CPL. Shipping times require that the company maintains a steady inventory. A change in CPL prices can have a substantial impact on our production costs and profits. ZIG SHENG will adopt the following mitigation strategies in response to these risks :
 - When purchasing raw materials, ZIG SHENG will apply the scaling effect, manage shipping times, and strengthen inventory controls to avoid excess capital.
 - Coordinate orders with the sales department to allow for strategic buying when raw material prices are low and to calculate fixed gross profit margins in a timely manner. This will solve issues caused by changing raw material prices due to fluctuations in the price of crude oil.
 - Avoid the risk of sharp increases or sudden drops in raw material price cycles by coordinating with suppliers to price per shipment.
- ②The Asian FTA (ASEAN +3) will impose tariffs on Taiwanese products sold on the Asian market and could seriously impact exports. The RCEP, proposed by Mainland China as an alternative to the tabled TPP, is also not advantageous to Taiwanese foreign sales.
- ③The risk of currency fluctuation

In response to inflation in 2023, the U.S. Federal Reserve will still gradually raise interest rates. In February, March, May and July

With each interest rate hike, the U.S. dollar interest rate rose from 4.5% to 5.5%. The strong U.S. dollar acted as a downturn, making

Asian currencies are all depreciating. The exchange rate of the US dollar against the Taiwan dollar reached a high of 1:32.268 at the end of October 2023.

However, since November, US economic data has shown that inflation has been controlled. In mid-December, the Federal Reserve stated that there will be room

for interest rate cuts in the future. The US dollar As a result, the Taiwan dollar weakened and appreciated to 31 yuan, and reached 30.735 at the end of the year. The original exchange gain in the third quarter was NT\$33 million. Due to the substantial appreciation of the Taiwan dollar by nearly 5%, the exchange loss in 2023 was NT\$12 million.

However, due to the fact that the Russia-Ukraine war has not yet ceased, and affected by geopolitical and other factors, oil prices are still at high levels and it is difficult for inflation to disappear immediately. Various U.S. economic data have performed better than expected, and the U.S. dollar is expected to remain strong. The company's exchange rate profit in the first quarter of 2024 was 43 million yuan, and the profit in April alone was 18 million yuan. The market expects that there is only one chance of the Fed cutting interest rates in 2024. The U.S. dollar should still be strong, and the company's exchange rate should be good again. Performance.

④ Anti-dumping accusations

The Mainland Chinese Ministry of Commerce has filed anti-dumping suits on Nylon 6 chip markets in Taiwan, America, and the European Union for more than five years. Chinese purchasing volume has decreased in Taiwan over the years despite the fact that Taiwan offers a quality product. When combined with complicated anti-dumping duties in Europe and America, Taiwan has enjoyed a rather favorable business environment.

Commodity specifications of Taiwanese nylon chips will be replaced by Mainland China in the coming years. However, high-value, specialized products such as full-dull, bright, and specialized application chips still offer promising opportunities. Decreasing production volume across Europe and America will bring OEM opportunities to both sides of the Taiwan Strait, but ZIG SHENG should not be too comfortable with this situation. The volume of Mainland Chinese products will continue to increase. Taiwan needs to implement long term structural changes, innovate, and increase competitiveness while avoiding the Mainland Chinese market. Developing new applications is the only way to keep pace with the rise of our Mainland Chinese competitors.

⑤ China nylon chips capacity will continue to expand, leading to their reduced imports and substantial increase in exports.

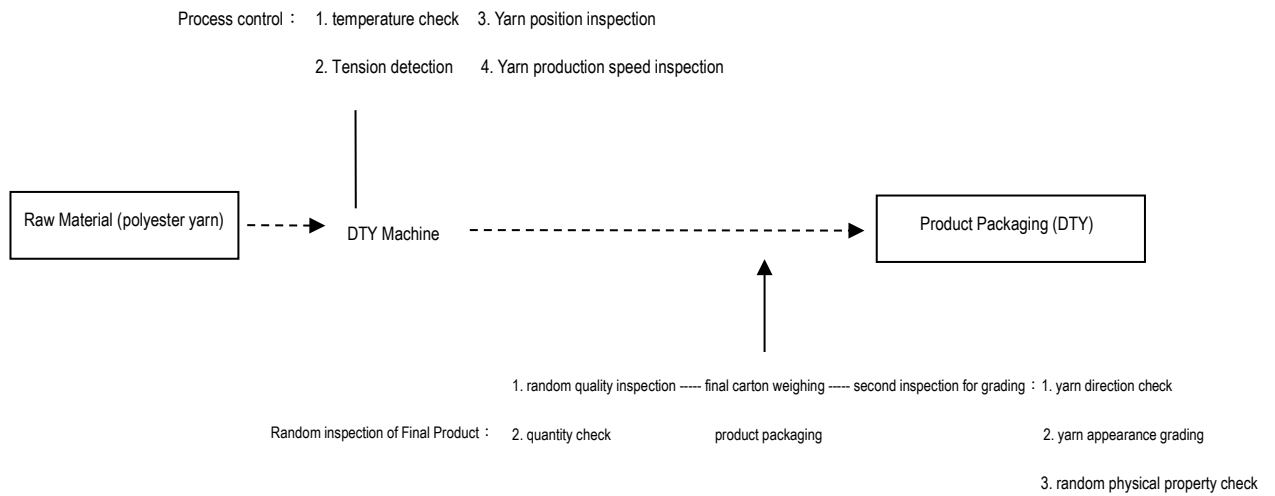
4.2.2 Production Procedures of Main Products

4.2.2.1 Major Products and Their Main Uses

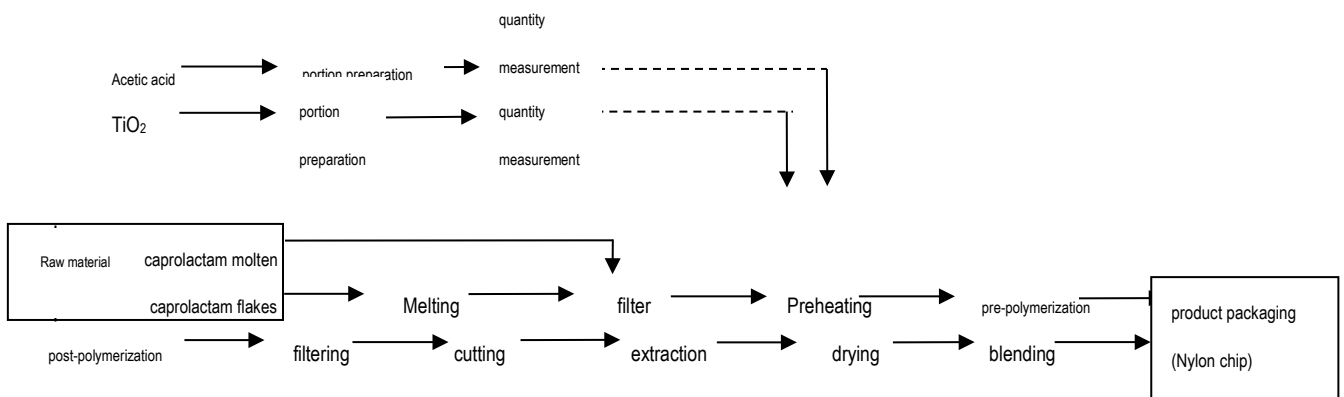
Product Line		Main application	
polyester and nylon DTY	Finished DTY	circular knitting, curtains, industrial conveyer belts, and woolen knits	
	Stretch polyester DTY	high-fashion suits and gowns	
	Dual or tri-colored polyester yarn for synthetic wool	High-fashion suit pants	
	High stretch polyester DTY	Stretch denim and athleisurewear	
	High elastic Stretch yarn	Leotards and swimwear	
	Cationic DTY	Mens and womens apparel	
Nylon Filament and spinning cones	Nylon Filament apparel(fabric)	warp knitting	clothing, bedsheets, nets, linings, footwear and hats, toy fabrics
		circular knitting	sportswear, towels, formalwear, leotards
		weaving	apparel fabric, interior design fabric, umbrella fabric
	Industrial (fabric)	suitcases, tire cords, fishing net, carpet, velcro	
	Staple Fiber	Non-wovens, nylon cotton blends, nylon wool blends	
Engineering plastic and nylon cones	Automotive Parts	cooling fans, door handles, gas caps, grilles, light bases, radiator covers	
	Industrial Parts	stroller seats, bicycle frames, ice skate soles	
	Electronics and Devices	Cellphone cases, connectors, cable windings, timers, circuit breaker covers, nylon piping for hydraulic systems	
	Packaging Materials	food packaging films (eg., dried fruit and freshly frozen food)	

4.2.2.2 Major Products and Their Production Processes

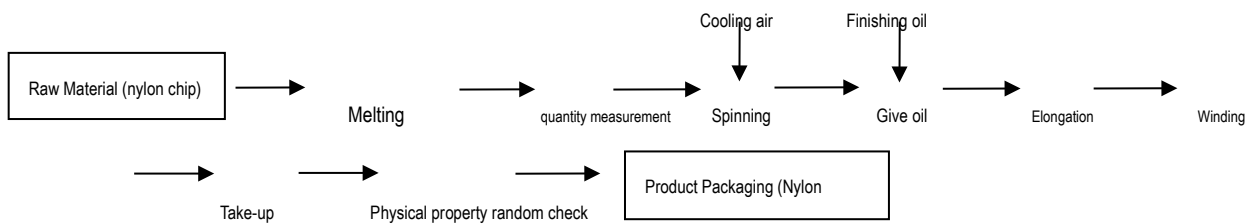
(1) DTY



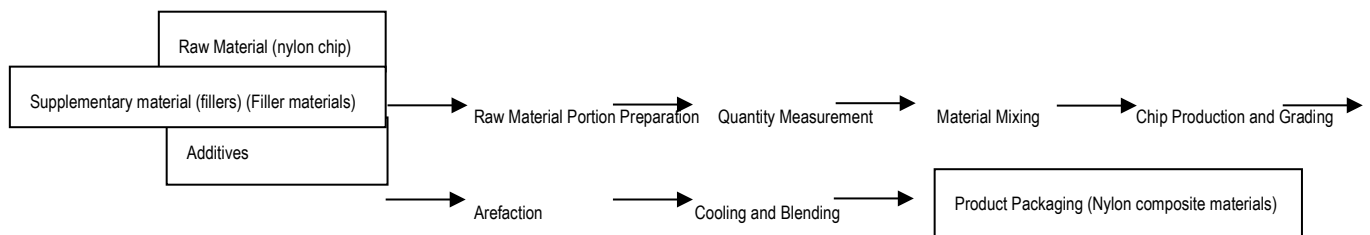
(2) Nylon polymerization



(3) Nylon Filament



(4) Composite material



4.2.3 Overview of main raw material supply

4.2.3.1 DTY raw material

- (1) All nylon raw yarns for processing are produced and used by ourselves. We use self-produced diversified nylon pellets with our own spinning technology. In addition to the cost advantage, we also produce special yarns by ourselves and do not sell them to other companies. This has the advantage of specialization and achieves the benefits of vertical integration.
- (2) For polyester spinning, currently two-thirds are self-sufficient, and one-third is developed in cooperation with upstream manufacturers for stable cooperation. The quality supply is guaranteed, and we also sell environmentally friendly recycled processed yarns. Currently, CD two-color and multi-color composites and environmentally friendly raw materials are developed and produced by ourselves.
- (3) In addition to producing its own nylon raw yarn, ATY also purchases nylon 66 raw yarn and domestic polyester nylon raw yarn from domestic and foreign manufacturers to expand ATY's product range.

4.2.3.2 Nylon raw material : CPL

The main source of CPL raw materials is still Taiwan's CPC Corporation. The part that is in short supply in Taiwan needs to be imported from abroad. In order to avoid price risks during long-distance transportation, imported CPL sources are preferred from near-sea sources as much as possible. Under normal market conditions, high-quality CPL sources are in sufficient supply.

PA66's hexamethylenediamine and adipic acid use imported high-quality raw materials.

4.2.3.3 Compounding department

The main nylon 6 and nylon 66 raw materials are all self-produced, accounting for about 95% of the total turnover. In addition, PP compound products currently account for about 5% of the total production capacity. Other materials such as ABS, compatibilizers, fillers and auxiliary materials are mainly supplied domestically, and the supply is stable and worry-free.

4.2.4 Name of customers accounted for more than 10% of total purchase/sales amount of the company in the most recent two years or in any year and the purchase/sales amount and ratio thereof

4.2.4.1 Main sales customer information

Unit: NT\$ thousands

Item	2023				2024				Q1 2025			
	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer
1	TO017	1,177,534	15.21	None	TO017	1,002,047	10.63	None	TO017	245,659	13.21	None
2	Others	6,563,054	84.79	None	Others	8,424,955	89.37	None	Others	1,614,158	86.79	None
	Net Sales	7,740,588	100.00		Net Sales	9,427,002	100.00		Net Sales	1,859,817	100.00	

Note : The name of the customer shall not be disclosed due to the contractual agreement, but expressed by the code name.

4.2.4.2. Main supplier information

Unit: NT\$ thousands

Item	2023				2024				Q1 2025			
	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer	Company name	Amount	%	Relation with issuer
1	JS145	2,245,441	37.15	None	JS145	2,609,450	32.68	None	JS145	403,967	29.86	None
2	AM020	607,257	10.05	None	None	None	None	None	CY287	164,756	12.18	None
3	None	None	None	None	None	None	None	None	SY457	157,556	11.65	None
4	Others	3,192,081	52.80	None	Others	5,375,016	67.32	None	Others	626,527	46.31	None
	Net Total Supplies	6,044,779	100.00		Net Total Supplies	7,984,466	100.00		Net Total Supplies	1,352,806	100.00	

Note : The name of the customer shall not be disclosed due to the contractual agreement, but expressed by the code name.

4.3 Human Resources

Year		2023	2024	As of March 31, 2025
Number of Employees	Staff	484	486	504
	Technician	195	171	168
	Ordinary worker	585	617	571
	Total	1,264	1274	1,243
Average Age		40.92	40.96	41.60
Average Years of Service		11.49	11.74	12.10
Education	Ph.D.	0.32%	0.31%	0.32%
	Masters	2.53%	2.04%	2.17%
	Bachelor's Degree	61.16%	60.92%	62.43%
	Senior High School	23.18%	23.23%	21.56%
	Below Senior High School	12.81%	13.50%	13.52%
Total		100%	100%	100%

4.4 Environmental protection expenditure information

4.4.1 In the most recent year and as of the printing date of the annual report, losses suffered due to environmental pollution (including compensation and environmental protection audit results that violate environmental protection laws and regulations; specify the date of punishment, the punishment code, article numbers of legal provisions violated, contents of legal provisions violated and contents of punishment) : None.

4.4.2 Expected environmental protection capital expenditure in the future :

Estimated capital expenditures for environmental protection in 2023 :

4.4.2.1. Energy storage equipment:

In response to the intermittent nature of renewable energy and the decentralized nature of power supply, the overall power system is adjusted. Energy storage facilities can provide instantaneous frequency regulation and storage of surplus electricity, making them key auxiliary facilities for energy transformation. The energy storage equipment can store the electricity generated during off-peak hours in the system and release it for use during the nighttime peak hours, thereby alleviating the peak electricity demand. The estimated expenditure is NT\$9.75 million.

4.4.2.2 Repair chiller of cooling tower:

The sprinkling materials inside the water tower have naturally deteriorated due to the water tower's circulation. Most of the sprinkling materials have weathered, and the wood has decayed, causing water splashing and wasting water resources. The plan is to gradually replace and update them, with an estimated expenditure of NT\$10 million.

4.4.2.3 Reduce energy consumption:

In order to improve the energy consumption of air compressors, reduce the pressure to avoid high-end low-use, and achieve energy-saving effects, it is planned to replace the existing 2 air compressors, including the 800hp air compressor updated to 500hp; the 600hp air compressor updated to 300hp, with an estimated expenditure of NT\$10.5 million.

4.4.2.4 Improve combustion efficiency:

The installation of an air preheater on the natural gas steam boiler will reduce waste heat temperature and increase the combustion air temperature to improve combustion efficiency. The estimated expenditure for this upgrade is NT\$1.75 million.

4.4.2.5 Reduce pollution:

The plan is to replace the heavy oil burner in the boiler with a natural gas burner to reduce air pollution emissions and comply with regulatory standards. The estimated expenditure for this replacement is NT\$3.5 million.

4.4.2.6 Improve gas production efficiency:

The air compressor has been in operation for 12 years and is currently in a state of wear and tear, which affects gas production efficiency and wastes energy. It is planned to be replaced with an estimated expenditure of NT\$1.2 million.

4.4.2.7 Save energy:

The plan is to replace the original aluminum alloy solid blades with new cast FRP (Fiberglass Reinforced Plastic) blades, which offer better heat dissipation efficiency. This upgrade is expected to improve energy savings by more than 10-15%, with an estimated expenditure of NT\$2.4 million.

4.5 Labor-management relations

4.5.1 Various employee welfare measures, advanced study, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee right protection measures

4.5.1.1 Employee welfare measures

- (1) Three-festival and birthday gift money, marriage allowance, funeral allowance, travel vouchers and dinner subsidy, children's scholarships and grants.
- (2) Labor and health insurance and group accident insurance.
- (3) Free health check every year.
- (4) Uniforms for plant personnel every year.
- (5) The plant has a restaurant and suite-style dormitories with central air conditioning.
- (6) The plant has an activity center and provides a number of leisure and entertainment facilities.

4.5.1.2 Employee compensation

- (1)
 - ① Employee salaries are determined and paid according to the Salary Payment Method.
 - ② Employee remuneration is handled in accordance with the Year-end Bonus and Employee Compensation Payment Method, disbursed according to the profit status of the current year.
 - ③ According to the company's articles of association, if there is a profit in the company's annual final accounts, after retaining the amount to make up the accumulated loss, 2% shall be allocated as employee compensation, which shall be distributed after the resolution of the board of directors.
- (2) Our production process includes polymerization, spinning, texturizing, and compounding. The management class affirms that "professional talents" are the lifeblood of the company's survival and development, so the salary is positioned above the industry level to ensure that talents are suitable and secure.
- (3) In terms of salary payment, it is based on long-term stable

development, product quality and efficiency, competitiveness in the industry and the company's ability to pay, and consider the degree of price increase and plan the salary adjustment range.

- (4) Remuneration for management and professionals is assessed and evaluated by the management based on the unit contribution and personal work performances distribute project incentives.
- (5) Promotion or salary adjustment based on individual performance to motivate employees.

4.5.1.3 Employee leave

In compliance with the provisions of the Labor Standards Law and the company's regulations Practitioners' Work Rules. Employees are entitled to various vacations as required by law.

4.5.1.4 Staff training

In order to comply with the company's long-term development and improve the quality of employees, the company has formulated the "Training Management Measures" and built it into the ERP system, and planned the following talent training courses for pre-employment and on-the-job training :

- (1) Pre-employment training: All education and training provided to employees who have just registered and are in the probation period.

- ① Joint training:

New employees are trained on company profile, safety and health, common regulations and management concepts.

- ② Training

New and newly transferred personnel are mainly trained in internship upon arrival; they are given training in the short term to develop the professional knowledge and work skills required for the position so that they can perform their job functions as quickly as possible.

(2) On-the-job training: All education and training provided to employees who have completed their probation period and are formally hired.

① Professional training

Provide training to employees in accordance with their job levels and positions on the professional knowledge and skills they need for their jobs.

② Management training

For managers at or above level 3, training is provided on the concepts, knowledge and skills required for management.

③ Work safety training

Provide training on safety and health-related hazard awareness and emergency response drills.

④ Environmental protection training

Provide training on environmental protection-related operations and emergency response drills.

The company's actual number of employees participating in on-the-job training in 2024 totaled 10,647 employees (including internal and external training courses).

The implementation status is as follows :

Training nature	Training course	Total attendees	Total hours	Total cost (NT\$)
On-the-job training	Professional training course	2,341	5,513	64,960
	Management training course	29	52	16,000
	Work safety training course	7,563	19,829	386,099
Pre-employment training	Professional training course	209	41,316	0
Pre-employment training	Professional training course	2	6	0
	Management training course	24	192	0
	General training course	192	328	0
	Work safety training course	287	821	0
Total		10,647	68,057	467,059

4.5.1.5 Retirement system and implementation status

(1) Retirement System

①In accordance with the provisions of the Labor Standards Act, the company formulated employee retirement measures and established the "Labor Pension Supervision Committee" to implement employee retirement matters, and handles employee retirement in accordance with Articles 53 to 58 of the Labor Standards Act (eligibility for application, allocation, supervision, etc.). In addition, 2.5% of the total salary paid is deposited on a monthly basis in the "Special Account for Labor Pension Fund" of the Trust Department of Bank of Taiwan, and pension liabilities are provided according to the actuarial assessment report on pension.

②According to the latest "Labor Pension Act" of May 15, 2019, for employees who choose the new pension system after July 1, 2005, 6% of the total salary will be allocated to the employee pension account established at the Labor Insurance Bureau on a monthly basis, and the employee may apply for a withdrawal at his/her discretion.

(2) Implementation status

①On January 1, 2024, the balance of the special account for labor retirement reserve at Bank of Taiwan was NT\$8,584 thousand.

②In 2024, The Bank of Taiwan Labor Retirement Preparation Account paid NT\$18,895 thousand.

Settlement of old system seniority: 26 employees, payment of NT\$18,056 thousand.

Retirement processed: 1 employee, payment of NT\$839 thousand.

③At the end of 2024, the account reserve fund at Bank of Taiwan was NT\$5,840 thousand.

4.5.1.6 Agreement between labor and management : None.

4.5.1.7 Status of various employee right protection measures

(1) Employee safety and hygiene maintenance measures :

①Prevention of unlawful harm in the workplace

To prevent workers from suffering physical or mental unlawful infringements due to the actions of others while performing their duties, The Company implemented workplace unlawful infringement prevention measures as part of its 2024 Occupational Safety and Health On-the-Job Training. The company conducted assessments on employee job suitability, work design, workplace environment, physical conditions, and administrative management. In 2024, two cases of unlawful infringements occurred. In accordance with the Ministry of Labor's "Guidelines for Preventing Unlawful Infringements While Performing Duties," investigations were conducted, job adjustments were made, and training sessions were provided. A total of 10 sessions were held, with 302 employees completing the training, enhancing their awareness and understanding of workplace unlawful infringement prevention. Through these efforts, the company actively fosters a friendly and safe working environment.

② Personnel Hazard Awareness Training

To enhance the company's safety culture and improve employees' awareness and capabilities in occupational safety and health, the company provides comprehensive training programs. These include mandatory occupational safety and health training for new employees, contractor safety induction training, on-the-job employee training, fire drills, specialized operations training, and health-related awareness programs. The company prioritizes employees' professional safety competencies by organizing specialized training for forklift operators, fixed cranes, aerial work platforms, hazardous equipment, and harmful work environments. Training is conducted through certified institutions or in collaboration with the Guanyin Service Center, enabling employees to obtain relevant professional certifications.

1. In April 2024, one training session was conducted for Filipino employees operating forklifts over one ton, with eight participants undergoing training and skill certification. Among

them, four Filipino employees successfully obtained the forklift technician license.

2. The company invited instructors from the Taoyuan City Government Transportation Bureau and Luzhu Police Precinct to conduct nine road safety awareness sessions, with a total of 377 employees.

3. Emergency Response Training

To prevent casualties in the event of a disaster, each plant site conducts regular fire and hazardous material emergency drills every six months. These drills help employees understand fire hazards, evacuation techniques, and emergency response measures to ensure they can protect themselves during emergencies.

③Health Promotion Activities

- 1.To enhance employees' understanding of the prevention and management of chronic diseases such as the "Three Highs" (high blood sugar, high cholesterol, and high blood pressure), raise awareness of their own health conditions, and improve emergency response capabilities, the company annually invites professional instructors to conduct on-site training sessions. This year, the following courses were conducted:

- High Cholesterol Awareness Course: 4 sessions, 87 employees
- Occupational Activity Course: 5 sessions, 252 employees
- CPR Training Course: 1 session, 41 employees
- Dental Care Course: 1 session, 30 employees
- Medication Safety Course: 1 session, 34 employees

2. Walking Challenge

In collaboration with Derlin Company's Walking Challenge initiative, our company participated in a two-month ESG Walking Challenge involving 7 companies and 40 teams. Our company had 70 employees participate across 7 teams. Through continuous effort and perseverance over the two-month period, our team achieved impressive results:

- Total Steps: 64,350,620 steps (an average of 14,827 steps per person per day)
- Total Distance: 38,641 kilometers (equivalent to 0.97 laps around the Earth)
- Total Carbon Emission Reduction: 9,173 kilograms

Our company was honored with 1st and 2nd place in the team category, as well as 1st and 3rd place in the individual category in the Derlin awards.

3. Automated External Defibrillator (AED) Installation:

Exceeding government regulations requiring AED placement in designated public areas, our company has proactively installed a total of 10 AED units since 2011 across various sites, including factory areas, Guishan and Guanyin dormitories, and Yongji Hall. Additionally, AED managers have been assigned to ensure regular maintenance and keep the devices in operational condition.

4. Health Checkups

The company prioritizes employees' health by exceeding legal requirements, offering annual general health checkups for all employees. Additional screenings for cerebrovascular diseases and cancer are also provided. In 2024, a total of 1,135 employees underwent medical examinations. Based on health checkup results, analyses and evaluations are conducted, followed by ongoing health monitoring and physician consultations as needed.

Workplace adjustments are arranged where necessary to help employees better understand and manage their health.

④ Occupational Disease Prevention

In 2024, 639 employees from all plant sites underwent health examinations for high-risk occupational exposures, including noise, Ionizing radiation, Dust, Chromic acid, Mmercury, and Tetrachloroethane.

⑤Health Awareness Campaign

In collaboration with the Health Bureau's chronic disease prevention initiatives, occupational health professionals regularly prepare educational materials on metabolic syndrome and dementia awareness. These materials are posted on bulletin boards and presented during morning meetings, shift handovers, and various training sessions.

⑥Infectious Disease Prevention

1. Tuberculosis:

In 2024, our company received notifications from health authorities regarding tuberculosis cases and promptly cooperated with medication administration, treatment, and management. Furthermore, after culturing bacterial strains from two cases, the Centers for Disease Control (CDC) confirmed that both belonged to the same strain. As a result, expert committees and relevant health authorities conducted on-site environmental inspections and held discussions regarding this cluster event.

During the inspections, experts provided recommendations for improving ventilation in both the workplace and residential areas. To safeguard employees' health, the company has installed ventilated and windproof equipment in dormitories and implemented measures such as maintaining dining distances or installing partitions in dining areas to reduce the occurrence of respiratory infectious diseases.

2. Dengue Fever:

In collaboration with the Taoyuan City Government's Department of Labor and Department of Health, our company participated in joint inspections and awareness campaigns regarding dengue fever. We have produced dengue prevention materials and instructed all units to regularly clean their respective areas to prevent mosquito breeding in factory premises or dormitories due to stagnant water, thereby reducing the spread of mosquito-borne diseases.

⑦Lung Cancer Screening:

Lung cancer ranks as the leading cause of cancer-related deaths in the country. Early screening can improve the cure rate and reduce mortality. In line with the Taoyuan City Government's Economic Development Bureau's lung cancer screening program, our company collaborated with the Guanyin District Health Center in 2024 to assist eligible employees with registration and verification processes. A total of 20 employees participated in the screening.

- (2) In order to maintain gender equality in work and provide employees with a working and service environment free from sexual harassment, the prevention and treatment measures for sexual harassment incidents are formulated for all employees to follow.

4.5.1.8 Licenses obtained by financial and IT related personnel : None.

4.5.2 List the losses incurred due to labor disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, the date of punishment, the punishment code, the article numbers of legal provisions violated, the contents of the legal provisions, and the content of punishment), and disclose the estimated amount and corresponding measures that may occur currently and in the future :

The company has not suffered any losses due to labor disputes, and there is no risk of disputes based on the current situation. The company was fined only due to some violations recognized in labor inspections (see the table below). All the fines for the violations listed have been paid in full, and improved measures have been made for the related items to protect the work safety and rights of the staff. The company has been fully coordinating with employees based on the belief of caring for employees and sharing benefits, in order to maintain the current good labor relations.

Item	Date of punishment (Date of violation)	Punishment code	Article numbers of legal provisions violated	Contents of legal provisions violated	Contents of punishment	Is the improvement completed?	Countermeasures
1.	Apr 19,2024 (Apr 12, 2024)	Taoyuan Prosecutor's Office Document No. 1130004967	Article116, Paragraph 14 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of the Occupational Safety and Health Act	Employers should ensure that drivers or relevant personnel are responsible for the following duties for vehicles and machinery used in the workplace: For seat-operated counterbalanced forklifts and side-lift forklifts, workers who are in charge of driving should ensure that they use driver's seat belts.	The penalty is NT\$100,000.	Improvement completed.	1. Promote the use of safety belts by colleagues when driving forklifts. 2. Set up an active warning device for not using seat belts.
2.	Apr 24,2024 (Apr 12, 2024)	Taoyuan Prosecutor's Office Document No. 1130004969	Article 086 of the Occupational Safety and Health Management Regulations and Article 23, Paragraph 1 of the Occupational Safety and Health Act	When a business entity with more than 30 employees establishes a management unit or employs management personnel in accordance with Articles 2-1 to 3-1 and Article 6, it shall register the information and manner as announced by the central competent authority and report it to the labor inspection agency for record.	Immediate	Improvement completed.	Re-registration
3	May 20,2024 (Apr 30, 2024)	Taoyuan Prosecutor's Office Document No. 1130006518	Article094 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of the Occupational Safety and Health Act	The employer should clearly mark the maximum load capacity or number of passengers at the entrances and exits of each floor and inside the elevator, and stipulate that the limit should not be exceeded during use.	Immediate	Improvement completed.	Add a tag now
4	May 20,2024 (Apr 30, 2024)	Taoyuan Prosecutor's Office Document No. 1130006702	Article224, Paragraph 1 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of the	For workplace edges and openings with a height of more than two meters where workers are at risk of falling, if it is obviously difficult for the employer to implement the measures in the preceding paragraph, or if	Immediate	Improvement completed.	1. On-site foremen and supervisors conduct routine inspections and provide reminders at morning meetings. 2. Strengthen the education and promotion of elevated work in the factory.

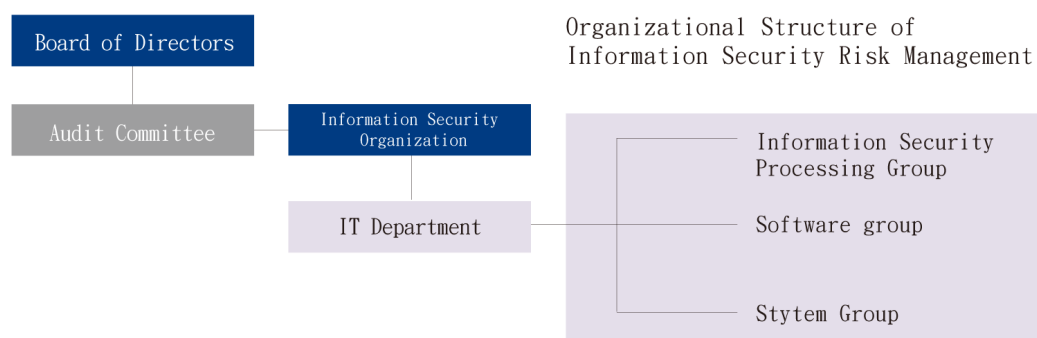
Item	Date of punishment (Date of violation)	Punishment code	Article numbers of legal provisions violated	Contents of legal provisions violated	Contents of punishment	Is the improvement completed?	Countermeasures
			Occupational Safety and Health Act	guardrails and covers are temporarily removed for work purposes, the employer should take measures such as having workers use safety belts to prevent workers from being in danger due to falling.			
5	Jul 03,2024 (Jun 21, 2024)	Taoyuan Prosecutor's Office Document No. 1130008515	Article 057, Paragraph 1 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of the Occupational Safety and Health Act	If the cleaning, oiling, inspection, repair or adjustment of machinery may cause harm to workers, the employer shall stop the operation of the relevant machinery and the feeding of materials. In order to prevent others from operating the starting device of the machine or feeding materials by mistake, measures such as locking or marking should be adopted, and safety equipment and measures should be installed to prevent falling objects from endangering workers.	The penalty is NT\$100,000.	Improvement completed.	Establish operating standards, implement education and training, and post signs and warning slogans.
6.	Jul 31,2024 (Jul 26, 2024)	Labor Affairs Document No. 1131609101 (Northern Region 1)	Article 36 of the Occupational Safety and Health Act	An occupational accident occurred when a worker employed by your company fell while performing cleaning operations on July 23, 2024. This was confirmed by an inspection conducted by staff of this agency (North District Occupational Safety and Health Center).	Work stoppage	Improvement completed.	Guardrails are set at the edge openings, and workers use safety belts, helmets and other necessary protective gear.
	Aug 07,2024 (Jul 26, 2024)	Labor Affairs Document No. 1131609209 (Northern Region 1)	Article 224, Paragraph 1 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of	Employers should install protective equipment such as guardrails and covers of appropriate strength at the edges and openings of workplaces with a height of more than two meters where	Immediate	Improvement completed.	2 .Establish management plans and implement audit management. 3. The Occupational Safety and Health Administration agrees to resume work from December 12, 2024.

Item	Date of punishment (Date of violation)	Punishment code	Article numbers of legal provisions violated	Contents of legal provisions violated	Contents of punishment	Is the improvement completed?	Countermeasures
			the Occupational Safety and Health Act	workers are at risk of falling.			
			Article 281, Paragraph 1 of the Regulations for the Occupational Safety and Health Equipment and Measures and Article 6, Paragraph 1 of the Occupational Safety and Health Act	When workers are working at a height of more than two meters and there is a risk of falling, the employer should ensure that the workers use safety belts, safety helmets and other necessary protective equipment. However, this does not apply if the employer has taken measures such as safety nets.	Immediate	Improvement completed.	
			Article 12-1 of the Occupational Safety and Health Management Regulations and Article 23, Paragraph 1 of the Occupational Safety and Health Act	Employers should formulate occupational safety and health management plans according to the scale and nature of their business units and require supervisors at all levels and relevant personnel responsible for command and supervision to implement them; for business units with less than 30 employees, safety and health management implementation records or documents may replace occupational safety and health management plans.	Immediate	Improvement completed.	
			Violation of Article 6, Paragraph 1 of the Occupational Safety and Health Act and Article 43, Paragraph 2 of the same Act	Employers should have necessary safety and health equipment and measures in place to meet the following requirements: 5. Prevent hazards caused by workplaces where there is a risk of falling, flying objects, or collapse.	The penalty is NT\$110,000.	Improvement completed.	

4.6 Information policy and Management plan

4.6.1 The risk management framework of cyber security :










- 4.6.1.1 “Corporate Information Security Organization Framework”, established by the company, is responsible by the top supervisor of General Management Department. The framework allocates appropriate human, material and financial resources, and the manager of information department is assigned to be responsible for information security and deploy appropriate manpower.
- 4.6.1.2 The company has completed the establishment of manpower for information security management (Information security supervisor: CHOU, CHI-MING/information security personnel: LIN, TSUNG-CHIEH, LIU, WEI-CHIH), and has submitted the declaration to the Taiwan Stock Exchange.
- 4.6.1.3 The company has become a member of the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) .
- 4.6.1.4 Report to the board of directors regularly.



4.6.2 Cyber Security Policies

- 4.6.2.1 The company pays attention to information security risk management, and reduces enterprise information security threats from the system, technical and procedural aspects. In order to prevent diverse internal and external information security threats, various information security protection systems are built to improve the security of the overall information environment.
- 4.6.2.2 The company has formulated a number of information security specifications and systems to regulate personnel's behaviors for information security. We regularly review whether the relevant systems are conformed to change the business environment, and make adjustments according to the requirements timely.
- 4.6.2.3 The company regularly reviews and implements improvement actions including information security measures, training and dissemination. The effect of these actions is to ensure that the company's important confidential information is not leaked, and implement personnel information security management measures.

4.6.3 Specific management plan

Items	Description	Action
Computer Room	 Computer room access control  Computer room environmental management	<ul style="list-style-type: none"> ➤ Personnel entry and exit control and record ➤ Computer room air conditioner temperature and humidity control ➤ Uninterrupted Power System Setup ➤ The inspection and education of equipment and fire safety ➤ Management and maintenance of Information appliance
System Security	 System Status Monitoring and abnormality alerting  Database management  Disaster drill on system	<ul style="list-style-type: none"> ➤ System and Network status Monitoring and exception handling ➤ Optimization and backup of database regularly ➤ System virtualization and remote backup. ➤ Perform disaster drill on host computer backup plan regularly
Access control	 Employee access data control	<ul style="list-style-type: none"> ➤ Permission setting ➤ Account Management ➤ USB port usage control ➤ External Mail access control
Network security	 The installation of protection device	<ul style="list-style-type: none"> ➤ The establishment and update of firewall and spam filtering ➤ Regular update on virus code ➤ P2P and remote connection program control
The education training and dissemination to the employee	 Enhance concept of employee information security  Promote alertness of employee for information security	<ul style="list-style-type: none"> ➤ Enhance implementation of professional information security education training ➤ Process dissemination of information security irregularly

4.6.4 Resources invested in cyber security management

4.6.4.1 A disaster backup drill was performed for the core cyber system in March 2024.

4.6.4.2 Corporate cyber security education training and disseminating:

- (1) Three cyber security personnel attended the "Professional Training Course in Cyber Security" with a total training duration of 37 hours.
- (2) The "Company Information Security Policy Announcement" was publicized and relevant information security cases were disseminated internally.

In addition, cyber security education and training were completed in March 2024, with a total 83 participants and 83 training hours.

4.6.4.3 Perform Data Security Backup

- (1) Upgrade server storage devices.
- (2) Check each system status daily.
- (3) Store backup media offsite weekly.

4.6.4.4 The upgrade of information security software and equipment.

- (1) Upgrade or renewal of Win XP operating system computers.
- (2) MA renewal of network firewall equipment.
- (3) Purchase and upgrade of NAS (Network Attached Storage).
- (4) Renewal of UPS (Uninterruptible Power Supply).

4.6.5 Major Cyber security incidents : None.

4.7 Important Contracts : None.

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

5.1 Analysis of Financial Status

Unit: NT\$ thousands

Item \ Year	2023	2024	Variance	
			Amount	%
Current assets	4,088,423	4,235,012	146,589	3.59
Property, plant and equipment	4,757,528	4,587,607	(169,921)	(3.57)
Other Non-Current Assets	1,463,413	2,187,987	724,574	49.51
Total assets	10,309,364	11,010,606	701,242	6.80
Current liabilities	2,489,872	2,260,484	(229,388)	(9.21)
Other Non-current liabilities	1,513,136	2,441,792	928,656	61.37
Total liabilities	4,003,008	4,702,276	699,268	17.47
Share capital	5,316,884	5,316,884	0	0.00
Capital Surplus	346,343	346,546	203	0.06
Retained Earnings	590,025	596,459	6,434	1.09
Other equity	53,104	48,441	(4,663)	(8.78)
Total equity	6,306,356	6,308,330	1,974	0.03

Note : The above financial data for each year has been audited by independence accountants.

The main reasons and effects of major changes in assets, liabilities and equity in the last two years :

5.1.1 Other Non-Current Assets

The reason for the increase in the proportion of changes was mainly due to the increase in investment properties, prepayments for equipment, deferred income tax assets.

5.1.2 Other Non-Current Liabilities

The reason for the increase in the proportion of changes was mainly due to the increase in long-term loans.

5.2 Analysis of Financial Performance

Unit: NT\$ thousands

Item \ Year	2023	2024	Variance	%
Operating revenue	7,740,588	9,427,002	1,686,414	21.79
Operating costs	7,889,709	9,286,778	1,397,069	17.71
Gross profit	(149,121)	140,224	289,345	194.03
Operating expenses	365,951	406,327	40,376	11.03
Net Operating Income (Loss)	(515,072)	(266,103)	248,969	48.34
Non-operating gain and loss	212,933	247,839	34,906	16.39
Income(Loss) before tax	(302,139)	(18,264)	283,875	93.96
Income tax expense (or benefit).	61,983	23,514	(38,469)	(62.06)
Net Income (Loss)	(240,156)	5,250	245,406	102.19
Other comprehensive income	9,930	(3,479)	(13,409)	(135.04)
Total comprehensive income(Loss)	(230,226)	1,771	231,997	100.77

Note : The above financial data for each year has been audited by independence accountants.

5.2.1 The annual report shall list the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years :

5.2.1.1 Operating Revenue

Terminal market demand recovered slightly, so operating income increased

5.2.1.2 Gross Profit

The increase in operating profit for the current period was due to the adjustment of product sales mix strategy.

5.2.1.3 Net Operating Income

The reason for the increasing of the change ratio was the same as the explanation of gross profit.

5.2.1.4 Income (Loss) before tax

The reason was same as gross profit.

5.2.1.5 Income tax expense (or benefit)

The decrease in the change ratio is due to the increase in pre-tax net profit, which is expected to be transferred to income tax expenses in future years.

5.2.1.6 Net Income (Loss)

The reason was same as gross profit.

5.2.1.7 The others comprehensive income

The decrease in the change ratio was mainly due to the decrease in unrealized valuation gains on equity instrument investments measured at fair value through other comprehensive income.

5.2.1.8 Total comprehensive income (loss)

The reason for the increasing of the change ratio was the same as the explanation of gross profit and non-operating gain and loss.

5.2.2 Analysis of operating margin changes

Unit: NT\$ thousands

Gross profit	Early and late increase Minus changes	Variance			
		Selling price	Cost price	Sales mix	Sales quantity
	289,344	586,584	(288,002)	1V4,250	(23,488)
Explain	Due to the global economy recovered slightly and the adjustment of product sales mix resulted in an increase in operating gross profit for the current period.				

5.2.3 The reasons for the changes in the company's main business content or if major changes in operating policies, market conditions, economic environment, or other internal and external factors have occurred or are expected to occur, the facts and impact changes and the possible impact on the company's future financial operations and Response plan : None.

5.2.4 The expected sales volume in the next year and its basis, and the company's expected sales volume to continue to grow or decline, the main factors affecting:

The company has not disclosed its year 2025 financial forecast, so it does not intend to disclose the expected sales volume.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year (2024)

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
144,683	296,483	(301,048)	140,118	0	0

5.3.1.1 Analysis of cash flow changes:

(1) Operating activities:

Operating activities are cash inflows from changes in inventory and accounts of operating activities.

(2) Investment and fundraising activities:

Investment activities are capital expenditures for property, plant and equipment.

(3) Financing activities:

Financing activities are cash inflows from new borrowings to repay old long-term and short-term loans.

5.3.1.2 Remedial measures for insufficient cash and liquidity analysis: Not applicable.

5.3.2 Cash Flow Analysis for the Coming Year (2025)

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Cash Outflow (Inflow)	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
140,118	385,600	(483,300)	42,418	0	0

Description:

5.3.2.1 Operating activities: Operating activity is the expected inflow of profit and depreciation in the next year.

5.3.2.2 Investment and financing activities: Investment and financing activities are expected outflows of investment and financing in the next year.

5.3.2.3 Remedial measures for insufficient cash and liquidity analysis: apply new mid-term banking loan.

5.4 Major Capital Expenditure Items and Source of Capital

5.4.1 Major Capital Expenditure Items and Source of Capital

Unit: NT\$ thousands

Project	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Capital	Capital Expenditure			
				Actual			Estimate
				2022	2023	2024	2025
PA-66 Equipment	Midterm Loan	September 2025	550,000	92,000	373,500	79,200	5,300
Yong Ji Hall	Midterm Loan	January 2025	362,000	60,000	126,000	148,000	28,000

5.4.2 The impact of expected benefits on financial business :

5.4.2.1 PA-66 Equipment :

- (1) Utilize the superiority of Company with the worldwide clients to expend new products line transforming onto nylon-66.
- (2) Increase the development of Compound specifications and UL safety certification to enhance the brand's market competitiveness and increase the company's profits.

5.4.2.2 Yong Ji Hall :

- (1) Construct the Hall within land at Guanyin industrial district for rent.
- (2) Expecting will increase rental revenue.

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

5.5.1 Reinvestment policy for the most recent year

The company's reinvestment is based on its own industry and the purpose of vertical integration above and downstream and related to market development Investment.

5.5.2 Analysis of reinvestment loss and improvement plan

The investment gains and losses recognized by the equity method based on the shareholding ratio are summarized as follows :

Unit: NT\$ thousands		
Invested company	2023	2024
ZIS Holding Co., Ltd.in Republic of Mauritius	\$0	\$0
Nicest Int'L Trading Corp. in Independent State of Samoa	2,240	(3)
Ding Sheng Material Technology Co., Ltd. in Taiwan	(1,221)	(775)
Total	\$1,019	(\$778)

5.5.2.1 ZIS Holding Co.,Ltd.in Republic of Mauritius

(1) It is a 100% foreign invested company invested by the company.

The company's investment of 5,400,000 shares, USD1.00 per share, totaling USD 5,400,000, has been reviewed by the Investment Review Committee of the Ministry of Economic Affairs on August 1, Republic of China. The letter No. 091018941 was approved for filing. Due to continuous losses, the total assets, total liabilities and net assets as of December 31, 2024 and 2023 were all 0, and the company did not have any revenue or expense amount during the opening period.

(2) For information on reinvesting in Mainland China Kunshan Liyi Textile Co., Ltd., please refer to Note 13 (3) Disclosure of Mainland China Investment Information in the 2024 Financial Report.

5.5.2.2 Nicest Int'L Trading Corp. in Independent State of Samoa

(1) It is a 100% foreign invested company invested by the company.

The company's investment in this company is 300,000 shares, USD1.00 per share, totaling USD300,000. It has been reviewed by the Investment Review Committee of the Ministry of Economic Affairs on December 12, 2013. Letter No. 10200461630 was approved and filed; currently actively diversifying the development of various product sales to increase operating benefits.

- (2) For information on reinvestment in Suzhou Hongyousheng Trading Co., Ltd., please refer to Note 13(3) Disclosure of Mainland China Investment Information in the 2024 Financial Report.

5.5.2.3 Ding Sheng Material Technology Co., Ltd. in Taiwan

- (1) It is a 100% invested company established by the company. The company invested 1,500,000 shares in the company at NTD 10 per share, totaling NT 15 million. It was approved by the Taipei City Government on August 4, 2014, No. 10386394410 The letter of approval and registration is still in the expansion stage. The company reinvested 200,000 shares, USD1.00 per share, totaling USD200,000, which was approved by the Ministry of Economic Affairs Investment Review Committee on December 28, 2015 by the Second Approval Letter No. 10400327980; engaged in general import trading and re-active Open up the market to increase operating profit.
- (2) For information on reinvestment in DING SHENG MATERIAL TECHNOLOGY CORPORATION in the United States, please refer to the disclosure of relevant information on reinvestment business in Note 13 (3) of the 2024 financial report.

5.5.3 Investment plan for the next year : None.

5.6 Analysis of Risk Management

5.6.1 The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future.

5.6.1.1 Interest rate

As the company regularly evaluates the trend of interest rate changes and makes timely responses, it is expected that no significant market interest rate changes will be occurred. If the market interest rate increases/decreases by 10 basis points, and all other factors remain unchanged, the net profit of the company from January 1 to December 31, 2024 and 2023, will decrease /increase by NT\$ 2,627 thousand and NT\$ 1,709 thousand respectively.

5.6.1.2 Foreign exchange rates

The sensitivity analysis of the company's exchange rate risk mainly focuses on the main foreign currency monetary items and non-monetary items at the end of the financial reporting period, and the impact of related foreign currency appreciation/devaluation on the company's profit and loss and equity. The company's exchange rate risk is mainly affected by fluctuations in the exchange rate of the U.S. dollar. When the U.S. dollar appreciates/depreciates by 1%, the company's net profit after tax from January 1 to December 31, 2024 and 2023 will increase/decrease by NT\$ 2,579 thousand and NT\$ 4,761 Thousand respectively.

In addition, the Group's monetary items recognized foreign currency unrealized exchange gains and losses from January 1 to December 31, 2024 and 2023, were NT\$6,801 thousand and NT\$ (24,751) thousand respectively. Due to the wide variety of currencies in foreign currency transactions, it is impossible to the exchange gains and losses are disclosed in foreign currencies, so they are expressed in the form of aggregate amounts.

5.6.2 The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The company engages in derivative commodity transactions to avoid exchange rate risks arising from assets and liabilities, and since the company's listing (Republic of 1993), there has never been a case of fund loans to others or external endorsements.

5.6.3 Research and development work to be carried out in the future, and further expenditures expected for research and development work.

5.6.3.1 Compared with polyolefin and polyester petrochemical products, the characteristics of nylon series products have great development potential, but the industrial characteristics and raw material costs are high, and relatively high value-added upgrading technologies are difficult to obtain. In addition to the development of mass production and stable process technology through the integration of upstream and downstream industries, the company will further strengthen its research and development capabilities in

forward-looking technologies such as modified polymerization, nano blending and fine spinning. Value, high-performance, differentiated niche raw materials and fiber products to make up for the supply gap in the domestic industry, master key technologies and independent manufacturing capabilities.

5.6.3.2 With the continued fever of global warming, the world's major economies have actively discussed and planned climate change mitigation policies in the past year, and energy conservation, carbon reduction, and green environmental protection have become the main axis of government governance in the future. The company's "100% PET bottle recycled polyester DTY" product was awarded the green label authorized by the state on March 19, 2009. In the future, it will be more committed to the development of special yarns with high color fastness, which can play a role in energy saving and waste reduction. Appeal. It will also build a packaged module system for sewage recycling and reclaimed water filtration, establish local key components and core technologies, and strengthen the market competitiveness of my country's industries, which will increase the growth of import substitution rate and not only drive related product industries. Benefit, more effectively achieve the purpose of water recycling and environmental protection.

5.6.3.3 The company's estimated research and development expenses (including equipment investment) this year are NT\$52 million.

5.6.4 The impact of important domestic and foreign policy and legal changes on the company's financial business and the corresponding measures:

The impact of the United States' announcement of additional tariffs on Mainland China under Section 301 on the company's operations:

5.6.4.1 Our company does not have a production base in mainland China, nor does it say that it is made in China and sold in the United States.

5.6.4.2 The company's products are sold to manufacturers in mainland China and then sold in the United States as follows:

(1) The company's revenue in 2024 was NT\$9.427 billion, and sales to mainland China were NT\$223 million.

(2) The products sold by the company in mainland China are remade into fabrics by customers, processed into ready-made garments, and then sold. The amount of sales to the United States cannot be calculated, but the impact of Section 301 on the company's finance and business is estimated to be minimal.

5.6.5 The impact of technological changes (including information security risks) and industry changes on the company's financial business and countermeasures :

Most of the company's products are used for clothing and spinning fibers, with a long product life cycle, and because the products are widely used, they are less susceptible to technological changes and industrial changes.

5.6.6 The impact of changes in corporate image on corporate crisis management and countermeasures : None.

5.6.7 Expected benefits, possible risks and countermeasures for mergers and acquisitions : None.

5.6.8 Expected benefits, possible risks and countermeasures of expanding the factory : None.

5.6.9 Risks and countermeasures faced by the concentration of purchasing and sales :

The company's main purchases and sales targets are as disclosed in the Operation Overview section of this report

5.6.9.1 Instruction of purchase concentration :

- (1) The company has been in the chemical fiber industry for 50 years and has established long-term partnerships with upstream suppliers, and the supply of raw materials is smooth.
- (2) The purchase of raw materials is handled by multiple supplies, and the supply sources are all over 20 years of long-term cooperation, so there is no risk of supply shortage caused by concentrated purchases.

5.6.9.2 There is no sales concentration

Too much concentration of sales customers can easily lead to the overall control of production and manufacturing and the deployment of personnel and resources subject to the growth and decline of these customers' orders. Once any major customer has a financial crisis or bankruptcy, it is easy to cause a whole-body effect, which is easy to cause the company's operations. Significant risks. In order to reduce the risk of sales concentration, on the one hand, the company pre-set quota limits for individual customers to determine and control the collection of accounts, on the other hand, actively

increase the source and region of the customer base to increase revenue and diversify the risk of sales concentration. Reduce the impact of losing a single customer order on company operations.

5.6.10 Directors, supervisors or major shareholders holding more than 10% of the shares, the impact, risks and countermeasures of large-scale transfer or replacement of equity on the company : None.






5.6.11 The impact, risks and countermeasures of changes in management rights on the company : None.





5.6.12 Litigation or Non-litigation Matters :

5.6.12.1 The company's major litigation, non-litigation or administrative litigation matters in the last two years and so far : None.

5.6.12.2 The company's directors, supervisors, Presidents and major shareholders with a shareholding ratio of more than 10%, major litigation, non-litigation or administrative disputes in the last two years and up to now : None.

5.6.13 Other important risks and countermeasures : In order to improve information security risk management, the company issued an "Information Security Rules Announcement" in October 2024 for employees to comply with, and the following information security management measures :

Items	Description	Action
Computer Room	 Computer room access control  Computer room environmental management	<ul style="list-style-type: none"> ➤ Personnel entry and exit control and record ➤ Computer room air conditioner temperature and humidity control ➤ Uninterrupted Power System Setup ➤ The inspection and education of equipment and fire safety ➤ Management and maintenance of Information appliance
System Security	 System Status Monitoring and abnormality alerting  Database management  Disaster drill on system	<ul style="list-style-type: none"> ➤ System and Network status Monitoring and exception handling ➤ Optimization and backup of database regularly ➤ System virtualization and remote backup ➤ Perform disaster drill on host computer backup plan regularly

Items	Description	Action
Access control	 Employee access data control	<ul style="list-style-type: none"> ➤ Permission setting ➤ Account Management ➤ USB port usage control ➤ External Mail access control
Network security	 The installation of protection device	<ul style="list-style-type: none"> ➤ The establishment and update of firewall and spam filtering ➤ Regular update on virus code ➤ P2P and remote connection program control
The education training and dissemination to the employee	 Enhance concept of employee information security  Promote alertness of employee for information security	<ul style="list-style-type: none"> ➤ Enhance implementation of professional information security education training ➤ Process dissemination of information security irregularly

5.7 Other important matters : None.

VI. Special Disclosure

6.1. Summary of Affiliated Companies

6.1.1 Consolidated Business Report of Affiliated Enterprises

The Consolidated Business Report of Affiliated Enterprises for the year 2024 has been filed in accordance with the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises.” Please refer to the Market Observation Post System (MOPS) for details.

【Path】 : MOPS / Basic Information / E-books / Section for the Three Reports of Affiliated Enterprises

【Website】 : https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.1.2 Consolidated Financial Statements of Affiliated Enterprises

The entities included in the preparation of the Consolidated Financial Statements of Affiliated Enterprises for the year 2024, as required by the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises,” are the same as those required to be included in the preparation of parent-subsidary consolidated financial statements under the International Financial Reporting Standards (IFRS). Therefore, a separate set of Consolidated Financial Statements of Affiliated Enterprises is not prepared. Please refer to the Market Observation Post System (MOPS) for details.

【Path】 : MOPS / Basic Information / E-books / Financial Reports

【Website】 : https://mopsov.twse.com.tw/mops/web/t57sb01_q1

6.1.3 Affiliation Report: Not applicable.

6.2. The status of private placement securities in the most recent year and as of the publication date of the annual report : None.

6.3. Other necessary supplementary explanation items : None.

6.4. In the most recent year and as of the publication date of the annual report, matters that have a significant impact on shareholders' equity or securities prices as stipulated in the second paragraph of Article 36 of the Securities and Exchange Act : None.