Stock Code: 1476

ECLAT TEXTILE 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.

Taiwan Stock Exchange Market Observation Post System:
https://mops.twse.com.tw/mops/web/index
ECLAT Annual Report is available at http://www.eclat.com.tw
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Spokesperson

Name	Tiffany, Fen-Ru Lin
Title	Vice president
Telephone	02-2299-6000
E-mail	tiffanylin@eclat.com.tw

Deputy Spokesperson

Name	JT, Jui-Ting Hung
Title	President
Telephone	02-2299-6000
E-mail	service@eclat.com.tw

Stock Transfer Agent

Name	Share Registrar's Office of Yuanta Securities Co., Ltd.
Address	B1, No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106, Taiwan
Website	http://www.yuanta.com.tw
Telephone	02-2586-5859

CPA Firm

Name	KPMG Certified Public Accountants
CPAs	Hui-Chih Kou, Hsin-Yi Kuo
Address	68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
Website	http://www.kpmg.com.tw
Telephone	02-8101-6666

Website http://www.eclat.com.tw

Overseas Securities Exchange: None.

Headquarters, Branches and Plant

Headquarters

Address	No. 738, Zhongyang Rd., Xinzhuang Dist., New Taipei City Taiwan (R.O.C.)
Telephone	02-2299-6000

Wugu Plant

Address	No.28, Wuquan Rd., Wugu Dist., New Taipei City 248, Taiwan (R.O.C.)
Telephone	02-2299-6000

Da-Shan Plant

Address	No.50, Longshan Rd., Houlong Township, Miaoli County 356, Taiwan (R.O.C.)
Telephone	037-432-371

Hsi-Chou Plant

Address	No.39, Sanhao Rd., Houlong Township, Miaoli County 356, Taiwan (R.O.C.)
Telephone	037-731-600

Da-Yuan Plant

Address	No.134, Dagong Rd., Dayuan Dist., Taoyuan City 337, Taiwan (R.O.C.)
Telephone	03-386-1199

Contents

I. A report to the Shareholders

Dear Shareholders,

Preface

In 2024, global inflation gradually eased, and interest rate cuts were initiated by countries in Europe and the United States. As suppressed consumer purchasing power began to recover, market demand rebounded, accelerating the destocking process for brand companies. Consequently, the order model gradually returned to normal and orders from some existing clients experienced significant growth following inventory clearance.

Meanwhile, emerging brands adopted direct-to-consumer sales strategies, leveraging e-commerce platforms, social media, and digital advertising, while continuously improving product quality and investing in innovative design. These efforts significantly enhanced customer experience and rapidly established strong brand reputations and customer loyalty, particularly among younger demographics. With years of accumulated R&D capabilities, the Company accurately captured the needs of brand customers across various market positions and rapidly delivered customized products and solutions. As a result, the Company benefited from the growth of emerging brands and further expanded into new potential markets.

Despite overall economic uncertainties arising from monetary policy and geopolitical factors, the Company adhered to a prudent and pragmatic business strategy, maintained stable growth, and consistently strengthened innovation and R&D. We actively pursued the development of high-value-added and niche products, expanded new brand customers, and deepened cooperation with existing partners. These efforts ultimately contributed to the second-highest annual revenue in the Company's history, creating substantial value for shareholders.

Financial Performance

In 2024, the Group's consolidated net revenue reached NT$36.828 billion, of which the Knitting Division contributed NT$13.073 billion (35.50%) and the Garment Division contributed NT$23.755 billion (64.50%). This represents an increase of NT$6.038 billion or 19.61% compared to 2023. Operating profit for the year was NT$7.755 billion, a year-on-year increase of NT$1.206 billion or 18.42%. Net income after tax amounted to NT$6.641 billion, a growth of NT$1.465 billion or 28.30%. Earnings per share (EPS) for 2024 was NT$24.20.

Business Developments

1. Smart Manufacturing Upgrades:

Selected product lines have incorporated four smart manufacturing initiatives:

(1) Smart equipment: Devices are equipped with intelligent monitoring systems;

(2) Process data visualization: Data is collected and presented graphically for easier interpretation by employees;

(3) Application of AI and AOI in fabric inspection: Reduces manual labor, increases inspection accuracy and efficiency;

(4) Smart warehousing using sensor-based positioning: Enhances logistics efficiency.

In addition, production progress and shipment speed of partner vendors are integrated into the Company's ERP system to ensure real-time visibility into operations and productivity. By replacing repetitive visual and manual supervision with intelligent systems, the Company aims to optimize overall operational management.

2. Capacity Expansion:

Following full-scale operation of the Indonesia garment factory, the Company will launch Phase III of its construction plan. Drawing on experience from Phases I and II, the Company will accelerate construction and further enhance its overseas manufacturing base. This will increase production flexibility to quickly respond to market dynamics and effectively mitigate potential tariff risks.

3. Employer Brand Enhancement:

In addition to existing recruitment channels, the Company will leverage diverse media platforms to increase brand exposure and attract outstanding talent. To share business achievements with employees, the Company continues to improve compensation competitiveness through fixed salary increases, higher starting pay, performance bonuses, and employee stock ownership trust plans.

The Company is also committed to creating a friendly workplace and promoting work-life balance. Through positive word-of-mouth shared by employees, the employer brand will be further strengthened to attract top talent and convert them into full-time employees.

Outlook

Looking ahead to 2025, while the Russia–Ukraine war remains unresolved and international conflicts persist, signs of de-escalation in the Israel–Palestine conflict are emerging. At the same time, tariff-related issues are intensifying.

The Company will continue implementing its strategy of diversifying production bases. Upon full operation of the Indonesia garment factory's production lines, we will further evaluate capacity expansion to reduce potential tariff risks. In parallel, we will continue investing in automated production systems and digital monitoring software to maximize hardware-driven productivity improvements. In critical areas, the Company will focus on cultivating local talent and strengthening management training to support localized production. In the long term, demand for high-end apparel products remains strong. The Company will continue innovating in product design, optimizing and investing in automated, eco-friendly manufacturing processes, and developing cutting-edge products to expand its market potential.

As always, we remain dedicated to product quality, talent development, and maximizing value for customers, employees, and shareholders.

Wishing all shareholders good health and continued success.

Chairman

Shu-Wen Wang

II. Corporate Governance Report

2.1 Information on The Company's Directors, Supervisors, General Manager, Assistant General Managers, Deputy Assistant General Managers, And the Chiefs of All the Company's Divisions and Branch Units

2.1.1 Information on Directors and Supervisors:

2.1.1.1. Director:

April 15, 2025

Job Title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement Date of first Elected	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualification	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark(s) (Note)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Job Title	Name	Relationship	
Chairman	R.O.C.	Shu-Wen Wang	Male 51~60	June, 12,2024	3 years	June 18, 2012	21,000	0.01%	21,000	0.01%	-	-	-	-	• Executive MBA and Master of Accountancy, California State University, Los Angeles, U.S.A. • B.B.A., Department of Business Administration, National Chengchi University • Executive Vice President, Vice Chairman, ESG Committee Convener, Corporate Governance Officer, and Special Assistant to the Chairman, Eclat Textile Co., Ltd. • Vice President, Eclat Fabrics (Vietnam) Co., Ltd. • Assistant Manager, CTBC Bank Co., Ltd.	Note	-	-	-	None
Director	R.O.C.	Kun-Tang Chen	Male / 61–70	June 12, 2024	3 years	June 14, 2006	442,864	0.16%	388,864	0.14%	2,549	0.00%	–	–	• Ph.D., Textile Management, University of Leeds • President and Director, Eclat Textile Co., Ltd.; • Vice President, Nan Yang Dyeing & Finishing Co., Ltd.	None	-	-	-	None
Director	R.O.C.	Jui-Ting Hung	Male / 41–50	June 12, 2024	3 years	June 12, 2024	4,218,746	1.54%	4,218,746	1.54%	45,880	0.01%	–	–	• M.S., Materials Engineering, University of Florida; • M.S., Materials Engineering, Tsinghua University • Vice President and Associate Director of Business, Eclat Textile Co., Ltd. • Teaching Assistant, University of Florida	Note 1	-	-	-	None
Director	R.O.C.	Bei-Yu Limited Co.	Male / 51–60	June 12, 2024	3 years	June 12, 2024	8,000	0.00%	8,000	0.00%	–	–	–	–	–	–	–	–	–	None
				(Rep.) Tsung-Wu Wang		June 12, 2024 (as corporate rep.)	64,313	0.02%	64,313	0.02%	714,401	0.26%	–	–	• M.S., International Marketing, University of Surrey, UK • Dyeing Section Head, Binlong Industrial Co., Ltd.	Note 2	–	–	–	None
Director	R.O.C.	Xin-xin Limited Co.	Female / 31–40	June 12, 2024	3 years	August 12, 2021	3,000	0.00%	3,000	0.00%	–	–	–	–	–	–	–	–	–	None

Job Title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement Date of first Elected	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualification	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark(s) (Note)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Job Title	Name	Relationship	
				(Rep.) Hsin-Tung Tsai		June 12, 2024 (as corporate rep.)	6	0.00%	6	0.00%	–	–	–	–	• B.B.A., University of Southern California • Business Manager, Eclat Textile Co., Ltd.	Note 3	–	–	–	None
Director	R.O.C.	Yi-Yuan Investment Co., Ltd.	Male / 61–70	June 12, 2024	3 years	June 24, 2015	25,790,335	9.40%	25,790,335	9.40%	–	–	–	–	–		–	–	–	None
		Kuo-Sung Hsieh	– / –	June 24, 2015 (as corporate rep.)											• Ph.D., Management, University of South Australia; • Ph.D., Finance, National Changhua University of Education • CPA, Honesty-Confidence & Co.; • Assistant Professor, Ming Chuan University, Shih Chien University, Soochow University; • Consultant, China Credit Information Service Ltd.; • President, NACVA	Note 4	–	–	–	None
Director	R.O.C.	Pat-Huang Su	Male / 61–70	June 12, 2024	3 years	June 12, 2024	–	–	–	–	–	–	–	–	• M.S., Industrial Engineering, National Taiwan University; • EMBA, National Chengchi University • President and Director, Zig Sheng Industrial Co., Ltd.; • Director, Lily Textile Co., Ltd., Yi Sheng Investment Co., Ltd., Qiang You Sheng Co., Ltd., Yi Sheng Linkou Development Co., Ltd.; • Chairman, San He Development Co., Ltd.; • Representative Director, Ding Sheng Material Technology Co., Ltd.; • Independent Director, Yeedex Electronic Corp.; • Vice Chairman, Taiwan Textile Federation; • Director, Taiwan Plastic Materials Industry Association; • Former Chairman, Taiwan Man-Made Fiber Industries Association	Note 5	–	–	–	None
Director	R.O.C.	Jiann-Jong Chiu	Male / 51–60	June 12, 2024	3 years	June 12, 2024	–	–	–	–	–	–	–	–	• Ph.D., Electrical Engineering, National Taiwan University; • M.S., Materials Science and Engineering, National Tsing Hua University; • B.S., Chemical Engineering, National Cheng Kung University • Chairman & CEO, Ansforce Inc.; • Director of multiple high-tech firms including Lotes Co., Waferchem, Turning Point Lasers, Phoenix Battery, AI-Cities, Mradian Femto Sources, Waferchem Technology Corporation, Phoenix Battery Corporation • Independent Director, Plum-Monix Industry Co.; • Adjunct Assistant Professor, NCCU; • Former Senior Engineer, Texas Instruments; • Committee Member and Consultant to Taiwan Stock Exchange, Mega VC, Ministry of Education	Note 6	–	–	–	None

Job Title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement Date of first Elected	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualification	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark(s) (Note)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Job Title	Name	Relationship	
Independent Director	R.O.C.	Cheng-Ping Yu	Male / 61–70	June 12, 2024	3 years	June 24, 2015	–	–	–	–	–	–	–	–	• Ph.D., University of Leeds, UK • Associate Professor, Dept. of Textiles and Clothing, Fu Jen Catholic University; • Former Research Fellow, Industry Research Centre, University of Leeds	Note 7	–	–	–	None
Independent Director	R.O.C.	Nai-Ming Liu	Male / 61–70	June 12, 2024	3 years	June 24, 2015	–	–	–	–	–	–	–	–	• M.Acc., National Chengchi University; • B.A., Accounting, National Cheng Kung University • CPA, Cheng Yuan CPAs; • Independent Director of Bioptik Technology Inc., Evergreen Steel Corp., Inpaq Technology, Apaq Technology, Ampak Technology; • Corporate Representative Director of HH Leasing & Financial Corp.; • Supervisor, Taiwan Panstone Building Materials Co., Ltd.; • Adjunct Assistant Professor, Hsing Wu University	Note 8	–	–	–	None
Independent Director	R.O.C.	Chiu-Chun Lai	Female / 41–50	June 12, 2024	3 years	August 12, 2021	–	–	–	–	–	–	–	–	• Ph.D., Graduate Institute of Polymer Engineering, NTUST • Professor and Chairperson, Chinese Culture University; • Representative Director, Plastics Industry Development Center; • Examiner or Convener of various industrial innovation projects (A+, SBIR, CITD, etc.) by Ministry of Economic Affairs; • Former Executive Assistant to Chairman, Golden-State Industrial Co.; • Former Associate Research Fellow, TTRI	Note 9	–	–	–	None
Independent Director	R.O.C.	Tian-Wei Shi	Male / 61–70	June 12, 2024	3 years	June 12, 2024	–	–	–	–	–	–	–	–	• Ph.D., Textile Industry, University of Leeds • Member, Remuneration Committee, Eclat Textile Co., Ltd.; • Director, Eastern Media International Corp., Nature Beauty Bio-Technology Co., Ltd., Ray-Sen Medical Cosmetics Co., Ltd., Hui Yue Investment Co., Ltd.; • Director of Natural Beauty BioTechnology Co., Ltd. • Director of Ray-Sen Medical Cosmetics Co., Ltd. • Director of Hui-Yue Investment Co., Ltd. • Professor, Dept. of Textile Engineering, Feng Chia University; • Former R&D Director and Dept. Chair at Feng Chia University	Note 10	–	–	–	None
Independent Director	R.O.C.	Xiao-Kai Chen	Female / 51–60	June 12, 2024	3 years	June 12, 2024	–	–	–	–	–	–	–	–	• Ph.D., College of Journalism and Communications, Shih Hsin University; • B.A. & M.A., Department of Journalism, National Chengchi University • Board Member, Taiwan Creative Economy Association (TCEA); • Director, Foundation for Commerce and Cultural Interchange; • Independent Director, Throughtek Co., Ltd.; • Consultant, Taipei Computer	Note 11	–	–	–	None

Job Title	Nationality or place of registration	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement Date of first Elected	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualification	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remark(s) (Note)
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Job Title	Name	Relationship	
															Association (TCA); • Former Journalist and Editor, China Times; • Adjunct Assistant Professor, Shih Hsin University and Tamkang University					

Note :Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.(For example, the number of independent directors should be increased, and more than half of the directors should not be employees or managers.)

Note 1: Mr. Jui-Ting Hung currently serves as the President of Eclat Textile Co., Ltd., and as a Director of Eclat Fabrics (Vietnam) Co., Ltd., Eclat Textile Co., Ltd. (Vietnam), E-TOP (Vietnam) Co., Ltd., Colltex Garment Mfy Co., Ltd. (VN), Tai-Yuan Garments Co., Ltd., Grand Elite Holdings Inc., Eclat Enterprise Ltd., Eclat Textile (Cambodia) Co., Ltd., PT Eclat Textile International, Eclat Cayman Islands Holdings, Zig Sheng Industrial Co., Ltd., and Titan Smart Sports Co., Ltd.

Note 2: Mr. Tsung-Wu Wang currently serves as Deputy Manager of Eclat Textile Co., Ltd., and as a Director of Eclat Fabrics (Vietnam) Co., Ltd., Eclat Textile Co., Ltd. (Vietnam), E-TOP (Vietnam) Co., Ltd., Colltex Garment Mfy Co., Ltd. (VN), Tai-Yuan Garments Co., Ltd., Grand Elite Holdings Inc., Eclat Enterprise Ltd., Eclat Textile (Cambodia) Co., Ltd., and Eclat Cayman Islands Holdings; and as Supervisor of PT Eclat Textile International.

Note 3: Ms. Hsin-Tung Tsai currently serves as Associate Business Manager of Eclat Textile Co., Ltd., and as a Director of Eclat Fabrics (Vietnam) Co., Ltd., Eclat Textile Co., Ltd. (Vietnam), E-TOP (Vietnam) Co., Ltd., Colltex Garment Mfy Co., Ltd. (VN), Tai-Yuan Garments Co., Ltd., Grand Elite Holdings Inc., Eclat Enterprise Ltd., Eclat Textile (Cambodia) Co., Ltd., PT Eclat Textile International, and Eclat Cayman Islands Holdings.

Note 4: Mr. Kuo-Sung Hsieh currently serves as a Certified Public Accountant at Honesty-Confidence & Co., CPAs, an Assistant Professor at Ming Chuan University, and as a Consultant to China Credit Information Service Ltd. and Advanced Management Consultants Co., Ltd.; Consultant of Jiayang Biotechnology Co., Ltd., he is also the President of the Taiwan Association of International Business and Anti-Fraud Evaluation.

Note 5: Mr. Pat-Huang Su currently serves as Chairman and President of Zig Sheng Industrial Co., Ltd., Chairman of San He Development Co., Ltd., Vice Chairman of the Taiwan Textile Federation, and as a Director of Zig Sheng Industrial Co., Ltd., Li-Yi Logistics Development Co., Ltd., Yi Sheng Investment Co., Ltd., Qiang You Sheng Co., Ltd., Yi Sheng Linkou Development Co., Ltd.; he is also the Representative Director of Ding Sheng Materials Technology Co., Ltd., an Independent Director of Yeedex Electronic Corporation, and a Director of the Taiwan Synthetic Resin and Plastics Association.

Note 6: Mr. Jiann-Jong Chiu currently serves as Adjunct Assistant Professor at the Graduate Institute of Technology Management and Intellectual Property, National Chengchi University; Chairman and CEO of Knowledger Technology Co., Ltd.; and as a Director of Lotes Co., Ltd., Turning Point Lasers Corporation, AI-Cities Technology Corporation, and Mradian Femto Sources Co., Ltd.; he is also an Independent Director of Plum-Monix Industry Co., Ltd., HSBC Bank (Taiwan) Limited and a Supervisor of Frontier Sci. & Tech. Development Consultant Co., Ltd. and Feng-Tai Specialty Semiconductor Corporation Limited.

Note 7: Mr. Cheng-Ping Yu currently serves as Honorary Professor at the Department of Textiles and Clothing, Fu Jen Catholic University.

Note 8: Mr. Nai-Ming Liu currently serves as a practicing CPA at Cheng Yuan CPAs, and as an Independent Director of BioPreventive Biotechnologies Corp. and Evergreen Steel Corp.

Note 9: Ms. Chiu-Chun Lai currently serves as Professor and concurrently Chairperson and Director at Chinese Culture University; she is also an Independent Director of Tai-Tung Electric Co., Ltd.; Representative Director of the Plastics Industry Development Center; and Examiner of various innovation and R&D programs under the Ministry of Economic Affairs (MOEA), including the A+ Program, SBIR, CITD (Textile Group), and SME grants.
Note 10: Mr. Tian-Wei Shi currently serves as an Independent Director of Eastern Media International Co., Ltd.
Note 11: Ms. Xiao-Kai Chen currently serves as Board Member of the Taiwan Creative Economy Association, Director of the Foundation for Commerce and Cultural Interchange, Independent Director of Throughtek Co., Ltd., and Consultant to the Taipei Computer Association.

Major Shareholders of Corporate Shareholders

April 15, 2025

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholder	
Yih-Yuan Investment Corp.	Trust Property Account of Dan-Ying Co., Ltd.	(21.12%)
	Cheng-Hai Hung	(21.08%)
	Li-Chen Wang	(20.23%)
	Twinbron Inc.- Fu-Jane Wang	(8.65%)
	Wei Yueh Investment Corp.- Su-Fang Chen	(6.92%)
	Shih-Fan Chen	(6.92%)
	Hung-Chun Li	(4.31%)
	Jui-Ting Hung	(3.85%)
	Ping-Yuan Hsu	(3.12%)
	Chih-Ming Hsu	(0.69%)
Xin-Xin Limited Company	LAN, FU-TIEN	(100.00%)

2.1.1.2 Disclosure of professional qualification of directors and supervisors and independence of independent directors:

Condition / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of companies for adjunct independent directors of other public offering companies
Chairman Shu-Wen Wang	Mr. Shu-Wen Wang has extensive experience in business, accounting, and banking, demonstrating outstanding leadership in risk, financial management, and corporate communication. • Vice Chairman and Executive Vice President, Eclat Textile Co., Ltd. • Assistant Manager, CTBC Bank Co., Ltd.	No circumstances under Article 30 of the Company Act. Regarding the independence of the Board, please refer to "(II) Board Independence" under the Board Diversity and Independence Section below.	None
Vice Chairman Kun-Tang Chen	Mr. Kun-Tang Chen possesses extensive industry experience with capabilities in	Same as above.	None

Condition / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of companies for adjunct independent directors of other public offering companies
	operational judgment, management, and crisis handling. He demonstrates strategic insight into international trends and leads the Company toward globalization. • Director and President, Eclat Textile Co., Ltd. • Vice President, Nan Yang Dyeing & Finishing Co., Ltd.		
Director Jui-Ting Hung	Mr. Jui-Ting Hung has practical experience in the textile industry and related products. • Vice President, Eclat Textile Co., Ltd. • Associate Business Manager, Eclat Textile Co., Ltd. • Teaching Assistant, University of Florida, Department of Materials Engineering	Same as above.	None
Director Bei-Yu Limited Company Representative: Tsung-Wu Wang, appointed on June 12, 2024)	Mr. Tsung-Wu Wang possesses extensive industry experience with capabilities in operational judgment, crisis management, risk control, and business management. • Deputy Manager, Eclat Textile Co., Ltd. • Section Chief of Dyeing Department, Binlong Industrial Co., Ltd.	Same as above.	None
Director Xin-Xin Limited Company (Representative: Hsin-Tung Tsai, appointed on June 12, 2024)	Ms. Hsin-Tung Tsai possesses extensive industry experience and is skilled in business management and organizational leadership. • Associate Business Manager, Eclat Textile Co., Ltd. • Business Manager, Eclat Textile Co., Ltd.	Same as above.	None
Director Yi-Yuan Investment Co., Ltd. (Representative: Kuo-Sung Hsieh)	Mr. Kuo-Sung Hsieh specializes in finance and accounting and possesses related practical experience. • Corporate Representative Director, Eclat Textile Co., Ltd.	Same as above.	None

Name \ Condition	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of companies for adjunct independent directors of other public offering companies
	• CPA, Honesty-Confidence & Co., CPAs • Assistant Professor, Soochow University, Ming Chuan University, and Shih Chien University • Consultant, China Credit Information Service Ltd. and Advanced Management Consultants Co., Ltd. • President, Taiwan Association of International Business and Anti-Fraud Evaluation		
Director Pat-Huang Su	Mr. Pat-Huang Su has extensive industry experience, excelling in business management, international market insight, and financial analysis. • Director, Zig Sheng Industrial Co., Ltd. • Director, Li-Yi Logistics Development Co., Ltd. • Independent Director, Yeedex Electronic Corp. • Vice Chairman, Taiwan Textile Federation • Director, Taiwan Synthetic Resin and Plastics Association • Former Chairman, Taiwan Man-Made Fiber Industries Association	Same as above.	None
Director Jiann-Jong Chiu	Mr. Jiann-Jong Chiu has extensive expertise and experience in artificial intelligence, demonstrating abilities in decision-making, leadership, and crisis management. He provides strategic guidance toward digitalized production aligned with international trends. • Senior Marketing and Application Engineer, Texas Instruments • Reviewer and Industry Consultant, Taiwan Stock Exchange • Investment Review Committee Member, Mega Venture Capital Co., Ltd.	Same as above.	None

Condition / Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of companies for adjunct independent directors of other public offering companies
	• Adjunct Associate Professor, Department of Electronic Engineering, National Taiwan University of Science and Technology • Lecturer, Department of Business Administration, National Taiwan University • Judge and Reviewer, Digital Signal Processor Design Competition, Ministry of Education		
Independent Director Cheng-Ping Yu	Mr. Cheng-Ping Yu possesses academic experience in the textile industry, contributing to product development, service advancement, and talent cultivation. He advocates corporate sustainability to enhance enterprise value. • Honorary Professor, Department of Textiles and Clothing, Fu Jen Catholic University • Former Research Fellow, Industry Research Centre, University of Leeds	No circumstances under Article 30 of the Company Act. All five Independent Directors meet the qualifications prescribed by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act, both prior to election and during their term. They exercise independent judgment and perform their duties accordingly.	None
Independent Director Nai-Ming Liu	Mr. Nai-Ming Liu is a practicing CPA specializing in finance, accounting, taxation, and corporate governance. • CPA, Cheng Yuan CPAs • Independent Director of Eclat Textile Co., Ltd., Bioptik Technology Inc., Evergreen Steel Corp., Inpaq Technology Co., Ltd., Apaq Technology Co., Ltd., and Ampak Technology Inc. • Corporate Representative Director of HH Leasing & Financial Corporation • Supervisor, Taiwan Panstone Building Materials Co., Ltd. • Adjunct Assistant Professor, Hsing Wu University		2

Name \ Condition	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of companies for adjunct independent directors of other public offering companies
Independent Director Chiu-Chun Lai	Ms. Chiu-Chun Lai possesses academic expertise in the textile industry. • Professor and Chairperson, Chinese Culture University • Independent Director, Tai-Tung Electric Co., Ltd. • Representative Director, Plastics Industry Development Center •Examiner for various R&D and innovation projects under MOEA		1
Independent Director Tian-Wei Shi	Mr. Tian-Wei Shi has academic expertise in the textile industry, contributing to product and service development and talent cultivation. •Independent Director, Eastern Media International Corp. •Professor, Department of Textile Engineering, Feng Chia University •Former R&D Director and Department Chair at Feng Chia University	Same as above.	1
Independent Director Xiao-Kai Chen	Ms. Xiao-Kai Chen has professional expertise in IoT applications and technological innovation, bringing new perspectives to enhance operational efficiency. •Independent Director, Throughtek Co., Ltd. •Consultant, Taipei Computer Association •Adjunct Assistant Professor, Shih Hsin University and Tamkang University •Former Journalist and Editor, China Times •Public Relations Specialist at Elite PR Agency	Same as above.	1

Diversity and independence of board of directors:

(I) Board Diversity: Description of the Board Diversity Policy, Objectives, and Status of Achievement.

The Company has established the “Corporate Governance Best Practice Principles,” which prescribe the Board diversity policy under Chapter 3, "Enhancing the Board’s Functionality."

In accordance with the Company’s Articles of Incorporation and the “Rules for Election of Directors,” the Company re-elected its 14th Board of Directors on June 12, 2024, increasing the number of seats to 13, including 5 Independent Directors. Shareholders elected directors possessing the professional knowledge, skills, and experience necessary for business operations, particularly in areas such as business management, finance, and accounting. The five Independent Directors include an Honorary Professor at Fu Jen Catholic University, a Professor at Feng Chia University, a Professor at Chinese Culture University, a practicing CPA, and an Independent Director of Throughtek Co., Ltd.

1. Concrete Management Objectives for Board Diversity:

The Board of Directors shall be responsible for guiding corporate strategy, supervising management, and being accountable to the Company and shareholders. The Company’s governance framework ensures that the Board exercises its authority in accordance with applicable laws, the Articles of Incorporation, and shareholders’ resolutions.

2. Specific Management Objectives:

(1) Gender Diversity

The Company emphasizes gender equality within the Board composition. The Board shall include at least one Director of a different gender. For the 2024 director re-election, the Company nominated candidates based on the required professional expertise, academic and industry experience, and consideration of gender diversity. Following the re-election, the 14th Board now includes three female Directors, increasing the proportion of female representation from 8% to 23%. The Company remains committed to continuously seeking qualified candidates who align with operational needs and to further enhancing Board diversity with gender equality as a fundamental principle.

(2) Age and Professional Expertise Diversity

The Company values operational judgment, management, and crisis handling capabilities among its Board members. To encourage innovative thinking in business management decisions and to facilitate the intergenerational transmission of managerial knowledge, the Company aims to gradually diversify the age distribution of its Board members. At least two-thirds of the Board members shall possess expertise in key core competencies.

(3) Enhancing the Professional Supervisory Role of Independent Directors

The Company intends to appropriately assess and, when necessary, appoint members from diverse professional backgrounds to enhance the quality of decision-making and reinforce the independence and supervisory function of the Independent Directors.

3. Status of Achievement of Board Diversity:

All Directors possess the necessary knowledge, skills, integrity, and industry decision-making and management capabilities required for business execution. The Company continues to arrange diversified continuing education programs for its Directors to enhance the quality of decision-making, fulfill supervisory responsibilities, and strengthen the Board's functionality.

The 14th Board consists of 13 Directors, including 5 Independent Directors, all of whom are free from any circumstances set forth in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act, thereby ensuring Board independence. Three female Directors were appointed during the 2024 re-election to fulfill the gender equality objective.

Board members collectively have extensive business management experience and diverse academic and professional backgrounds. In the eight core competency areas identified by the Company, at least one-third of the Directors possess relevant expertise. Furthermore, more than half of the Directors have core competencies in operational judgment, business management, and crisis handling.

Diversity Core Items / Name of director	Basic Composition								Core items							
	Nationality	Gender	Concurrent Position as Employee of the Company	Age: 61 years old and above	Age: 51~ 60 years old	Age: 41~ 50 years old	Age: 31-40 years old	Number of terms of office of independent directors	Operational judgment ability	Accounting and financial analysis ability	Business management ability	Crisis handling ability	Knowledge of the industry	An international market perspective	Leadership	Decision-making ability
Shu-Wen Wang	R.O.C	Male			V				V	V	V	V	V		V	V
Kun-Tang Chen	R.O.C	Male		V					V		V	V	V	V	V	V
Jui-Ting Hung	R.O.C	Male	V			V			V			V	V		V	V
Kuo-Sung Hsieh	R.O.C	Male		V					V	V	V	V	★	★	V	V
Pat-Huang Su	R.O.C	Male		V					V	V	V		V	V		
Hsin-Tung Tsai	R.O.C	Female	V				V				V		V		V	
Tsung-Wu Wang	R.O.C	Male	V		V				V		V	V	V	★	V	★
Jiann-Jong Chiu	R.O.C	Male			V								V	V	V	V
Cheng-Ping Yu	R.O.C	Male		V				4			★		V	V	★	V
Nai-Ming Liu	R.O.C	Male		V				4	V	V	V	V	V		★	V
Chiu-Chun Lai	R.O.C	Female				V		2	V			V	V	V	V	
Tian-Wei Shi	R.O.C	Male		V				1	V		V		V	V	V	V
Xiao-Kai Chen	R.O.C	Female			V			1				V	V	V	V	V

V indicates possession of the core competency.

★indicates particularly strong competency.

(II) Independence of board of directors:

The board of directors of our company is independent, and there are no circumstances specified in Paragraphs 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act between directors or between supervisors, nor is there any relationship of spouse and relative within the second degree of kinship between directors, between supervisors, or between director and supervisor. Within the board of directors, there are five independent directors, accounting for 38.46% of all director seats. Their professional qualifications and appointment comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

Note 1: Professional qualification and experience: It describes the professional qualification and experience of individual directors and supervisors. For a director of the audit committee member and equipped with accounting or financial expertise, it is necessary to describe his/her accounting or financial background and working experience. In addition, an explanation on whether there is any condition specified in Article 30 of the Company Act shall be provided.

Note 2: Independent directors complying with independence status, including but not limited to whether the director of the company, his/her spouse, relative within the second degree of kinship acts as director, supervisor or employee of the Company or its affiliates; the number of company shares held and holding percentage of the director, spouse, relative within the second degree of kinship (or under the name of others); whether he or she acts as director, supervisor or employee of the company having a special relationship with the Company (please refer to the provisions of Subparagraphs 5~8 of Paragraph 1 of Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); remuneration amount collected for providing corporate commerce, legal, finance or accounting service to the Company or its affiliates in the most recent two years.

2.1.2 Information on the Management Team:

April 15, 2025

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Manager who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relation	
President	R.O.C.	Jui-Ting Hung	Male	2024.06	4,218,746	1.54%	45,880	0.02%	-	-	Master's in Materials Engineering, Tsinghua University and University of Florida; Teaching Assistant, Department of Materials Engineering, University of Florida; Deputy General Manager, Business Department, Eclat Textile Co., Ltd.; Assistant Vice President, Eclat Textile Co., Ltd.; Business Manager, Eclat Textile Co., Ltd.	Note 1	None	-	-	None
Vice President, Knitting Business Department	Republic of China	Sheng-Tien Lee	Male	2012.04	331	0.00%	-	-	-	-	Graduate of Dongshi High School; Assistant Vice President, Bin Long Industrial Co., Ltd.	None	None	-	-	None
Vice President, Knitting Business Department	Republic of China	Cheng-Chin Tsai	Male	2017.02	4,569	0.00%	-	-	-	-	Graduate of Fu Jen Catholic University; Assistant Vice President, Eclat Textile Co., Ltd.	None	None	-	-	None
Vice President, Garment Business Department	Republic of China	Li-Fen Cheng	Female	2017.02	2,125	0.00%	-	-	-	-	MBA, University of Leeds; Assistant Vice President, Eclat Textile Co., Ltd.	None	None	-	-	None
Vice President, Finance and Accounting Department	Republic of China	Fen-Ru Lin	Female	2024.07	0	0.00%	-	-	-	-	MBA, University of Minnesota, Twin Cities; Vice President, 104 Information Technology Co., Ltd.	None	None	-	-	None
Assistant Vice President, Production Management, Knitting Business Department	Republic of China	Bing-Chi Hsu	Male	2011.07	23,583	0.01%	-	-	-	-	Master's Degree, Fu Jen Catholic University; Production Management Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Sales Department, Garment Business Department	Republic of China	Chia-Chun Chiang	Male	2011.08	2,000	0.00%	-	-	-	-	EMBA Program (incomplete), Fu Jen Catholic University; Business Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Sales Department, Garment Business Department	Republic of China	Hao-He Chen	Male	2014.01	2,595	0.00%	40	0.00%	-	-	Bachelor, Department of Political Science, National Taiwan University; Business Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President,	Republic of China	Lien-Tsai Chen	Male	2014.01	40	0.00%	-	-	-	-	Graduate of National Taiwan University of Science and Technology; Business Manager,	None	None	-	-	None

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Manager who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relation	
Sales Department, Knitting Business Department											Eclat Textile Co., Ltd.					
Assistant Vice President, Xizhou Factory, Knitting Business Department	Republic of China	Shih-Tu Chen	Male	2014.05	0	0.00%	-	-	-	-	Graduate of Panshi Senior High School; Factory Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Eclat Textile (Vietnam) Co., Ltd.	Republic of China	Heng-Wei Hsu	Male	2017.02	1,832	0.00%	252	0.00%	-	-	Bachelor's Degree, Department of Business Administration, Fu Jen Catholic University; Assistant Vice President, Production Department, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Digital Development Department	Republic of China	Chen-Chang Feng	Male	2022.08	0	0.00%	-	-	-	-	Master's Degree in Information Science, Syracuse University; IT Manager, EnfoTech & Consulting Inc.; IT Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Procurement Department, Knitting Business Department	Republic of China	Kuo-Chang Huang	Male	2022.08	0	0.00%	3,000	0.00%	-	-	Bachelor's Degree, Department of Textile Engineering, Feng Chia University; Former R&D Department Head, Shinkong Synthetic Fibers Corp.; Former Marketing Department Head, Chih-Wei Weaving; Procurement Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Eclat Fabrics (Vietnam) Co., Ltd.	Republic of China	Wen-Chun Lin	Male	2023.01	1,000	0.00%	-	-	-	-	Graduate of Vanung Institute of Technology (now Vanung University), Department of Textile Engineering; Dyeing Factory Manager, Eclat Fabrics (Vietnam) Co., Ltd.; Laboratory Section Manager, Binlong Industrial Co., Ltd.	None	None	-	-	None
Assistant Vice President, Eclat Textile (Vietnam) Co., Ltd.	Republic of China	Heng-Wei Hsu	Male	2017.02	1,832	0.00%	252	0.00%	-	-	Bachelor's Degree, Department of Business Administration, Fu Jen Catholic University; Assistant Vice President, Production Department, Eclat Textile Co., Ltd.	None	None	-	-	Note

Title	Nationality	Name	Gender	Date of appointment to position	Shareholding		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Manager who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relation	
Assistant Vice President, Digital Development Department	Republic of China	Chen-Chang Feng	Male	2022.08	0	0.00%	-	-	-	-	Master's Degree in Information Science, Syracuse University; IT Manager, EnfoTech & Consulting Inc.; IT Manager, Eclat Textile Co., Ltd.	None	None	-	-	None
Assistant Vice President, Sales Department, Garment Business Department	Republic of China	Hsin-Tung Tsai	Female	2024.05	6	0.00%	-	-	-	-	Bachelor's Degree in Business Administration, University of Southern California; Business Manager, Eclat Textile Co., Ltd.	Note 2	None			None
Assistant Vice President, Eclat Textile International (Indonesia)	Republic of China	Chin-Hsiung Cheng	Male	2024.05	0	0.00%	-	-	-	-	Bachelor’s Degree, Department of Economics, National Cheng Kung University; Factory Manager, Colltex Garment Mfy Co., Ltd. (VN)	Note 3	None			None
Assistant Vice President, Eclat Garment (Vietnam) Co., Ltd. (Jin-Xiong Plant)	Republic of China	Yu-Wei Chang	Male	2024.05	1,000	0.00%	-	-	-	-	Executive MBA, College of Management, National Kaohsiung University of Science and Technology; Master's Degree in Public Health, College of Medicine, National Cheng Kung University; Former Deputy Factory Manager and Current Factory Manager of Eclat Garment (Vietnam) Co., Ltd. (Renze Plant)	None	None			None

Note : Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For example, the number of independent directors should be increased, and more than half of the directors should not be employees or managers.)

Note 1:Mr. Jui-Ting Hung concurrently serves as Director of Eclat Fabrics (Vietnam) Co., Ltd., Eclat Textile Co., Ltd. (Vietnam), E-TOP (Vietnam) Co., Ltd., Colltex Garment Mfy Co., Ltd. (VN), Tai-Yuan Garments Co., Ltd., Grand Elite Holdings Inc., Eclat Enterprise Ltd., Eclat Textile (Cambodia) Co., Ltd., PT Eclat Textile International, Eclat Cayman Islands Holdings, Zig Sheng Industrial Co., Ltd., and Titan Sport Tech Co., Ltd.

Note 2:Ms. Hsin-Tung Tsai concurrently serves as Assistant Vice President of Eclat Textile Co., Ltd., and as Director of Eclat Fabrics (Vietnam) Co., Ltd., Eclat Textile Co., Ltd. (Vietnam), E-TOP (Vietnam) Co., Ltd., Colltex Garment Mfy Co., Ltd. (VN), Tai-Yuan Garments Co., Ltd., Grand Elite Holdings Inc., Eclat Enterprise Ltd., Eclat Textile (Cambodia) Co., Ltd., PT Eclat Textile International, and Eclat Cayman Islands Holdings.

Note 3: Mr. Chin-Hsiung Cheng concurrently serves as Director of PT Eclat Textile International.

2.2. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, the General Manager, and Assistant General Managers:

2.2.1. Remuneration to Ordinary Directors and Independent Directors (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

2024 Unit: NT$1000

Job Title	Name (Note 1)	Remuneration to directors								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 11)
		Base Compensation(A) (Note 2)		Retirement pays and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pays and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities (Note 7)	
																In cash	In shares	In cash	In shares			
Director	Cheng-Hai Hung* Li-Chen Wang* Kun-Tang Chen Jen-Chieh Lo* Shu-Wen Wang Representative of Xin-xin Limited Company-Hsien-Chin Tsai* Representative of Yih-Yuan Investment Corp.-Kuo-Sung Hsieh Shou-Chun Yeh* Representative of Xin-xin Limited Company-Hsin-Tung Tsai Bei-Yu Limited Company Representative: Tsung-Wu Wang Jui-Ting Hung Pat-Huang Su Jiann-Jong Chiu	5,483	5,483	None	None	None	None	1,643	1,643	7,126 0.107%	7,126 0.107%	97,247	97,929	21,379	21,379	None	None	None	None	125,752 1.894%	126,434 1.904%	None
Independent Director	Yea-Kang Wang* Cheng-Ping Yu Nai-Ming Liu Chiu-Chun Lai Shih Tian-Wei Chen Xiao-Kai	5,098	5,098	None	None	None	None	924	924	6,022 0.091%	6,022 0.091%	None	None	None	None	None	None	None	None	6,022 0.091%	6,022 0.091%	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: The Company has established the "Rules for Performance Evaluation of Board of Directors," which forms the basis for performance evaluation of the independent directors and inside directors. In addition to the consideration of the overall business performance and profitability of the Company, the individual participation, performance achievement rate and contribution to the operational benefits of the Company are evaluated comprehensively in order to provide reasonable remuneration.
2. In addition to the disclosure of the table above, the remuneration collected by directors of the Company for providing services (such as acting as a non-employee consultant of the parent company/companies/investees indicated in the financial report): 60,000.

*Relieved of office upon expiration of term on June 12, 2024.

Remuneration Range table

Ranges of remuneration paid to each of the Company's directors	Name of Directors			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All consolidated entities (Note 9) H	The Company (Note 8)	All consolidated entities (Note 9) I
Less than NT$1,000,000	Cheng-Hai Hung, Li Chen Wang, Kun-Tang Chen, Jen-Chieh Lo, Yea-Kang Wang , Shou-Chun Yeh, Jiann-Jong Chiu, Pat-Huang Su, Shih Tian-Wei, Chen Xiao-Kai Representative of Xin-xin Limited Company- Hsien-Chin Tsai/Hsin-Tung Tsai Representative of Yih-Yuan Investment Corp.-Kuo-Sung Hsieh Bei-Yu Limited Company Representative: Tsung-Wu Wang	Cheng-Hai Hung, Li Chen Wang, Kun-Tang Chen, Jen-Chieh Lo, Yea-Kang Wang , Shou-Chun Yeh, Jiann-Jong Chiu, Pat-Huang Su, Shih Tian-Wei, Chen Xiao-Kai Representative of Xin-xin Limited Company- Hsien-Chin Tsai/Hsin-Tung Tsai Representative of Yih-Yuan Investment Corp.-Kuo-Sung Hsieh Bei-Yu Limited Company Representative: Tsung-Wu Wang	Li Chen Wang, Yea-Kang Wang , Shou-Chun Yeh, Jiann-Jong Chiu, Pat-Huang Su, Shih Tian-Wei, Chen Xiao-Kai Representative of Xin-xin Limited Company- Hsien-Chin Tsai Representative of Yih-Yuan Investment Corp.-Kuo-Sung Hsieh	Li Chen Wang, Yea-Kang Wang , Shou-Chun Yeh, Jiann-Jong Chiu, Pat-Huang Su, Shih Tian-Wei, Chen Xiao-Kai Representative of Xin-xin Limited Company- Hsien-Chin Tsai Representative of Yih-Yuan Investment Corp.-Kuo-Sung Hsieh
NT$ 1,000,000 (inclusive) ~ NTS 2,000,000(exclusive)	Shu-Wen Wang, Jui-Ting Hung, Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai	Shu-Wen Wang, Jui-Ting Hung, Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai	Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai, Bei-Yu Limited Company Representative: Tsung-Wu Wang	Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai, Bei-Yu Limited Company Representative: Tsung-Wu Wang
NT$ 2,000,000 (inclusive) ~ NTS 3,500,000(exclusive)				
NT$ 3,500,000 (inclusive) ~ NTS 5,000,000(exclusive)				
NT$ 5,000,000 (inclusive) ~ NTS 10,000,000(exclusive)			Jen-Chieh Lo, Representative of Xin-xin Limited Company- Hsin-Tung Tsai	Jen-Chieh Lo, Representative of Xin-xin Limited Company- Hsin-Tung Tsai
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000(exclusive)				
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000(exclusive)			Cheng-Hai Hung, Shu-Wen Wang, Jui-Ting Hung	Cheng-Hai Hung, Shu-Wen Wang, Jui-Ting Hung
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000(exclusive)			Kun-Tang Chen	Kun-Tang Chen
NT$ 50,000,000 (inclusive) ~ NT$ 100,000,000(exclusive)				
NT$ 100,000,000 and above				
Total	19	19	19	19

Note 1: The names of directors shall be listed separately (for corporate shareholders, corporate shareholders' names and their representatives' names shall be listed separately), and the regular directors and independent directors are listed separately in order to disclose each payment made in a summary table. For a director concurrently acts as President or Vice President, the name shall be listed on this and the following table.

Note 2: Refers to the remuneration of directors for the most recent year (including the directors' salary, allowance, severance pay, various bonuses, rewards etc.).

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

Note 4: 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 5: 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 6: 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. If such amount cannot be estimated, then the proposed appropriation amount for present year shall be calculated according to the actual appropriation amount ratio of last year, and Table 1-3 shall be further completed.

Note 7: The total amount of the various compensations paid by all companies (including the Company) indicated in the consolidated financial statements to the directors of the Company shall be disclosed.

Note 8: For the total amount of compensations paid to each director by the Company, the name of the directors shall be disclosed in their remuneration brackets.

Note 9: For the total amount of the compensations paid by all companies (including the Company) indicated in the consolidated financial statements to the directors of the Company, the name of the directors shall be disclosed in their remuneration brackets.

Note 10: The net income refers to the net income of the most recent year. Where the IFRS standard is adopted, the net income refers to the net income of an entity or individual financial statements of the most recent year.

Note 11: a. This field shall clearly indicate the relevant compensation amount received by the directors of the Company from non-consolidated affiliates.

b. Where directors of the Company receive relevant remuneration from non-consolidated affiliates, then the compensation received by the directors of the Company from investees other than subsidiaries shall be counted into the Field I of the remuneration bracket table, and the name of such field shall be changed "All investees".

c. 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.

* The content of the compensation disclosed in this table is of different meaning from the income described in the Income Tax Act; therefore, the purpose of this table is for the purpose of information disclosure only and is not for the purpose of taxation.

2.2.2. Remuneration to General Managers and Assistant General Managers

2024 Unit: NT$1000

Title	Name (Note 1)	Salary(A) (Note 2)		Pension(B)		Bonuses and Allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				Ratio of Total Compensation (A+B+C+D) to Net Income (%) (Note 8)		Compensation collected from investees or parent company other than subsidiaries (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements All Companies (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman*	Cheng-Hai Hung	28,609	28,752	34,101	34,101	111,365	111,365	None	None	None	None	173,535 2.61%	174,218 2.62%	None
Chairman*	Shu-Wen Wang													
Vice Chairman*	Kun-Tang Chen													
President*	Jun-Ching Tsai													
President*	Jui-Ting Hung													
Vice President*	Jen-Chieh Lo													
Vice President*	Fen-Ru Lin													
Vice President*	Sheng-Tien Lee													
Vice President	Cheng-Chin Tsai													
Vice President	Li-Fen Cheng													

*At the shareholders' meeting on June 12, 2024, upon the expiration of Mr. Cheng-Hai Hung's term, Mr. Shu-Wen Wang was elected as Chairman of the Board. On June 28, 2024, the Board of Directors approved the appointment of Mr. Kun-Tang Chen as Vice Chairman and the promotion of Mr. Jui-Ting Hung from Vice President to President. On June 30, 2024, Mr. Chun-Chin Tsai retired from his position as President. On July 15, 2024, Mr. Jen-Chieh Lo reached the retirement age, and the Board approved the appointment of Ms. Fen-Ru Lin as Vice President of the Finance and Accounting Department.

Remuneration brackets table

Ranges of remuneration paid to the Company's President and Vice Presidents	Name of President and Vice Presidents	
	The Company (Note 6)	All Consolidated Entities included in the financial statements (Note 7) (E)
Less than NT$1,000,000		
NT$ 1,000,000 (inclusive) ~ NTS 2,000,000(exclusive)		
NT$ 2,000,000 (inclusive) ~ NTS 3,500,000(exclusive)		
NT$ 3,500,000 (inclusive) ~ NTS 5,000,000(exclusive)	Fen-Ru Lin	Fen-Ru Lin
NT$ 5,000,000 (inclusive) ~ NTS 10,000,000(exclusive)	Jen-Chieh Lo, Sheng-Tien Lee,	Jen-Chieh Lo, Sheng-Tien Lee,
NT$ 10,000,000 (inclusive) ~ NT$ 15,000,000(exclusive)	Cheng-Chin Tsai	Cheng-Chin Tsai
NT$ 15,000,000 (inclusive) ~ NT$ 30,000,000(exclusive)	Cheng-Hai Hung, Shu-Wen Wang, Jui-Ting Hung, Jun-Ching Tsai , Li-Fen Cheng	Cheng-Hai Hung, Shu-Wen Wang, Jui-Ting Hung, Jun-Ching Tsai , Li-Fen Cheng
NT$ 30,000,000 (inclusive) ~ NT$ 50,000,000(exclusive)	Kun-Tang Chen	Kun-Tang Chen
NT$ 50,000,000 (inclusive) ~ NT$100,000,000(exclusive)		
NT$ 100,000,000 and above		
Total	10	10

Note 1: The names of President and Vice President shall be listed separately, and all amounts paid shall be disclosed in a summary table method. For a director concurrently acts as President or Vice President, this table and the above table shall be completed.

Note 2: Refers to the salary, allowance, severance pay for the President and Vice Presidents in the most recent year.

Note 3: Refers to various bonuses, rewards, transportation fees, special allowances, various subsidies, accommodation, company car and physical offers etc. as well as other remuneration amounts. 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 4: 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. If such amount cannot be estimated, then the proposed appropriation amount for the present year shall be calculated according to the actual appropriation amount ratio of last year, and Table 1-3 shall be further completed. The net income refers to the net income of the most recent year. Where the IFRS standard is adopted, the net income refers to the net income of an entity or individual financial statements of the most recent year.

Note 5: The total amount of various compensations paid by all companies (including the Company) indicated in the consolidated financial statements to the President and Vice Presidents of the Company shall be disclosed.

Note 6: For the total amount of compensations paid to each President and Vice Presidents by the Company, the name of the Presidents and Vice Presidents shall be disclosed in their remuneration brackets.

Note 7: The total amount of compensations paid by all companies (including the Company) to each President and Vice Presidents by the Company shall be disclosed, and the name of the Presidents and Vice Presidents shall be disclosed in their remuneration brackets.

Note 8: The net income refers to the net income of the most recent year. Where the IFRS standard is adopted, the net income refers to the net income of an entity or individual financial statements of the most recent year.

Note 9: a. This field shall clearly indicate relevant compensation amount received by the President and Vice Presidents of the Company from non-consolidated affiliates.

b. Where President and Vice Presidents of the Company receive relevant remuneration from invested enterprises other than subsidiaries, then the compensation received by the President and Vice Presidents of the Company from investees other than subsidiaries shall be counted into the Field E of the remuneration bracket table, and the name of such field shall be changed "All investees"

c. 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.

*The content of the compensation disclosed in this table is of different meaning from the income described in the Income Tax Act; therefore, the purpose of this table is for the purpose of information disclosure only and is not for the purpose of taxation.

2.2.3 Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officer: None.

2.2.4 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 risks in the future:

Title	2024		2023	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Percentage of Compensation Paid to Directors	1.89%	1.90%	1.78%	1.80%
Percentage of Compensation Paid to Independent Directors	0.09%	0.09%	0.09%	0.09%
Percentage of Compensation Paid to President and Vice Presidents	2.61%	2.62%	2.87%	2.89%

The salaries of the Company's directors, President, and Vice Presidents are set at fixed amounts, while annual and quarterly bonuses are adjusted based on performance tiers. In 2024, the Company's net income after tax increased by 28.25% compared to 2023, and accordingly, the bonuses awarded to directors, the President, and Vice Presidents also increased by the same percentage.

According to Article 25 of the Articles of Incorporation of the Company, when directors are performing duties, regardless whether the Company operates at a profit or loss, the Company may pay remuneration to the directors for their performance of job duties, and the board of directors is authorized to determine the remuneration according to the directors' participation level in the Company's operation and value of contribution along with the consideration on the general standards adopted in the same industry.

The Company has established the "Rules for Performance Evaluation of the Board of Directors," which forms basis for the evaluation of independent directors and inside directors. In addition to the consideration of the overall business performance, future operational risk and industry development trend, the individual performance achievement rate and contribution to the Company's operational benefits etc. are also considered comprehensively, in order to provide reasonable remuneration. Furthermore, the remuneration evaluation system is also timely reviewed according to the actual operation status and relevant laws.

The president and vice presidents of the Company are responsible for the execution and management of the Group's operation. The salary structure refers to the base salary, allowance and company cars. The remuneration is determined according to the overall operational performance along with the consideration of the target achievement rate, profitability, operational benefits and level of contribution of each individual managerial officer along with the consideration of the standard adopted in the same industry, in order to provide reasonable remuneration. Furthermore, the remuneration evaluation system is also timely reviewed according to the actual operation status and relevant laws.

2.3 The state of the company's Implementation of Corporate Governance

2.3.1Board of Directors Status:

In the most recent year, there were 9 board of directors' meetings convened (A), and the attendance of directors is as follows:

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】(Note 2)	Remark
The 13th Term of the Board of Directors					
Chairman	Cheng-Hai Hung	4	0	100%	Re-elected (Elected on August 12, 2021)
Vice chairman	Shu-Wen Wang	4	0	100%	Re-elected (Elected on August 12, 2021)
Director	Li-Chen Wang	4	0	100%	Re-elected (Elected on August 12, 2021)
Director	Jen-Chieh Lo	4	0	100%	Re-elected (Elected on August 12, 2021)
Director	Kun-Tang Chen	4	0	100%	Re-elected (Elected on August 12, 2021)
Director	Shou-Chun Yeh	4	0	100%	Re-elected (Elected on August 12, 2021)
Director	Kuo-Sung Hsieh	4	0	100%	Representative of Corporate Shareholder Yih-Yuan Investment Corp. Re-elected (Elected on August 12, 2021)
Director	Xin-Xin Limited Company	4	0	100%	Newly elected on-board member on August 12, 2021. Appointment of corporate representative: Hsien-Chin Tsai on January 3, 2022.
Independent Director	Nai-Ming Liu	4	0	100%	Re-elected (Elected on August 12, 2021)
Independent Director	Yea-Kang Wang	4	0	100%	Re-elected (Elected on August 12, 2021)
Independent Director	Cheng-Ping Yu	4	0	100%	Re-elected (Elected on August 12, 2021)
Independent Director	Chiu-Chun Lai	4	0	100%	Newly elected on-board member. (Elected on August 12, 2021)
The 14th Term of the Board of Directors					
Chairman	Shu-Wen Wang	5	0	100%	Re-elected (Elected on June 12, 2024)
Vice chairman	Kun-Tang Chen	5	0	100%	Re-elected (Elected on June 12, 2024)

Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】(Note 2)	Remark
Director	Jui-Ting Hung	5	0	100%	Re-elected (Elected on June 12, 2024)
Director	Pat-Huang Su	5	0	100%	Re-elected (Elected on June 12, 2024)
Director	Jiann-Jong Chiu	5	0	100%	Re-elected (Elected on June 12, 2024)
Director	Kuo-Sung Hsieh	5	0	100%	Re-elected (Elected on June 12, 2024)
Director	Xin-Xin Limited Company	5	0	100%	Re-elected (Elected on June 12, 2024)
Director	Bei-Yu Limited Company	5	0	100%	Re-elected (Elected on June 12, 2024)
Independent Director	Cheng-Ping Yu	5	0	100%	Re-elected (Elected on June 12, 2024)
Independent Director	Nai-Ming Liu	5	0	100%	Re-elected (Elected on June 12, 2024)
Independent Director	Chiu-Chun Lai	5	0	100%	Re-elected (Elected on June 12, 2024)
Independent Director	Tian-Wei Shi	5	0	100%	Re-elected (Elected on June 12, 2024)
Independent Director	Xiao-Kai Chen	5	0	100%	Re-elected (Elected on June 12, 2024)

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act: The independent director of the Company has no dissenting opinions or qualified opinions on the resolutions (Note 3).

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: There were no resolutions subject or dissenting or qualified opinions of independent directors of the Company.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

Director	Proposal	Reason for Recusal	Participation in Voting
Cheng-Hai Hung, Shu-Wen Wang, Li-Chen Wang, Jen-Chieh Lo, Kun-Tang Chen, Shou-Tun Yeh, Kuo-Sung Hsieh, Hsien-Chin Tsai, Nai-Ming Liu, Ya-Kang Wang, Cheng-Ping Yu, Chiu-Chun Lai	Distribution of 2023 Year-End Bonuses for Directors, Functional Committee Members, and Managers	The proposal involves directors' personal interests.	Voting rights calculated appropriately in accordance with personal conflict of interest regulations.

Director	Proposal	Reason for Recusal	Participation in Voting
Cheng-Hai Hung, Shou-Tun Yeh	Release of Non-Compete Restrictions for Newly Elected Directors pursuant to Article 209 of the Company Act	The proposal involves potential personal or familial interests of the directors.	Recused from participation in discussion and voting.
Hsien-Chin Tsai	Promotion of Senior Executives	The proposal involves familial interests of the director.	Recused from participation in discussion and voting.
Hsien-Chin Tsai	Adjustment of Salary for Promoted Senior Executives	The proposal involves familial interests of the director.	Recused from participation in discussion and voting.
Kuo-Sung Hsieh (Representative of Yi Yuan Investment Co., Ltd.)	Letter of Support for Land Bank, Mega Bank, and E.SUN Bank	The proposal involves familial interests of the director.	Recused from participation in discussion and voting.
Cheng-Hai Hung	Retirement Pension Payment for Chairman Cheng-Hai Hung	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.
Hsien-Chin Tsai	Retirement Pension Payment for President Chun-Chin Tsai	The proposal involves familial interests of the director.	Recused from participation in discussion and voting.
Jen-Chieh Lo	Retirement Pension Payment for Vice President of Finance Jen-Chieh Lo	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.
Jiann-Jong Chiu	Appointment of Consultant	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.
Jui-Ting Hung	Promotion of Senior Executive - President	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.
Shu-Wen Wang	Adjustment of Chairman's Salary	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.
Kun-Tang Chen	Adjustment of Vice Chairman's Salary	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.
Jui-Ting Hung	Adjustment of President's Salary	The proposal involves the director's personal interests.	Recused from participation in discussion and voting.

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

To implement corporate governance and to improve the functions of the Board of Directors of the Company, performance objectives are established to enhance the operational efficiency of the Board of Directors. In 2017, the Board of Directors has reached the resolution on the establishment of the "Rules for Performance Evaluation of Board of Directors". The Board of Directors of the Company periodically conducts one time performance evaluation on the entirety of the Board of Directors, individual board members and each functional committee on an annual basis.

The 2024 evaluation result of the Company has been reported to the Board of Directors and each functional committee on January 16, 2025. Relevant overall evaluation results are as follows:

Scope of evaluation	Result
Board of Directors	97.20%
Individual directors	96.92%
Audit Committee	98.91%
Remuneration Committee	98.18%
ESG Committee	97.75%
Nomination Committee	94.36%
Risk Management Committee	96.40%

Implementation Status of Board Evaluations:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method
Once a year	December 1, 2023 to November 30, 2024.	The scope of performance evaluations includes the Board of Directors, individual directors, and functional committees.	The evaluation method includes internal self-evaluation by the Board of Directors, self-assessment by directors.
The evaluation content shall include at least the following based on the scope of the evaluation:			
(1) **Board Performance Evaluation:** Including participation in the Company's operations, enhancement of the quality of board decision-making, board composition and structure, director selection and continuing education, and internal control. (2) **Individual Director Performance Evaluation:** Including grasp of the Company's goals and missions, awareness of directors' duties, participation in the Company's operations, management of internal relationships and communication, directors' professionalism and continuing education, and internal control. (3) **Functional Committee Performance Evaluation:** Including participation in the Company's operations, awareness of functional committees' responsibilities, enhancement of the quality of functional committee decision-making, composition and selection of functional committee members, and internal control.			

The execution status of the Board of Directors performance evaluation conducted by the external unit is as follows:

Once in three years, the Company entrusts external professional institutions, experts, or adopts other appropriate methods to conduct the performance evaluation. For the 2023 Board of Directors performance evaluation by the external unit, the external expert of EY Advisory Services Inc. (referred to as "EY Advisory") was entrusted to perform the evaluation. The institution and the executing experts are equipped with independence and has no business relationship with the Company. The result of the present evaluation was reported to the Board of Directors on November 2, 2023.

Execution Status of Board of Directors Performance Evaluation by External Unit:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method
Once in 3 years	September 1, 2022 to August 31,2023.	The scope of performance evaluations includes the Board of Directors, individual directors, and functional committees.	The evaluation methods include reviewing meeting documents, internal self-assessment of the board, self-assessment of directors, and conducting interviews with appointed experts. EY Advisory assesses the performance of the board by examining eight key aspects: board structure and processes, composition of the board members, corporate and organizational structure, roles and responsibilities, behavior and culture, director training and development, oversight of risk control, and oversight of disclosure and performance. These assessments help identify critical elements for evaluating the performance of our board of directors.
The evaluation content shall include at least the following based on the scope of the evaluation: (1) General Comment of Evaluation Report: The structure of our company's board of directors and functional committees includes the establishment of an audit committee and a remuneration committee in compliance with regulations. In addition, we also have functional committees outside of statutory requirements, such as the sustainability development committee, nomination committee, and risk management committee. The Board of Directors has a diverse composition, with twelve members including one female independent director. The directors possess the necessary professional knowledge and skills to fulfill their duties, including operational judgment, accounting and financial analysis, business management, crisis handling, knowledge of the industry, an international market perspective,			

leadership, and decision-making abilities and all of the directors have sufficient understanding and consensus on the industry, core value and strategic development of the Company. The board of directors' meeting affairs unit and staff team establish certain regulations on the meeting content, proposal report and structure, and provide sufficient time to allow directors to understand the proposal content and read the meeting documents, thereby assisting the Board of Directors to operate effectively. The management team provides comprehensive information to the Board of Directors through regular reports, in order to allow the Board of Directors to engage in discussion on the implementation of internal control system and its follow-up status.

(2) Recommendation and Improvement Plan:

Item	Recommendation	Improvement Plan
1	Consider increasing the number of directors or independent directors with backgrounds in information technology or law.	As the term of the 13th Board of Directors ended in 2024, the 14th Board was fully re-elected. The Company adopted EY's recommendation by adding directors with expertise in information technology and related fields.
2	Hold board meetings at different locations from time to time.	The Company plans to hold a board meeting at the Hsi-Chou Plant to allow board members to better understand the actual operations of the factory through meetings held at different locations.
3	Increase the proportion of independent directors to at least half of the total number of board seats to meet the corporate governance evaluation standards.	The Company will adopt EY's recommendation and gradually increase the number of independent directors by considering the need for diversified and complementary capabilities across industries.
4	Include important domestic and international policies, regulations, and industry development trends as regular reporting items.	The Company's management team will regularly monitor major domestic and international policies, regulations, and industry development trends, evaluate their impact on the Company's operations, and report them to the Board when necessary.
5	Increase the number of female directors to introduce diverse perspectives to the Board through female viewpoints and professional expertise.	The Company adopted EY's recommendation by increasing the number of female directors to three during the re-election of the 14th Board in 2024, thereby achieving the goal of gender diversity among board members.
6	Review and implement the responsibilities of each functional committee.	The Company will clearly define the responsibilities of each functional committee to ensure a proper division of functions, strengthen the Board's capabilities, and support effective decision-making.

EY Advisor's advice provides the aforementioned improvement recommendations to the Board of Directors of our company. Our company will continue to enhance the functions of the Board of Directors based on such recommendations as a reference and as the direction for future execution.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

(1) To improve information transparency: The Company continues to disclose routine revenue and financial information, and announce major resolutions of the Board of Directors. Investor conferences are held at least once every quarter, with at least two full audiovisual recordings disclosed annually. Comprehensive financial information and CPA-audited financial reports are announced on the same day as Board approval.

(2) To enhance the function of the board of directors: The Company established the Nomination Committee in 2020 to oversee succession planning and assist in the selection of candidates for independent directors and key management personnel. In November 2021, the Risk Management Committee was established and now convenes at least twice a year to strengthen risk governance. In addition to setting up a Remuneration Committee and Audit Committee, the Company has also appointed a Corporate Governance Officer to assist the Board in fulfilling its supervisory responsibilities. Furthermore, Directors and Officers liability insurance has been arranged.

(3) Diversity on the Board of Director: The Company assesses the need for board members with cross-industry expertise to enhance decision-making quality. In the future, efforts will be made to gradually increase the number of female directors to achieve gender diversity among the Board.

(4) The Company has established the "Rules for Performance Evaluation of the Board of Directors," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Corporate Governance Best Practice Principles," and "Risk Management Regulations" to enhance ethical business practices and corporate governance performance.

(5) In 2023, relevant training courses were arranged based on the needs of individual directors. Two planned training sessions included the topics of "Integrity Management, Securities Fraud, and Anti-Money Laundering: Legal Responsibilities and Practical Case Studies" and "Executive Compensation and ESG Performance-Based Incentive Design."

V. Succession planning for board members and important management:

According to the development direction and goals of the Company, succession planning for board members and key management personnel emphasizes not only professional competencies but also integrity, ethical conduct, and alignment with the Company's core values.

(1) Board member succession plan

1. The Company's "Articles of Incorporation" adopts a full candidate nomination system for director elections. In accordance with the "Corporate Governance Best Practice Principles," the Company promotes board diversity, selecting board members based on the Company's operational and development needs, considering professional knowledge, experience across industry, government, and academia, and gender diversity.
2. On June 12, 2024, the Company completed the re-election of its 14th Board of Directors, consisting of 13 members including 5 independent directors. The newly elected board members possess diverse expertise spanning business operations, finance, accounting, AI and digital technologies, strategic marketing, and business development. The proportion of female directors increased from 8% to 23%, reflecting the Company's commitment to gender diversity. Following the re-election, the Board is younger and more diverse, leading the Company toward continuous innovation. Founder Cheng-Hai Hung stepped down from his role as Chairman after 36 years of leadership and successfully passed the baton to Shu-Wen Wang, ensuring the continued transmission of the Company's core values and culture.
3. Regarding succession planning for independent directors, candidates must possess expertise in business operations, finance, accounting, or other fields necessary for the Company's business. Future independent directors will be selected from professionals in domestic academia or industry, and their qualifications will be reviewed by the Nomination Committee to ensure appropriate succession.
4. The Company has established the "Rules for Performance Evaluation of the Board of Directors." The 2024 evaluations indicated effective operation of both the Board and its functional committees. These evaluation results serve as references for director remuneration planning and future nominations.

(2) Succession Planning for Key Management Personnel

1. To cultivate senior reserve talents for succession over the next 3–5 years, the Human Resources Department and all business units regularly conduct meetings, performance appraisals, and assign project tasks to evaluate key talents' performance and identify competency gaps, which are used as criteria for promotion decisions.
2. The Company emphasizes the transmission of experience and gender equality. Regular promotion evaluations are conducted to select and reward outstanding talents. In 2024, following review and approval by the Nomination Committee and the Board of Directors, a total of 5 employees were promoted, with women accounting for 40% of these promotions. At the end of 2024, the Company had 60 management-level personnel (manager and above), of whom 25 were women, representing 41.67%.

Annual	Appointment in 2024	Promotion in 2024		
Position / Gender	Vice President	Manager	Assistant vice president	President
Male	-	-	2	1
Female	1	-	1	-

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2:

(1) If any director or supervisor left office before the end of the fiscal year, specify the P. 24 of 94 date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

Note 3: Matters referred to in Article 14-3 of the Securities and Exchange Act:

Meeting Dates	Resolution
January 12, 2024 (1st Meeting)	- Approved the Distribution of 2023 Year-End Bonuses for Directors, Functional Committee Members, and Senior Executives. - Approved the Appointment of Independent Auditors for the Year 2024. - Approved the Non-Assurance Services to be Provided by KPMG Taiwan in 2024. - Approved the Lending Limit of Funds to Affiliated Companies for the Year 2024. - Approved the Financing Arrangements with Financial Institutions for the Year 2024.
February 29, 2024 (2nd Meeting)	- Approved the Donation to the Eclat Education Foundation. - Approved the Amendments to the "Rules for Proceedings of Board of Directors Meetings." - Approved the Amendments to the "Audit Committee Charter." - Approved the Procurement of Equipment for Eclat Fabrics (Vietnam) Co., Ltd.
May 2, 2024 (3rd Meeting)	- Approved the Establishment of the "Sustainability Development Committee Charter" to Replace the "Sustainability Development Committee Establishment and Operations Procedures." - Approved the Amendments to the "Corporate Governance Best Practice Principles." - Approved the Amendments to the "Procedures for Financial and Business Transactions Between Related Parties." - Approved the Release of Non-Compete Restrictions for Newly Elected Directors Pursuant to Article 209 of the Company Act. - Approved Changes in the Company's Financial and Accounting Officers. - Approved the Disposal and Acquisition of Right-of-Use Assets at the Cambodia Plant. - Approved to provide Letters of Support to Land Bank of Taiwan, Mega International Commercial Bank, and E.SUN Commercial Bank.
May 27, 2024 (4th Meeting)	- Approved the Asset Planning Proposal for the Cambodia Plant.
June 20, 2024 (6th Meeting)	- Approved Changes in the Financial and Accounting Officers of Group Subsidiaries. - Approved the Appointment of Corporate Advisors.
June 28, 2024 (7th Meeting)	- Approved the Amendments to the "Internal Audit Implementation Rules." - Approved the Amendments to the "Supervision and Control Procedures for Subsidiaries." - Approved the Amendments to the Internal Control System "Sales and Collection Cycle." - Approved the Amendments to the "Procedures for the Preparation and Verification of Sustainability Reports." - Approved the Establishment of the "Environmental, Health, Safety, and Energy Policy."

Meeting Dates	Resolution
	- Approved the Establishment of the “Water Resources Management Policy.” - Approved the Establishment of the “Waste Management Policy.” - Approved the Establishment of the “Climate Change Risk Management Policy.” - Approved the Establishment of the “Human Rights Policy.” - Approved the Establishment of the “Biodiversity Policy.”
November 7, 2024 (9th Meeting)	- Approved the Establishment of the “Self-Assessment Procedures” for Subsidiaries. - Approved the Amendments to the Internal Control System "Financing Cycle." - Approved the Amendments to the “Authority Approval Management Rules.” - Approved the Procurement of Equipment for Eclat Fabrics (Vietnam) Co., Ltd..

2.3.2 Audit Committee Implementation Status and Supervisor Participating Board of Directors Status:

The Audit Committee of the Company is composed of five independent directors.
The Audit Committee aims to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls.
The major matters reviewed by the Audit Committee include:

- Audit of financial statements and accounting policies and procedures
- Complaint reporting
- Internal control systems and relevant policies and procedures
- Anti-fraud programs and fraud investigation reports
- Major transactions involving assets or derivatives
- Information security
- Major loans, endorsements, or guarantees
- Risk management of the Company
- Public offerings or issuances of securities
- Appointment, dismissal, or remuneration of CPAs (including assessment of CPA qualifications, independence, and performance)
- Status of financial derivatives and cash investments
- Appointment or dismissal of financial, accounting, or chief internal audit officers
- Regulatory compliance
- Audit Committee performance self-assessment questionnaire (including the performance of duties and responsibilities)
- Related party transactions involving directors and managerial officers, and potential conflicts of interest

Operation of the Audit Committee

There were 8 (A) Audit Committee meetings held in the most recent fiscal year, and the attendance status of the independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance Rate (%) (B/A) (Note 1)	Remarks
The 3rd Term of the Audit Committee					
Independent Director	Yea-Kang Wang	4	0	100%	Re-elected on August 12, 2021
	Cheng-Ping Yu	4	0	100%	
	Nai-Ming Liu	4	0	100%	
	Chiu-Chun Lai	4	0	100%	Newly elected on August 12, 2021
The 4th Term of the Audit Committee					
Independent Director	Cheng-Ping Yu	4	0	100%	Re-elected on June 12, 2024
	Nai-Ming Liu	4	0	100%	
	Chiu-Chun Lai	4	0	100%	
	Tian-Wei Shi	4	0	100%	Newly elected on June 12, 2024
	Xiao-Kai Chen	4	0	100%	

Other mentionable items:

I. Where the operation of the Audit Committee is subject to one of the following, the board meeting date, session, proposal content, dissenting opinion of independent directors, reserved opinions or major recommendation item content, resolution result of the Audit Committee meeting and the Company's handling with respect to the opinions of the Audit Committee. (Note 2)

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act:
There were no resolutions with dissenting or qualified opinions from the Audit Committee. (Note 2).

(II) Other matters not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

II. For the execution status of recusal of independent directors due to conflicts of interest, the name of independent directors, proposal content, reasons of recusal and participation in voting:
During the most recent year, there were no matters discussed in Audit Committee meetings that involved the recusal of independent directors due to conflicts of interest.

III. Communications between the independent directors, the internal auditors, and the independent auditors are listed in the table below (shall include major events, methods and results etc. communicated in relation to the company's financial and business status).
Explanation:

(I) Independent directors communicate with the internal audit officer and the environmental safety auditor during quarterly Audit Committee meetings. The auditors regularly provide audit reports and communicate audit findings and the follow-up status.
Extract from the 2024 Communication between Independent Directors and Internal Audit Officer (Note 3).

(II) Independent directors communicate with the external auditors through Board of Directors and annual meetings. The CPA explains the audit results of financial statements annually and discusses matters such as internal control effectiveness, financial statement adjustments, and impacts from changes in regulations. Extract from the 2024 Communication between Independent Directors, Internal Audit Officer, and CPA (Note 4)

Note: Professional scope of audit committee: Please refer to 2.1.1 of II. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors.

Note 1:

* Before the end of the fiscal year, if there is any resignation of independent director, the resignation date shall be indicated in the remarks field. The actual attendance rate (%) is calculated according to the number of Audit Committee meetings convened and the number of actual attendances during the term of office.

* Before the end of the fiscal year, if there is any re-election of independent directors, the new and old independent directors shall be listed, and the remarks field shall indicate the old, new or consecutive term of office and the re-election date for the independent directors. The actual attendance rate (%) is calculated according to the number of Audit Committee meetings convened and the number of his/her actual attendance during his/her term of office.

Note 2: Audit Committee annual work focus sorting and resolutions related to Article 14-5 of Securities and Exchange Act:

● Review Report

The Board of Directors prepared the 2023 Business Report, Financial Statements, and Profit Distribution Proposal. The Financial Statements were audited by KPMG and an audit report was issued. The aforementioned documents were reviewed by the Audit Committee and found to be in conformity with applicable requirements.

● Assessment on Effectiveness of Internal Control System

The Audit Committee assessed the effectiveness of the Company's internal control system, including policies and procedures relating to finance, operations, risk management, information security, outsourcing, and regulatory compliance. The Committee also reviewed the work of the Company's Internal Audit Department and external auditors, including risk management and compliance matters. Referring to the 2013 Internal Control - Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee concluded that the Company's risk management and internal control system are effective, and that the Company has adopted necessary control mechanisms to monitor and rectify any violations.

● Appointment of Certified Public Accountants (CPAs)

The Audit Committee is assigned with the responsibility and authority of monitoring the CPA firm's independence to ensure the impartiality of the financial statements. In general, except for tax related services or special approval items, the CPA firm shall not provide other services to the Company.

To ensure the independence of the CPA firm, the Audit Committee established an Independence Assessment Form in accordance with Article 47 of the Certified Public Accountant Act and the Bulletin No.10 of the Norm of Professional Ethics for Certified Public Accountants titled "Integrity, Objectivity and Independence." The Committee assessed the independence, professionalism, and competency of the CPAs, including evaluating whether there were any related-party or business/financial relationships with the Company.

On January 12, 2024, at the 13th meeting of the 3rd Audit Committee and the 1st meeting of the Board of Directors, the appointments of CPA Hui-Chih Kou and CPA Hsin-Yi Kuo of KPMG Taiwan were reviewed and approved. The assessment results, conducted with reference to Audit Quality Indicators (AQIs), confirmed compliance with independence assessment standards, and both CPAs were deemed qualified to serve as the signing auditors for the Company.

● Operation Status of Current Year

Meeting Dates	Contents and Resolution	Resolutions related to Article 14-5 of Securities and Exchange Act
January 12, 2024 (113th Term, 1st Meeting)	1. Appointment of independent auditors for the 2024 financial reports. 2. Proposal on non-assurance services expected to be provided by KPMG Taiwan in 2024. 3. Lending limit to affiliated enterprises for 2024. 4. Financing facilities with financial institutions for 2024. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V

Meeting Dates	Contents and Resolution	Resolutions related to Article 14-5 of Securities and Exchange Act
February 29, 2024 (113th Term, 2nd Meeting)	1. Review of the effectiveness of the 2023 internal control system and issuance of the "Internal Control System Statement". 2. Approval of the 2023 Business Report and Financial Statements. 3. Proposal for 2023 Earnings Distribution. 4. Donation to Eclat Education Foundation. 5. Amendments to "Rules for Proceedings of Board Meetings". 6. Amendments to "Organizational Charter of the Audit Committee". 7. Equipment procurement for the Eclat Fabrics (Vietnam) Co., Ltd. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
May 2, 2024 (113th Term, 3rd Meeting)	1. Approval of the 1Q24 Consolidated Financial Report. 2. Addition of "Organizational Charter of the Sustainability Development Committee" to replace "Regulations for the Establishment and Operation of the Sustainability Development Committee". 3. Amendments to "Corporate Governance Best Practice Principles". 4. Amendments to "Rules for Financial and Business Transactions among Related Parties". 5. Release of Non-Compete Restrictions for Newly Elected Directors. 6. Change of financial and accounting officer. 7. Asset disposal and acquisition of right-of-use assets for Cambodia plant. 8. Increase in factoring limit for accounts receivable for 2024. 9. Issuance of Letter of Support to Land Bank of Taiwan, Mega International Commercial Bank, and E.SUN Commercial Bank. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
May 27, 2024 (113th Term, 4th Meeting)	Cambodia plant asset planning case. **Audit Committee Resolution:** Proposal was adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
June 20, 2024 (113th Term, 5th Meeting)	1. Change of financial officers in the Group's affiliated companies. 2. Appointment of consultants. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
June 28, 2024 (113th Term, 6th Meeting)	1. Amendments to "Internal Audit Implementation Rules". 2. Amendments to "Supervisory and Control Procedures for Subsidiaries". 3. Amendments to Internal Control System: Sales and Collection Cycle. 4. Amendments to "Operational Procedures for Preparation and Verification of Sustainability Reports". 5. Amendments to "Environmental, Safety, Health and Energy Policy". 6. Amendments to "Water Resource Management Policy". 7. Amendments to "Waste Management Policy". 8. Amendments to "Climate Change Risk Response Policy". 9. Amendments to "Human Rights Policy". 10. Addition of "Biodiversity Policy". **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V

Meeting Dates	Contents and Resolution	Resolutions related to Article 14-5 of Securities and Exchange Act
August 8, 2024 (113th Term, 7th Meeting)	Approval of the 2Q24 Consolidated Financial Report. **Audit Committee Resolution:** Proposal was adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V
November 7, 2024 (113th Term, 8th Meeting)	1. 2025 Internal Audit Plan. 2. Addition of "Self-Assessment Procedures" for the Group's subsidiaries. 3. Amendments to Internal Control System: Financing Cycle. 4. Amendments to "Delegation of Authority Guidelines". 5. Approval of the 3Q24 Consolidated Financial Report. 6. Equipment procurement for the Vietnam fabric plant. **Audit Committee Resolution:** All proposals were adopted unanimously. **Response to Audit Committee's Opinion:** All attending directors unanimously agreed.	V

Note 3：2024 Communication of Independent Directors and Internal Audit Supervisor Excerpt as follows:

Meeting Dates	Attendees	Contents	Independent Directors' Suggestion and React
February 29, 2024	Independent Director Yea-Kang Wang, Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai Audit Supervisor: Szu-Miao Liu Audit Staff: Cheng-Yi Tsai, Yi-Yun Sun Sustainability Supervisor: Wei-Chih Shen	1. Reporting the 4Q23 Sustainability and Occupational Safety and Health Audit Report. 2. 2023 Internal Control System Statement: Explanation of the results of internal control system self-assessment and discussion on related documentation. 3. Reporting the 4Q23 Internal Audit Report.	No objections
May 2, 2024	Independent Director Yea-Kang Wang, Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai Audit Supervisor: Szu-Miao Liu Audit Staff: Cheng-Yi Tsai, Yi-Yun Sun Sustainability Supervisor: Wei-Chih Shen	1. Reporting the 1Q24 Sustainability and Occupational Safety and Health Audit Report. 2. Reporting the 1Q24 Internal Audit Report.	No objections
August 8, 2024	Independent Director: Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai, Xiao-Kai Chen, Tian-Wei Shi Audit Supervisor: Szu-Miao Liu Audit Staff: Cheng-Yi Tsai, Yi-Yun Sun Sustainability Supervisor: Wei-Chih Shen	1. Reporting the 2Q24 Sustainability and Occupational Safety and Health Audit Report.2. Reporting the 2Q24 Internal Audit Report.	No objections

Meeting Dates	Attendees	Contents	Independent Directors' Suggestion and React
November 7, 2024	Independent Director: Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai, Xiao-Kai Chen, Tian-Wei Shi Audit Supervisor: Szu-Miao Liu Audit Staff: Cheng-Yi Tsai, Yi-Yun Sun Sustainability Supervisor: Wei-Chih Shen	1. Reporting the 3Q24 Sustainability and Occupational Safety and Health Audit Report. 2. Reporting the Major Incident Notification and Handling Procedures. 3. Reporting the 3Q24 Internal Audit Implementation Report. 4. Explanation of the 2025 Internal Audit Planning. 5. Explanation of the 2024 Internal Control System Self-Assessment Execution. 6. Amendments to the "Self-Assessment Procedures for Subsidiaries' Internal Control Systems".	No objections

Note 4: The excerpt of 2024 communication between the Independent Directors and the internal audit supervisor and CPAs is as follows:

Meeting Dates	Attendees	Contents	Independent Directors' Suggestions and Results
2024/02/29	**Independent Directors:** Yea-Kang Wang, Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai **CPA:** Hui-Chih Kou **Audit Supervisor:** Szu-Miao Liu **Audit Staff:** Cheng-Yi Tsai, Yi-Yun Sun	1. 2023 Consolidated Financial Statements Audit Result Report: (1) Independence (2) Auditor's Responsibility in Auditing Financial Statements and Types of Audit Opinions (3) Audit Scope (4) Audit Findings 2. Discussion and communication on questions raised by attendees	No objections
2024/11/07	**Independent Directors:** Cheng-Ping Yu, Nai-Ming Liu, Chiu-Chun Lai, Xiao-Kai Chen, Tian-Wei Shi **CPA:** Hsin-Yi Kuo **Audit Supervisor:** Szu-Miao Liu **Audit Staff:** Cheng-Yi Tsai, Yi-Yun Sun	1. 2024 Q3 Consolidated Financial Statements Review Result Report: (1) Independence (2) Reviewer's Responsibility for Interim Financial Reports (3) Types of Review Conclusions (4) Review Scope (5) Review Findings (6) Annual Audit Planning (7) Legal Updates (8) IFRS Sustainability Disclosure Standards Implementation Plan 2. Discussion and communication on questions raised by attendees	No objections

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

Evaluation Item	Implementation status			Deviation from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company follow the “Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies” to establish and disclose its corporate governance practices?	V		The Company has established the “Corporate Governance Best -Practice Principles of the Company” according to the “Corporate Governance Best -Practice Principles for TWSE/TPEx Listed Companies” and has published such Principles on the Market Observation Post System (MOPS) and the Company’s website.	None
2. The shareholding structure and shareholders’ equity of the Company (1) Does the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters; in addition, have the procedures been implemented accordingly?	V		The Company has established” Regulations for Handling Complaints” to build a convenient channel for internal and external complainants. Besides, the Company also has assigned personnel to handle and respond to the suggestions and doubts from shareholders, employees, customers and suppliers.	None
(2) Is the Company constantly informed of the identities of its major shareholders and the ultimate owners?	V		The Company is constantly informed of the identities of its major shareholders and the ultimate owners according to the shareholders’ roster provided by the shareholders’ service agent. In addition, the Company also discloses the status related to the pledge, increase/decrease change of equity for shareholders with shareholding exceeding 10%.	None
(3) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		The Company establishes the “Subsidiaries Supervisory and Management Procedures” and implements the execution thereof. The business dealings or transactions among the affiliates are handled according to relevant regulations.	None
(4) Has the company established internal policies that prevent insiders from trading securities against non-public information?	V		The Company has established the “Procedures for Preventing Insider Trading and Handling Material Inside Information” and implements the execution thereof in order to prevent insiders from trading securities against non-public information. The Company also discloses the status related to the	None

Evaluation Item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			pledge, increase/decrease change of equity for the insiders (including directors, managerial officers and shareholders with shareholding exceeding 10%) for reporting on M.O.P.S., and implement internal educational trainings and promotions course periodically.	
3. Composition and duties of the board of directors: (1) Has the board of directors established diversity policy, specific management goal and has executed properly?	V		The Company promotes and respects the board diversity policy. To enhance corporate governance and promote the sound development of the board's composition and structure, the Company believes that a diversity policy is beneficial to the improvement of overall performance. The Company's "Corporate Governance Best Practice Principles" specifies the board member diversity policy. Directors shall be equipped with professional knowledge and skills for executing duties. The basic criteria and value of gender, age, nationality, and culture for selection of board members are also considered. The Company's board member diversity policy and the latest board composition information have been disclosed on the Company's website. To maintain the sound structure of the board of directors, the Company has set up specific management goals: 1. The board composition shall include at least one female director. Based on operational development needs, during the 2024 re-election of the board, directors were nominated by considering their professional knowledge, academic and industrial experience, and gender diversity among a limited pool of candidates. Among the 14th board members, there are 3 female directors, raising the proportion from 8% to 23%. 2. The Company has established the Nomination Committee to promote organizational diversity, reserve	None

Evaluation Item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
	V		senior management talents, and cultivate successors. In 2024, following the Nomination Committee's review and approval by the Board, a total of 5 promotions and appointments were completed, with female mid-to-senior managers accounting for 40%. As of 2024, there are 60 managers and above in the Company, including 25 females, accounting for 41.66%. The Board of Directors Diversity Policy and the latest information on board members have been disclosed on Note 1.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		In addition to the Remuneration Committee and Audit Committee, the Company has established the "ESG Committee", "Nomination Committee" and "Risk Management Committee". The ESG Committee currently consists of 2 independent directors and 2 directors. Its chairperson, Jui-Ting Hung, possesses expertise in material science and corporate governance. The committee has formed 5 groups: 1. Sustainable environment development 2. Human resources 3. Corporate governance 4. Product and service 5. Social participation The committee reports to the board of directors at least once a year (latest report made on February 27, 2025). The Nomination Committee comprises 5 members (including 2 independent directors) and is responsible for ensuring appropriate professional knowledge, experience, and gender diversity among board members, conducting board performance evaluations periodically, reviewing director training plans, and establishing director and senior executive succession plans. The Risk Management Committee consists of 2 directors and 3 independent directors (independent directors accounting for 60%). It assesses	None

Evaluation Item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			corporate governance issues that may impact stakeholders, performs risk evaluations, formulates management strategies, and reports to the Board at least once annually (latest report made on February 27, 2025).	
(3) Does the Company establish a standard to measure the 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?	V		According to the Company's "Rules for Performance Evaluation of Board of Directors", the Board must conduct at least one performance evaluation annually. The performance evaluation for the board and functional committees measures five major aspects: 1. Degree of participation in the company's operations 2. Improvement of the decision-making quality of the board 3. Composition and structure of the board 4. Director selection and continuing education 5. Internal control The self/peer evaluation of board members covers six major aspects: 1. Grasp of the company's goals and missions 2. Understanding of directors' duties 3. Degree of participation in the company's operations 4. Internal relationship management and communication 5. Professionalism and continuing education 6. Internal control The 2024 board and functional committee evaluations were completed and reported to the Board and committees on January 16, 2025. The board overall evaluation result was 97.20%; the individual director evaluation result was 96.92%. Committee evaluation results were: Audit Committee 98.91%, Remuneration Committee 98.18%, ESG Committee 97.75%, Nomination Committee 94.36%, and Risk Management Committee 96.40%. The overall evaluation result indicates effective operation, and the evaluation results are referenced for director remuneration planning and nomination of succeeding directors.	None

Evaluation Item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	V		The Company assesses the independence of the CPAs annually, obtains independence declarations, submits them to the Audit Committee for review, and subsequently to the Board for approval before engaging CPAs. The Company evaluated that the CPAs of KPMG Taiwan satisfy the independence requirements (Note 2). The appointment of CPAs Hui-Chih Kou and Hsin-Yi Kuo was reviewed and approved at the 13th meeting of the 3rd term Audit Committee and the 1st Board Meeting on January 12, 2024. The results of the most recent annual evaluation were completed and approved by the Audit Committee and the Board of Directors on January 16, 2025.	None
4. Has the TWSE/TPEx Listed Companies had an adequate number of competent corporate governance personnel, and appointed a chief corporate governance officer that as the most senior officer to be in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors and supervisors, to assist directors and supervisors with legal compliance, to handle matters relating to board meetings and shareholders meetings according to laws, and to produce minutes of board meetings and shareholders meetings)?	V		The Company has established the Board Secretary Group, consisting of personnel from the Chairman's Office, Financial and Accounting Department, Administration Department, and Internal Audit Office concurrently to handle corporate governance related affairs. On June 20, 2024, the Board of Directors approved the appointment of Ms. Yu-Wen Kung, Manager of the Accounting Department, as the Company's Chief Corporate Governance Officer. Ms. Yu-Wen Kung possesses expertise in finance and corporate governance and is responsible for the supervision of corporate governance-related affairs. Main responsibilities executed include: 1. Providing information and documents necessary for directors to perform their duties; organizing affairs of the Board of Directors, functional committees, and shareholders' meetings according to laws; and preparing relevant meeting minutes. 2. Handling company registration changes. 3. Performing information disclosure, reporting, and the establishment or amendment of internal control and audit systems in response to regulatory changes. Chief Corporate Governance Officer's continuing education status: (Note 3).	None

Evaluation Item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
5. Has the Company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers), dedicated a section on the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant sustainable development issues?	V		The Company has established a stakeholder section on its website, which includes the contact information of the spokesperson and each business contact window to provide communication channels for stakeholders. There is an email box in the stakeholder section that is handled by dedicated personnel to appropriately respond to relevant issues, including sustainable development issues concerned by stakeholders.	None
6. Does the Company engage a share administration agency to handle shareholder meeting affairs?	V		The Company entrusts the Shareholders Service Department of Yuanta Securities Co., Ltd. to handle shareholder services.	None
7. Information disclosure (1) Has the Company established a website that discloses financial, business, and corporate governance-related information?	V		The Company has established both Chinese and English websites to periodically disclose financial and business information, and designates dedicated personnel responsible for maintaining the Company's website.	None
(2) Has the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	V		The Company has established a spokesperson and deputy spokesperson system. Information related to investor conferences and shareholders' meetings is promptly updated on the Company's website	None
(3) Has the Company made public announce and reported the annual financial statements within two months after the end of each fiscal year, and has the Company also made announcement and provided report of the first, second and third quarter financial statements as well as the monthly business operation status?	V		The Company has made public announcements and reported the annual financial statements, quarterly financial statements, and monthly business operation status according to relevant regulations.	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>8. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements standards, implementation of customer policies, and insuring against liabilities of company directors and supervisors)?</td><td>V</td><td></td><td>1. Employees' rights and benefits: The Company treats employees as partners and protects employee rights in accordance with the Labor Standards Act.
2. Employee care: The Company provides a comprehensive welfare system to improve employees' quality of life and offers proper educational training programs. It maintains positive relationships with employees based on mutual trust. Examples of welfare include medical examination subsidies, holiday bonuses, staff dormitories, and parking subsidies.
3. Investor relations: The Company has appointed spokespersons and designated personnel to respond to investor inquiries and shareholder suggestions.
4. Supplier relations: The Company maintains good relationships with suppliers to ensure the rights and interests of both parties.
5. Stakeholders: Stakeholders may communicate and provide suggestions to the Company to protect their legitimate rights and interests.
6. Continuing education of directors: (Note 4)
7. Risk management policy and execution of risk measurement standards: The Company has established a Risk Management Committee and adopted Risk Management Procedures. Risks include customer risk, financial risk, supply risk, human resource risk, climate change risk, information security risk, and others. Relevant departments are required to formulate or revise their execution procedures for risk controls to effectively implement risk management.
8. Implementation of customer policies: The Company is committed to quality and technology improvements. Through vertical integration of production and sales, it rapidly develops and produces, offering</td><td>None</td></tr>
</table>

Evaluation Item	Implementation status			Deviation from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			one-stop services from fabric to garment to meet customer needs with competitive products. 9. Liability insurance for directors: The Company's Articles of Incorporation allow the purchase of insurance for directors. The board is authorized to handle the relevant matters. The board resolved to renew liability insurance coverage from April 2025 to March 2026. 10. Procure Employee Fidelity Insurance to transfer and mitigate the risk of losses arising from internal fraud through three layers: risk transfer, internal control collaboration, and trust enhancement. 11. Continuing education undertaken by managers, financial reporting personnel, and heads of internal audit: (Note 5) 12. Status of internal auditors' acquisition of licenses designated by the competent authority: (Note 6)	
9. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Note 7)				

Note 1: Implementation status of policy on diversity of board members:

The description of Diversity and Independence of the Board of Directors, please refer to Eclat Textile Co., Ltd. 2024 Annual Report 2.1.1 of II. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors.

Note 2: Independence and Competency of CPA Assessment Item:

No.	Independence and competency assessment item	Yes	No
1	CPA himself or herself or his or her spouse and relative within the second degree of kinship is not a related party of the Company or its affiliates.	V	
2	Without any direct or material indirect financial interest relationship with the Company.	V	
3	Without close business relationship and potential employment relationship with the Company.	V	
4	CPA and audit team members presently do not assume the position of director, manager or duties having material impact on the audit case presently or in the last two years.	V	
5	Not providing non-audit services to the Company that may directly affect the audit works.	V	

No.	Independence and competency assessment item	Yes	No
6	Without collection of fees related to audited cases.	V	
7	Without continuously providing audit services for TWSE/TPEx Listed Companies in the long term.	V	
8	Not subject to any conditions defined in Article 30 of the Company Act.	V	
9	Other effective reference information: External Auditors' Declaration of Independence, Audit Quality Indicators (AQIs) and Pre-approved Non-Assurance Service List.	V	

In 2025, the Company evaluated the independence of CPAs according to the Audit Quality Indicators (AQIs), and on January 16, 2025, the audit committee and the board of directors approved the proposal for the retention of CPAs in 2025.

Note 3: Corporate Governance Officer continuing education status:

Organizer	Course Name	Training Hours
The Institute of Internal Auditors-Chinese Taiwan	Regulations Interpretation and Audit Focus on Board and Functional Committees (Audit and Remuneration)	6
Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis Related to "Ethical Corporate Management, Securities Fraud, and Anti-Money Laundering"	3
The Institute of Internal Auditors-Chinese Taiwan	Regulations and Practical Analysis of Loans, Endorsements and Guarantees, and Acquisition or Disposal of Assets	3
Securities and Futures Institute	2024 Seminar on the Prevention of Insider Trading	3
Accounting Research and Development Foundation	Executive Compensation and ESG Performance Incentive Mechanism Design	3
Taipei Bar Association	2024 Corporate Governance Forum: New Challenges for Corporate Governance Officers	3

Note 4: Continuing education of directors:

<table>
<tr><th>Title & Name</th><th>Organizer</th><th>Course Title</th><th>Training Hours</th></tr>
<tr><td>Chairman Shu-Wen Wang</td><td rowspan="13">Accounting Research and Development Foundation</td><td rowspan="13">Legal Responsibilities and Case Analysis Related to "Ethical Corporate Management, Securities Fraud, and Anti-Money Laundering"</td><td rowspan="13">3</td></tr>
<tr><td>Vice Chairman Kun-Tang Chen</td></tr>
<tr><td>Director Jui-Ting Hung</td></tr>
<tr><td>Director Hsin-Tung Tsai</td></tr>
<tr><td>Director Tsung-Wu Wang</td></tr>
<tr><td>Director Kuo-Sung Hsieh</td></tr>
<tr><td>Director Pat-Huang Su</td></tr>
<tr><td>Director Jiann-Jong Chiu</td></tr>
<tr><td>Independent Director Cheng-Ping Yu</td></tr>
<tr><td>Independent Director Nai-Ming Liu</td></tr>
<tr><td>Independent Director Chiu-Chun Lai</td></tr>
<tr><td>Independent Director Xiao-Kai Chen</td></tr>
<tr><td>Independent Director Tian-Wei Shi</td></tr>
<tr><td>Chairman Shu-Wen Wang</td><td rowspan="4">Accounting Research and Development Foundation</td><td rowspan="4">Executive Compensation and ESG Performance Incentive Mechanism Design</td><td rowspan="4">3</td></tr>
<tr><td>Vice Chairman Kun-Tang Chen</td></tr>
<tr><td>Director Hsin-Tung Tsai</td></tr>
<tr><td>Director Tsung-Wu Wang</td></tr>
</table>

Title & Name	Organizer	Course Title	Training Hours
Director Kuo-Sung Hsieh			
Director Pat-Huang Su			
Director Jiann-Jong Chiu			
Independent Director Cheng-Ping Yu			
Independent Director Nai-Ming Liu			
Independent Director Chiu-Chun Lai			
Independent Director Xiao-Kai Chen			
Independent Director Tian-Wei Shi			
Director Jui-Ting Hung	Taiwan Corporate Governance Association	What Directors & Supervisors Must Know: Understanding How Offenders Use Unusual Transactions and Related Party Transactions	3
Director Hsin-Tung Tsai	Securities and Futures Institute	Practical Workshop for Directors, Supervisors (Including Independent Directors) and Corporate Governance Officers – Taipei Class	12
Director Tsung-Wu Wang			
Director Pat-Huang Su	Securities and Futures Institute	Analysis and Case Studies of Unusual Transactions by Directors and Supervisors	3
Independent Director Xiao-Kai Chen	Taiwan Corporate Governance Association	Comprehensive Activation of Corporate Innovation and Growth	3

Note5: Continuing education of managerial personnel, financial report preparation personnel and internal audit officer:

List of Managerial Officers	Organizer	Course Name	Training Hours
Financial Officer Fen-Ru Lin	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis Related to "Ethical Corporate Management, Securities Fraud, and Anti-Money Laundering"	3
		Executive Compensation and ESG Performance Incentive Mechanism Design	3
		Advanced Accounting Course for Issuers, Securities Firms, and Stock Exchange Accounting Officers	12
Accounting manager functional substitute Yu-Wen Kung	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis Related to "Ethical Corporate Management, Securities Fraud, and Anti-Money Laundering"	3
		Executive Compensation and ESG Performance Incentive Mechanism	3

List of Managerial Officers	Organizer	Course Name	Training Hours
		Design	
		Advanced Accounting Course for Issuers, Securities Firms, and Stock Exchange Accounting Officers	12
Financial report preparation personnel Chi-Li Lin	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis Related to "Ethical Corporate Management, Securities Fraud, and Anti-Money Laundering"	3
		Executive Compensation and ESG Performance Incentive Mechanism Design	3
Internal audit superviosor Szu-Miao Liu	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis Related to "Ethical Corporate Management, Securities Fraud, and Anti-Money Laundering"	3
		Executive Compensation and ESG Performance Incentive Mechanism Design	3
		New ESG Disclosure Laws and Impact on Financial Reports	3
	The Institute of Internal Auditors-Chinese Taiwan	Practical Seminar on "Digital Transformation of Internal Audit"	6

Note 6: Status of internal audit related personnel acquiring relevant licenses designated by competent authority:

License	Issuing Organization	Number of personnel
Certified Internal Auditor (CIA)	Institute of Internal Auditors, IIA)	2

Note 7: The Company provides the explanation on the improvements made for the corporate assessment result of the Company and propose enhancement measures for any issues that are yet to be rectified as follows:

I. Maintain shareholders' equity and fair treatment to shareholders

1. The Company will upload the English version of the annual report and financial statements 18 days prior to the convention of the annual general meeting.
2. The Company has stipulated the "Regulations for Financial and Business Transactions with Related Parties," and significant transactions shall be submitted to the board of directors for resolution and to the shareholders' meeting for approval or report.

II. Strengthen the structure and operation of the board of directors

1. To achieve a sound structure of the Board of Directors, during the election of the 2024 Board of Directors, based on the consideration of the diversity of the board members, the nominee roster of the Board of Directors will include one more independent director. An additional independent director and two female directors were added, raising the proportion of female directors to 23%. The Company will continue to actively seek qualified board candidates based on gender equality and aligned with the Company's operational needs, with the aim of strengthening board diversity.

2. Regarding the formation and successor planning for members of the board of directors and important management, to improve the board of directors' functions and strengthen the human resource management mechanism, the Company established the Nomination Committee in 2020.
3. The Company has established and disclosed the risk management policy and operation status, and has also established the risk management committee in 2021. In addition, the “Risk Management Committee Charter” has been established to achieve sound risk governance and to enhance the function and power of the board of directors.
4. The Company’s “Rules for Performance Evaluation of Board of Directors” specify that an external evaluation shall be conducted at least once every three years. The second round of external performance evaluation for the board of directors was completed in 2023.

III. Enhancing Information Transparency

1. In order to provide investors with timely and accurate information, our company's financial reports are announced and uploaded as e-books on the same day after being approved by the board of directors.
2. The Company makes the best effort to announce the financial statements within two months after the end of accounting fiscal year.
3. At least one Investor Conference is held each quarter, and at least two complete conference video links are disclosed annually.

IV. Implementation of sustainable development

1. The Company assigns the Human Resource Team of the ESG Committee to be in charge of the promotion of the corporate ethical management policy. In addition, the operation and execution status of the policy has been explained on the website and in the annual report in 2020.
2. The Company has established the “Waste Contractor Appointment Management Regulations,” and for the issues of environment, human rights and occupational safety and health etc., the Company conducts field survey, guidance and evaluation at the sites of the main supplier and contractor, in order to understand the ESG implementation status of suppliers.
3. Regarding the sustainable environment promotion, the Company has planned the energy transformation and established the production site renewable energy development plan along with the setting of the goals and schedule. The Company also revises the greenhouse gas emission inventory taking procedure, and the 2030 carbon reduction goal at the company level has been established. The Company plans to set SBT targets by December 2024 and complete the baseline year and target setting by 2025.The Company amends the climate change risk management and disclosure regulations, and also enhances the factory physical risk identification and disclosure. Occupational safety and health KPI establishment; enhancement of contractor management; implementation of contactor education and training system.

2.3.4 Formation, responsibilities and operation status of Remuneration Committee

(1) Information of Remuneration Committee members:

Identity (Note 1)	Name	Professional qualification and experience (Note 2)	Independence Status (Note 3)	Number of positions as Remuneration Committee member in other public companies
Independent Director (Convener)	Tian-Wei Shi	Ph.D. in Textile Engineering; University Professor; Independent Director and Remuneration Committee Member of Eastern Media International Corporation. Specialized in fiber materials, fiber composites, and smart textiles. Possesses academic expertise in the textile industry, contributing to the Company's product development and talent cultivation.	Compliant with the independence criteria stated in Note 3	1
Independent Director	Cheng-Ping Yu	Ph.D. in Textile Engineering from the University of Leeds, UK; Honorary Professor at Fu Jen Catholic University. Specializes in knitting technology, computer simulation and production management, and computer-aided design. Brings academic experience in the textile industry that supports the development of the Company's products and services, as well as talent cultivation. Advocates for corporate social responsibility to create corporate value.	Compliant with the independence criteria stated in Note 3	None
Independent Director	Nai-Ming Liu	Practicing CPA; Independent Director of several companies including Ever Supreme Bio Technology Co., Ltd. Equipped with professional capabilities in finance, accounting, taxation, business management, and corporate governance.	Compliant with the independence criteria stated in Note 3	2

Note 1: Please specify the related seniority, professional qualifications, experiences, and independence of each Remuneration Committee member in the Table. For members who are also independent directors, please refer to II-(I)-2 of II. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors. In the Identity field, each member is specified either as independent director or other (please mark the role of convener, if any).

Note 2: Professional qualification and experience: Describe the remuneration committee members of professional qualification and experience:

Note 3: Independence compliance status: Describe the remuneration committee members complying with independence status, including but not limited to whether the director of the company, his/her spouse, relative within the second degree of kinship acts as director, supervisor or employee of the Company or its affiliates; number of company shares held and holding percentage of the director, spouse, relative within the second degree of kinship (or under the name of others); whether he or she acts as director, supervisor or employee of the company having a special relationship with the Company (please refer to the provisions of Subparagraphs 5~8 of Paragraph 1 of Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); remuneration amount collected for providing corporate commerce, legal, finance or accounting service to the Company or its affiliates in the most recent two years.

(2) Information of Operation Status of Remuneration Committee.

1. The Company's Remuneration Committee consists of 3 members.

The Remuneration Committee is responsible for assisting the Board of Directors in formulating and evaluating the Company's overall compensation and benefits policies. Based on a comprehensive consideration of factors such as business performance, individual performance, industry standards, and future risks, the Committee establishes performance evaluation criteria and remuneration policies for directors and managerial officers and conducts periodic assessments. For details on the Remuneration Committee Charter, please refer to the Company's website. According to the laws of the Republic of China, members of the Remuneration Committee are appointed by the Board of Directors.

2. Term of office of the current Committee members:

- 5th Term: From November 4, 2021 to June 12, 2024.
- 6th Term: From June 20, 2024 to June 11, 2027.

The Remuneration Committee held 5 meetings (A) in the most recent year. The qualifications and attendance of each member are as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance Rate (%) (B/A)	Remark
5th Term					
Convener	Yea-Kang Wang	3	0	100%	Re-elected on Nov. 4, 2021
Member	Cheng-Ping Yu	3	0	100%	
Member	Tian-Wei Shi	3	0	100%	
6th Term					
Convener	Tian-Wei Shi	2	0	100%	Re-elected on June 20, 2024
Member	Cheng-Ping Yu	2	0	100%	
Member	Nai-Ming Liu	2	0	100%	

Other matters that shall be recorded:

1. In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the proposal, the resolution of the board of directors, and how the company had handled the Remuneration Committee's proposals (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.
2. Should any member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the proposal, the entire members' opinions, and how their opinions were addressed, the resolutions resolved in 2024 were as follows:

Remuneration Committee Meeting	Agenda Items and Resolution Results	Company's Handling of Remuneration Committee Opinions
5th Term, 8th Meeting January 12, 2024	Agenda: Proposal for the distribution of 2023 year-end bonuses for directors, functional committee members, and senior executives. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.
	Agenda: Proposal to revise the incentive bonus distribution standards for all personnel (including managerial officers) for the first three quarters of 2024. Resolution: After the chair consulted all attending members, the revised wording was approved as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.
5th Term, 9th Meeting February 29, 2024	Agenda: Proposal for salary adjustment for all company personnel (including managerial officers). Resolution: After the chair consulted all attending members, the revised wording was approved as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.
	Agenda: Proposal to amend the Company's "Compensation Guidelines for Directors, Functional Committee Members, and Senior Executives." Resolution: After the chair consulted all attending members, the revised wording was approved as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.
5th Term, 10th Meeting May 2, 2024 024	Agenda: Proposal for salary adjustment for promoted senior executives. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors. All attending directors approved the promotion of the two individuals. Hsin-Tung Tsai, being an immediate family member of Director Hsien-Chin Tsai, recused himself from voting due to conflict of interest.
	Agenda: Proposal for remuneration of newly appointed senior executives. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.
	Agenda: Proposal for retirement pension for former Chairman Cheng-Hai Hung. Resolution: All committee members agreed to submit two proposed retirement pension plans to the Board of Directors.	Submitted to the Board of Directors. Chairman Cheng-Hai Hung recused himself from voting due to conflict of interest. The rest of the attending directors approved the pension payment calculated in accordance with the old Labor Standards Act pension formula. If Q2 operational performance meets the standards set in the "2024 Quarterly Performance Bonus Guidelines," a quarterly performance bonus may also be granted.

Remuneration Committee Meeting	Agenda Items and Resolution Results	Company's Handling of Remuneration Committee Opinions
	Agenda: Proposal for retirement pension for former General Manager Chun-Chin Tsai of the Fabric Business Unit. Resolution: All committee members agreed to submit two proposed retirement pension plans to the Board of Directors.	Submitted to the Board of Directors. Director Hsien-Chin Tsai, being a second-degree relative, recused himself from voting. The rest of the attending directors approved the pension payment calculated in accordance with the old Labor Standards Act pension formula. If Q2 operational performance meets the standards set in the "2024 Quarterly Performance Bonus Guidelines," a quarterly performance bonus may also be granted.
	Agenda: Proposal for retirement pension for Deputy General Manager of Finance and Accounting Jen-Chieh Lo. Resolution: All committee members agreed to submit two proposed retirement pension plans to the Board of Directors.	Submitted to the Board of Directors. Director Jen-Chieh Lo recused himself from voting due to conflict of interest. The rest of the attending directors approved the pension payment calculated in accordance with the old Labor Standards Act pension formula. If Q2 operational performance meets the standards set in the "2024 Quarterly Performance Bonus Guidelines," a quarterly performance bonus may also be granted.
6th Term, 1st Meeting June 28, 2024	Agenda: Proposal for salary adjustment for Chairman Shu-Wen Wang. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors. Chairman Shu-Wen Wang recused himself from voting due to conflict of interest. The rest of the attending directors approved the proposal.
	Agenda: Proposal for salary adjustment for Vice Chairman Kun-Tang Chen. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors. Vice Chairman Kun-Tang Chen recused himself from voting due to conflict of interest. The rest of the attending directors approved the proposal.
	Agenda: Proposal for salary adjustment for General Manager Jui-Ting Hung. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors. Director Jui-Ting Hung recused himself from voting due to conflict of interest. The rest of the attending directors approved the proposal.
	Agenda: Proposal for compensation of the Corporate Governance Officer. Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.
6th Term, 2nd Meeting August 8, 2024	Agenda: Proposal to amend the Company's "Compensation Guidelines for Directors, Functional Committee Members, and Senior Executives." Resolution: All committee members agreed to approve the proposal as submitted.	Submitted to the Board of Directors and approved unanimously by all attending directors.

3. The Company's 2025 Remuneration Committee meeting dates, proposal contents and resolution results are disclosed on the Company's website.

Note:

(1) Date of resignation is shown for members of the Remuneration Committee who had resigned prior to the close of the financial year. The percentage of actual attendance (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during active duty.

(2) If a re-election of Remuneration Committee members had taken place prior to the close of the financial year, members of both the previous and the current Remuneration Committee will be listed; in which case, the remarks column will specify whether the committee member was elected in the previous board, the new board, or both. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Remuneration Committees held during active duty and the number of actual (proxy) attendance.

2.3.5 ESG Committee Member Information and Operation Status:

(1) ESG committee appointment criteria and responsibilities:

This committee serves as the cross-departmental communication platform, decision-making center, and implementation unit for the Company's sustainable development and long-term operations. The committee shall consist of no fewer than three members and shall be appointed by resolution of the Board of Directors. Committee members shall possess professional knowledge and capabilities in corporate sustainability, and at least one director shall participate in the committee for supervision. The current committee consists of four directors nominated by the Board of Directors as members. Its main responsibilities are as follows:

- Formulating sustainable development policies.
- Planning, executing, and reviewing corporate sustainability-related initiatives.
- Reviewing the goals, strategies, and action plans of the sustainability policies, and tracking the progress of various programs.
- Discussing issues of concern to stakeholders, including shareholders, customers, suppliers, employees, government agencies, non-profit organizations, local communities, and the media, and supervising the related communication plans.
- Compiling sustainable development reports.
- Reporting annually to the Board of Directors on the results of implementation for the current year and the work plan for the following year.

(2) ESG committee member professional qualification and experience and operation status:

- The Company's 3rd Sustainable Development Committee comprised three chairpersons, with terms from November 4, 2021, to June 12, 2024.
- The Company's 4th Sustainable Development Committee comprised four members, with terms from June 20, 2024, to June 11, 2027.
- ESG committee held 2 meeting (A) in the most recent year, and the member professional qualification and experience, attendance status and discussion matters are as follows:

Title	Name	Professional qualifications and experience	No. of meetings attended in person (B)	No. of meetings attended By Proxy	In-person attendance Rate (%) (B/A)	Remark
3rd Term						
Convener	Shu-Wen Wang	Note	1	0	100%	November 4, 2021 reappointed
Member	Yea-Kang Wang	Note	1	0	100%	
Member	Cheng-Ping Yu	Note	1	0	100%	
4th Term						
Convener	Jui-Ting Hung	Note	1	0	100%	Newly appointed on June 20, 2024

Title	Name	Professional qualifications and experience	No. of meetings attended in person (B)	No. of meetings attended By Proxy	In-person attendance Rate (%) (B/A)	Remark
Member	Shu-Wen Wang	Note	1	0	100%	Reappointed on June 20, 2024
Member	Cheng-Ping Yu	Note	1	0	100%	Reappointed on June 20, 2024
Member	Chiu-Chun Lai	Note	1	0	100%	Newly appointed on June 20, 2024

Other matters required to be recorded:

Describe the meeting date, session, agenda content of the main proposals of the ESG committee, ESG committee member recommendations or dissenting opinion content, ESG committee resolution result, and Company's handling of comments of ESG committee.

ESG Committee Resolutions in 2024:

ESG committee term number and date	**Agenda content and resolution result**	**Company's handling of comments of ESG committee**
February 29, 2024 (1st meeting of 2024)	Work reports for 2023 and work plans for 2024 were reviewed and approved.	Submitted to the board of directors for approval.
	Comprehensive recommendation of commissioner and each team: **1. All teams** (1) Analyze previous years' corporate governance evaluation scores and conduct gap analysis to identify areas for improvement. (2) Evaluate the effectiveness and policy implementation of generative AI adoption. **2. Sustainable Environment Team** Assess the feasibility of energy transition plans other than solar energy. **3. Human Resource Team** Continue tracking the implementation effectiveness of the company-operated childcare center. **4. Product and Service Team** (1) Evaluate the feasibility of establishing product carbon footprint data. (2) Evaluate options to improve production efficiency and assess automation solutions. (3) Present and analyze productivity improvement from templating in a data-driven manner to quantify the impact. **5. Social Participation Team** Evaluate feasibility of promoting volunteer programs in overseas factories.	Each team has followed the suggested directions provided by the convener, and related achievements have been disclosed in the Sustainability Report.

ESG committee term number and date	Agenda content and resolution result	Company's handling of comments of ESG committee
August 8, 2024 (2nd meeting of 2024)	Resolution passed to approve the 2023 Sustainability Report and submit to the Board of Directors for final approval.	The 2023 Sustainability Report was approved by the Board of Directors and has been filed with competent authorities and officially published.

Note:

1. Professional scope of ESG committee members: Please refer to Eclat Textile Co., Ltd. 2024 Annual Report 2.1.1 of II. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors.

2. In addition to continuing education, based on each committee member's field of expertise and academic/professional background, their ESG (Environmental, Social, Governance) expertise is summarized as follows:

Role	Name	Professional Field and Background	Environment (E)	Social (S)	Governance (G)
3rd Term					
Director	Shu-Wen Wang	Master's degree in Accounting and U.S. Certified Public Accountant, with a background in finance and banking. Specializes in risk management and global investment strategies. Has led Eclat's supply chain transformation, promoted R&D and vertical integration, and guided the company's innovation and sustainability development through data analysis and strategic thinking.	Supply chain transformation, sustainability strategy	Global investment, talent cultivation	Risk and financial management, corporate communication, and data analysis
Independent Director	Yea-Kang Wang	Master's degree in Urban Planning. Former Director General of the Industrial Development Bureau, Ministry of Economic Affairs. Possesses expertise in industrial and urban planning and has extensive experience in the textile industry, contributing to industrial innovation and environmental sustainability.	Industrial innovation and sustainable development	Urban environmental expertise, public policy advocacy	Government experience, enterprise management and oversight
Independent Director	Cheng-Ping Yu	Ph.D. in Textile Industry from University of Leeds, UK. Honorary Professor at Fu Jen Catholic University. Specializes in knitting	Technological innovation and production optimization, promotion of	Innovation in products and services, talent development, and	Knitting technology, computer simulation and production

Role	Name	Professional Field and Background	Environment (E)	Social (S)	Governance (G)
		technology, computer simulation and production management, and CAD. With academic experience in the textile industry, he contributes to product service development and talent cultivation, and advocates for corporate social sustainability to create corporate value.	environmentally friendly manufacturing	academic heritage	management supporting corporate decisions
4th Term					
Director	Jui-Ting Hung	Master's degree in Materials Science, with professional and textile industry experience. Promotes data analytics and innovation strategies to enhance production efficiency and labor rights. Leads Eclat in developing market-favored products and advancing innovation and sustainable development.	Product development, innovation and technology promotion	Labor rights, team culture, quality customer service	Brand operation, market strategy, business development
Director	Shu-Wen Wang	Master's degree in Accounting and Finance; U.S. CPA. Has a background in finance and banking with expertise in risk management and global investment strategy. Leads Eclat's supply chain transformation, promotes R&D and vertical integration, and applies data analysis and strategic thinking to drive corporate innovation and sustainable development.	Supply chain transformation, sustainable business strategy	Global investment, talent development	Risk and financial management, corporate communication, data analysis
Independent Director	Cheng-Ping Yu	Ph.D. in Textile Industry from the University of Leeds, UK. Honorary Professor at Fu Jen Catholic University. Specializes in knitting technology, computer simulation and production management, and CAD. Academic experience in textile industry supports product and talent development and promotes corporate social sustainability to	Technological innovation and production process optimization for environmental protection	Product/service innovation, talent cultivation and academic heritage	Knitting technology, computer simulation and production management for decision support

Role	Name	Professional Field and Background	Environment (E)	Social (S)	Governance (G)
		create value.			
Independent Director	Chiu-Chun Lai	Ph.D. in Polymer Engineering. University professor. Specializes in interface science, nano textile materials, and functional textile processing. Experienced in academia, industry, and government. Former professor, researcher, and government project reviewer. Promotes innovation and technology development in the textile industry.	Nano textile materials, functional textile R&D	Industry-academia collaboration, industrial upgrading, technological innovation	Policy review, standard setting, corporate supervision

2.3.6 Nomination Committee Member Information and Operation Status:

(1) Nomination committee member appointment criteria and responsibilities:

The purpose of this committee is to enhance the functionality of the Company's Board of Directors and to strengthen the human resources management mechanism. The committee is composed of five members appointed by the Board of Directors, including three directors and two individuals selected from among the Company's consultants, senior executives, or reputable figures from the community. Among the current committee members, two are independent directors. The main duties of the committee are as follows:

- Assist in the approval and nomination of the independent director candidate roster.
- Review the diversity background standards of the professional knowledge, techniques, experience and gender necessary for senior managerial officers (including officers above the associate manager rank (inclusive), same for below), in order to approve the candidates for senior managerial officers.
- Perform senior managerial officer performance evaluation and periodically review successor plan.
- Consider the diversity background standard of the professional knowledge, techniques, experience and gender necessary for managers, in order to approve the candidates for managers.

(2) Nomination committee member professional qualification and experience and operation status:

- Nomination committee of the Company consists of five members.
- Term of office of the 2nd Committee: From November 4, 2021 to June 12, 2024.
- Term of office of the 3rd Committee: From June 20, 2024 to June 11, 2027.
  Nomination committee held three time of meetings (A) in the most recent year, and the member professional qualification and experience, attendance status and discussion matters are as follows:

Title	Name	No. of Meetings Attended in Person (B)	No. of Meetings Attended by Proxy	Attendance Rate (%) (B/A)	Remarks
2nd					
Convener	Cheng-Hai Hung	2	0	100%	Reappointed on 2021.11.4
Member	Hsien-Chin Tsai	2	0	100%	Reappointed on 2021.11.4
Member	Kuo-Sung	2	0	100%	Reappointed on

Title	Name	No. of Meetings Attended in Person (B)	No. of Meetings Attended by Proxy	Attendance Rate (%) (B/A)	Remarks
	Hsieh				2021.11.4
Member	Yea-Kang Wang	2	0	100%	Reappointed on 2021.11.4
Member	Cheng-Ping Yu	2	0	100%	Reappointed on 2021.11.4
3rd					
Convener	Shu-Wen Wang	1	0	100%	Newly appointed on 2024.6.20
Member	Kuo-Sung Hsieh	1	0	100%	Reappointed on 2024.6.20
Member	Cheng-Ping Yu	1	0	100%	Reappointed on 2024.6.20
Member	Jui-Ting Hung	1	0	100%	Newly appointed on 2024.6.20
Member	Nai-Ming Liu	1	0	100%	Newly appointed on 2024.6.20

Other matters required to be recorded: Describe the meeting date, session, agenda content of the main proposals of the nomination committee, nomination committee member recommendations or dissenting opinion content, nomination committee resolution result, and Company's handling of comments of the nomination committee.

2024 nomination committee resolutions are as follows:

Meeting Term and Date	Agenda Content and Resolution Result	Company's Handling of Committee Opinion
2nd Term, 4th Meeting (Feb 29, 2024)	Agenda: Nomination list of independent director candidates. Resolution: All members unanimously agreed to pass the proposal without objection.	Submitted to the Board of Directors and unanimously approved by all attending directors.
2nd Term, 5th Meeting (Apr 30, 2024)	Agenda: Promotion of senior executives. Resolution: Two individuals promoted; Hsien-Chin Tsai recused due to relationship with Hsin-Tung Tsai. All other members agreed.	Submitted to the Board; same recusals and unanimous approval by attending directors.
	Agenda: Appointment of senior executives. Resolution: All members unanimously agreed to pass the proposal without objection.	Submitted to the Board of Directors and unanimously approved by all attending directors.
3rd Term, 1st Meeting (Jun 28, 2024)	Agenda: Promotion of President. Resolution: Jui-Ting Hung recused himself due to conflict of interest. All other members agreed.	Submitted to the Board of Directors; Jui-Ting Hung recused, all other attending directors unanimously approved the proposal.

Note: Professional scope of nominee committee: Please refer to ECLAT TEXTILE CO., LTD. 2024 Annual Report 2.1.1 of II. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors.

2.3.7 Risk Management Committee Member Information and Operation Status: ：

(1) Risk management committee member appointment criteria and responsibilities:

The objective of this committee is to improve risk governance and strengthen the board functions, and it is formed by five members elected by the board of directors. The committee members shall not be less than three, and more than half of the members shall be independent directors. Its main responsibilities are as follows:

- Review various risk management policies and frameworks, risk appetite and limit.
- Supervise the risk management mechanism operation.
- Review management report on material risk issues.
- Report the risk management status to the board of directors timely.

(2) Risk management committee member professional qualification and experience and operation status:

- The Company's Risk Management Committee consists of five members.
- Term of office for the 1st session: From January 13, 2022 to June 12, 2024.
- Term of office for the 2nd session: From June 20, 2024 to June 11, 2027.

Risk management committee held three times of meetings (A) in the most recent year, and the member professional qualification and experience, attendance status and discussion matters are as follows:

Title	Name	No. of Meetings Attended (B)	Proxy Attendance	Attendance Rate (%) (B/A)	Remarks
1st Term					
Convener	Shu-Wen Wang	1	0	100%	Appointed on Jan. 13, 2022
Member	Hsien-Chin Tsai	1	0	100%	
Member	Yea-Kang Wang	1	0	100%	
Member	Cheng-Ping Yu	1	0	100%	
Member	Nai-Ming Liu	1	0	100%	
2nd Term					
Convener	Shu-Wen Wang	2	0	100%	Reappointed on Jun. 20, 2024
Member	Cheng-Ping Yu	1	0	50%	
Member	Nai-Ming Liu	2	0	100%	
Member	Jui-Ting Hung	1	1	50%	Newly appointed on Jun. 20, 2024
Member	Chiu-Chun Lai	2	0	100%	

Other matters required to be recorded:
Description of the meeting date, session, agenda item, content of member recommendations or objections, resolution results of the Risk Management Committee, and the Company's response:
Resolutions Passed by the Risk Management Committee in 2024:

Session & Date	Agenda Item and Resolution Result	Company's Handling of Committee Opinion
1st Term, 6th Meeting May 2, 2024	Agenda: Upgrade of the Company's information security risk control operations and revised implementation budget. Resolution: After reviewing each budget item and evaluating the test results, all members unanimously agreed to adopt the CyberArk solution.	Submitted to the board of directors and approved by all attending board members.
	Agenda: Customer credit authorization discussion. Resolution: Each case was discussed according to credit terms, and all members agreed to approve.	
2nd Term, 1st Meeting Oct. 4, 2024	Agenda: Ratification and supplemental discussion on customer credit authorization cases. Resolution: Discussed according to the customer's credit terms and unanimously approved.	According to the "Customer Credit Investigation and Credit Management Guidelines," as the customer credit authorization cases this time did not reach the threshold for board approval, they became effective upon unanimous approval by all attending committee members.
	Agenda: Ratification and supplemental discussion on customer credit authorization cases. Resolution: Discussed according to the customer's credit terms and unanimously approved.	
	Agenda: Customer credit authorization discussion. Resolution: Each case was discussed according to credit terms, and all members agreed to approve.	
2nd Term, 2nd Meeting Nov. 7, 2024	Agenda: Ratification and discussion on accounts receivable credit limits. Resolution: All members agreed to raise the credit limits for the 13 listed customers to match their respective bank-insured amounts.	In accordance with the "Customer Credit Investigation and Credit Management Guidelines," credit limits for two customers had reached board approval thresholds. Submitted to the board of directors and approved by all attending members.
	Agenda: Customer credit authorization discussion. Resolution: Each case was discussed according to credit terms, and all members agreed to approve.	According to the "Customer Credit Investigation and Credit Management Guidelines," as the customer credit authorization cases this time did not reach the threshold for board approval, they became effective upon unanimous approval by all attending committee members.

To implement risk management mechanism, the risk environment faced by the Company, management focus assessment and responsive measures are reported in the risk management meeting periodically. The chair of the Risk Management Committee has reported the risk management supervision status during the Board of Directors' meeting held on January 16, 2025.

Other matters required to be recorded:
Description of the meeting date, session, agenda item, content of member recommendations or objections, resolution results of the Risk Management Committee, and the Company's response.

Resolutions Passed by the Risk Management Committee in 2024:

<table>
<tr><th>Session & Date</th><th>Agenda Item and Resolution Result</th><th>Company’s Handling of Committee Opinion</th></tr>
<tr><td rowspan="2">1st Term, 6th Meeting May 2, 2024</td><td>Agenda: Upgrade of the Company’s information security risk control operations and revised implementation budget.
Resolution: After reviewing each budget item and evaluating the test results, all members unanimously agreed to adopt the CyberArk solution.</td><td rowspan="2">Submitted to the board of directors and approved by all attending board members.</td></tr>
<tr><td>Agenda: Customer credit authorization discussion.
Resolution: Each case was discussed according to credit terms, and all members agreed to approve.</td></tr>
<tr><td rowspan="3">2nd Term, 1st Meeting Oct. 4, 2024</td><td>Agenda: Ratification and supplemental discussion on customer credit authorization cases.
Resolution: Discussed according to the customer's credit terms and unanimously approved.</td><td rowspan="3">According to the “Customer Credit Investigation and Credit Management Guidelines,” as the customer credit authorization cases this time did not reach the threshold for board approval, they became effective upon unanimous approval by all attending committee members.</td></tr>
<tr><td>Agenda: Ratification and supplemental discussion on customer credit authorization cases.
Resolution: Discussed according to the customer's credit terms and unanimously approved.</td></tr>
<tr><td>Agenda: Customer credit authorization discussion.
Resolution: Each case was discussed according to credit terms, and all members agreed to approve.</td></tr>
<tr><td rowspan="2">2nd Term, 2nd Meeting Nov. 7, 2024</td><td>Agenda: Ratification and discussion on accounts receivable credit limits. Resolution: All members agreed to raise the credit limits for the 13 listed customers to match their respective bank-insured amounts.</td><td>In accordance with the “Customer Credit Investigation and Credit Management Guidelines,” credit limits for two customers had reached board approval thresholds. Submitted to the board of directors and approved by all attending members.</td></tr>
<tr><td>Agenda: Customer credit authorization discussion.
Resolution: Each case was discussed according to credit terms, and all members agreed to approve.</td><td>According to the “Customer Credit Investigation and Credit Management Guidelines,” as the customer credit authorization cases this time did not reach the threshold for board approval, they became effective upon unanimous approval by all attending committee members.</td></tr>
</table>

To implement risk management mechanism, the risk environment faced by the Company, management focus assessment and responsive measures are reported in the risk management meeting periodically. The chair of the Risk Management Committee has reported the risk management supervision status during the Board of Directors’ meeting held on January 16, 2025.

Note: Professional scope of Risk Management Committee: Please refer to Eclat Textile Co., Ltd. 2024 Annual Report 2.2.1 of II. Corporate Governance Report for disclosure of professional qualification of directors and supervisors and independence of independent directors.

2.3.8

(1) **Deviation of the Company's actual promotion of sustainable development execution status from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and cause thereof**:

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
I. Has the company established a governance structure to promote sustainable development, set up a dedicated (or designated) unit, delegated authority to senior management, and does the board of directors oversee the process?	V		The Company has established the "ESG Committee" by a resolution of the Board of Directors, consisting of at least three commissioners with professional knowledge and capabilities in corporate sustainability, including at least one director to participate in supervision. In 2024, four directors served as members. One convener was elected by all committee members, and the convener appointed a manager from the responsible department as the team leader of the Sustainability Task Force to promote the company's sustainability efforts. It is divided into five teams of "Sustainable Environment Development", "Human Resources", "Corporate Governance", "Product and Service" and "Social Participation". The responsibilities of the ESG Committee are to identify sustainability topics, execute action plans, propose sustainability-related topics, and report to the board of directors at least once annually, to ensure the implementation of the Sustainable Development Best Practice Principles. The Company has also set up the "Sustainability Office", responsible for promoting ESG-related affairs of the Company's operations. Quarterly reports were delivered to the Board of Directors, totaling four times in 2024, including: progress of greenhouse gas inventory, impacts of sustainability-related regulations, international trends, strategic ESG goals, and plan execution status. After reviewing the team's reports, the Board of Directors evaluated the feasibility of the sustainability execution and instructed adjustments. Please refer to the "ESG Committee Organization System Diagram" on page 27 of the 2023 ESG Report (hereinafter referred to as the "Report") for details. In 2024, a total of 16 team meetings and 1 committee meeting were held. In addition, the ESG committee's 2023 work execution status and 2025 work plan were reported to the board of directors on February 27, 2025. Relevant information has been disclosed on the Company's website.	None
II.Has the Company conducted risk assessment on the environment, society and corporate governance issues related to the company's operation according to the materiality principle,	V		The Company establishes the ESG report and adopts the questionnaire and interview method, reviews the survey results of all units and senior officers, and assesses relevant operational risks according to the materiality principle, in order to specify the risks identified and revise them in the existing Risk Management Regulations. The scope of coverage focuses on the Company in principle, including operations in Taiwan, Vietnam, Cambodia and Indonesia. According to the risk assessed, relevant risk management policies or strategies have been established as follows:	None

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
and has the company established relevant risk management policy or strategy? (Note 2)			(I) Customer risk: 1. Control the maximum revenue proportion from a single customer in order to reduce revenue concentration risk. 2. Implement diversified business strategies to mitigate business risk. 3. Reduce credit risk through credit rating, insurance and accounts receivable factoring. (II) Financial risk: 1. Enhance financial management and corporate control. 2. Strengthen currency and exchange rate risk management. 3. Improve transparency in customer communication, understand purchase policy changes. (III) Supply risk: 1. Require suppliers' output, quality, and R&D capabilities. 2. Conduct joint R&D with suppliers. 3. Adopt a diversified procurement strategy. (IV) Talent risk: 1. Improve basic training for employees. 2. Promote industry-academic collaboration to expand recruitment sources. 3. Enhance promotion mechanisms and leadership training. 4. Continuously track turnover rate and employee satisfaction, and adjust systems accordingly. (V) Climate change risk: 1. Identify climate change opportunities and risks based on the TCFD framework. 2. Manage risks and seize opportunities. 3. Implement projects or training programs. 4. Track performance, and conduct timely review and adjustment. 5. Formulate response procedures for repeated risks. (VI) Cyber risk: 1. Implement data center access control and regularly upgrade hardware equipment. 2. Use dedicated lines to ensure internal data security and stability. 3. Reduce remote handling and use project-based exceptions when needed. 4. Enhance firewall protection, patch vulnerabilities, and periodically rehearse software recovery procedures. 5. Apply multi-factor authentication (MFA). 6. Implement Privileged Account Management (PAM). For the operation status, please refer to section "1.2 Sustainability Strategy and Risk Management" on page 26 and section "1.4 Identification of Material Issues" on page 35 of the Report.	
III. Environmental Topic A. Does the	V		The Company truly understands that it is the joint responsibility of the mankind to protect the earth's environment; therefore, for all aspects of the management, the Company considers the environmental	None

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
Company have an appropriate environmental management system established in accordance with its industrial characteristics?			protection. The Company has identified the material environmental topics, potential risks and opportunities as well as responsive measures according to the risk management policy, which has also been disclosed in the content of page 111 of Chapter 5 “Guardian of Environmental Resources” of the Report. (I) The appropriate environment management system establishment according to the industrial characteristics of the Company is as follows (please refer to “5.3 Energy Resource Utilization and Management” on page 125 of the Report for relevant descriptions): **1. Energy saving and carbon reduction** In order to reduce carbon emissions, effective energy management and improved energy efficiency are key measures to achieving carbon reduction goals. Dayuan Plant was the first to participate in the 2017 Manufacturing Industry Energy Management Demonstration and Guidance Project of the Industrial Development Bureau, MOEA, and established an ISO 50001 energy management system. After successful implementation, external verification was completed. A new version of the verification process was finalized in 2020, and the certificate remains valid until 2027. The Vietnam fabric plant also began adopting the ISO 50001 energy management system in 2019 and obtained external verification certification in 2020, and the certificate remains valid until 2027. **2. Greenhouse gas emission reduction** Under the promotion of the Greenhouse Gas Inventory Committee, all production sites have conducted inventory and verification according to ISO 14064-1 standards. **3. Reduction of water consumption** Reduction of water consumption in 2018, the Company established the water resource management policy. The factories implement daily meter readings, monthly analysis, and quarterly reviews to ensure effective early warning and management of water resource issues. Regarding water-saving strategies, the Company actively invests in eco-friendly processes and reduces water usage through process R&D. For example, the waterless dyeing technology developed in collaboration with industry peers is one of the major milestones in the textile manufacturing industry. For the Fabric Division, which consumes larger water volumes, a rainwater recycling system was constructed in 2016 and expanded to the Garment Division in 2019.	

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			4. Waste management policy The Company values waste management and completed the policy formulation and publication in 2018. Regulatory compliance is the foundation of the Company's waste management practices. All industrial waste is declared and reported in accordance with local laws and regulations, and is categorized and stored according to its characteristics. Each plant designates personnel to conduct inspections of waste storage areas and to report production and temporary storage volumes.	
B. Is the Company committed to achieving efficient use of resources, and using renewable materials that has less impact on the environment?	V		(II) The core business of the Company is fabric manufacturing; therefore, the Company cannot perform improvements on the raw materials as the upstream yarn suppliers, such as recycling raw materials for the reproduction of recycled yarn. Accordingly, our eco-friendly design method is to start from the processing method. Through the processing method, the R&D direction complying with quantity reduction, energy saving and carbon reduction is established, along with the use of recycled yarn designated by customers, in order to beneficially achieve the objective of an eco-friendly environment. Please refer to "4.1.1 Innovative R&D Advantages" on page 100 of the Report. The processing method improvements include the following: **1. Characteristic change** Change of yarn processing method in order to achieve greater elasticity, increased filling power, and improved water delivery of the yarn. **2. Structure change** (1) Flexible structure provides greater mechanical elasticity and softness to fabrics, and a better moisture conduction structural layer is constructed, in order to reduce the discomfort due to wet attachment of fabrics. Porous structure enhances the air permeability; (2) Quick adjustment of body temperature to increase drying speed; (3) Multi-layer structure increases the micro-climate effect between the fabric and the body, thereby increasing thermal resistance. **3. Change of yarn extraction and false twist technology** The original yarn extraction is combined with new false-twist technology in order to simplify the manufacturing process, increase color fastness, reduce carbon emissions and water source use amount. **4. Subtraction design** Selection of one single material and simple fabric composition can be beneficial to the clothing recycle	None

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			and waste recycle process (including elastic fabric clothing requiring re-processing for recycling and reproduction into recycled yarn). **5. Energy Saving Achievements:** Energy Saving Achievements: Starting from the year 2020, the Company has progressively introduced low bath ratio equipment, resulting in water and energy conservation effects. The Company have also gradually replaced high-energy motors with more efficient ones to enhance energy utilization. The Company reviews the achievement of our goals every 3 years, with the energy reduction baseline year set as 2020. The energy-saving objectives for the year 2026 are a 10% reduction in intensity for both divisions. Regarding the total electricity consumption, in comparison to the year 2020, there was an increase of 11,498,916 kWh in the year 2024 due to the ongoing growth of our company's operations. Electricity Consumption (Unit: kWh)	

Baseline Year		
Year	Fabric	Garment
2020	65,881,315	23,189,719
Last 2 Years		
Year	Fabric	Garment
2023	65,056,488	25,164,407
2024	69,949,092	30,620,858

In 2024, electricity consumption intensity reduction results were as follows: the Fabric Division decreased by 17.20%, while the Garment Division increased by 2.66%.

Electricity Consumption Intensity
(Unit: kWh):

Baseline Year		
Year	Fabric (per ton)	Garment (per thousand dozen)
2020	3,276.37	5,000.69
Last 2 Years		
Year	Fabric (per ton)	Garment (per thousand dozen)
2023	2,712.95	5,674.05
2024	2,712.99	5,133.55

Item	Y	N	Summary description	Deviation
C. Has the Company evaluated the climate change on the present and future potential	V		(III) The Company’s assessment of climate change-related risks and opportunities is managed by the headquarters Sustainability Committee, with the Board of Directors serving as the highest-level guiding authority. The Environmental Sustainability Task Force is responsible for designing the risk and	None

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description (Note 2)</th></tr>
<tr><td>risks and opportunities of the corporation, and has the company adopted responsive actions on climate related issues?</td><td></td><td></td><td>opportunity identification templates, and convenes factories and business units across domestic and overseas operations to conduct assessments based on TCFD (Task Force on Climate-related Financial Disclosures) indicators. Through this process, the team identifies and compiles risks and opportunities, and develops a matrix of material risks and opportunities. Based on the analysis results of this matrix, the Company estimates the management costs and financial impact, in order to strengthen its climate change governance, systematically evaluate financial relevance, reduce risks, and seize potential improvement and transformation opportunities. Please refer to the “Identification and Assessment Table for Major Climate Risks”, the “Identification and Evaluation Table of Major Climate Opportunities” listed in Note 3 below, and section “5.2 Strengthening Climate Resilience” on page 116 of the Report.</td><td></td></tr>
<tr><td>D. Has the Company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and has the company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management?</td><td>V</td><td></td><td>(IV)The statistical data on the greenhouse gas emission, water consumption and waste total weight in the last two years is summarized in the following Data Scope: "All figures include consolidated financial statements of parent and subsidiary companies." Individual reduction policies and goals are outlined as follows: (please refer to the description of “5.2.2 Greenhouse Gas Management” on page 123 of the Report):
1. Greenhouse gas emission
Baseline year for greenhouse gas emissions is 2017. Carbon reduction goal for the year 2025: Both divisions aim to achieve a 20% reduction in emission intensity compared to the baseline year. Each year, external verification by the reputable third-party organization SGS is commissioned, and this verification process has been completed for the year 2023. The verification for the year 2024 has not yet been completed. The complete verification data will be disclosed in the Report.

Comparison with Baseline Year:
In 2024, compared with the baseline year, the greenhouse gas emission intensity decreased by 33.59% in the Fabric Division and 10.80% in the Garment Division.
In terms of total greenhouse gas emissions, Scope 1 and Scope 2 emissions in 2024 increased by 5,033.26 metric tons of CO_2e compared with the baseline year, due to the continuous growth of the company’s business.

Comparison with the Previous Year:
In 2024, Scope 1 and Scope 2 total emissions increased by 5,789.68 metric tons of CO_2e compared</td><td>None</td></tr>
</table>

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			to 2023, representing a 4.76% increase in absolute emissions. This was primarily due to a 7.5% increase in fabric production and a 34.5% increase in garment production compared to 2023. However, emission intensity for the Fabric Division decreased by 5.28%, and for the Garment Division by 11.21%.	

Greenhouse gas emission quantity
(unit: tons CO_2e)

Baseline Year			
Year	Scope 1	Scope 2	Scope 3
2017	45,347.43	77,081.62	NA
Last 2 Years			
Year	Scope 1	Scope 2	Scope 3
2023	28,121.36	93,551.27	8,102.70
2024	30,881.14	96,581.17	11,921.19

Greenhouse gas emission intensity
(unit: tons CO_2e)

Baseline Year		
Year	Fabric (per ton)	Garment (per thousand dozen)
2017	5.94	4.35
Last 2 Years		
Year	Fabric (per ton)	Garment (per thousand dozen)
2023	4.17	4.37
2024	3.95	3.88

2. Water consumption
The company conducts a review of water consumption goals every 3 years, with the baseline year set at 2020. The reduction goal for the year 2023 is a 12% decrease in intensity for the Fabric Division. Water consumption is internally audited and no formal arrangement has been made to commission impartial third-party verification. Compared to the baseline year, the water consumption reduction in 2024 reached 24.5%, meeting the established target. A new target has been set for 2026, aiming for a 30% reduction compared to the baseline year.
Regarding total water consumption, due to continuous business growth, the Company's total water usage in 2024 increased by 151,648 cubic meters compared to 2020.

Water consumption
(unit: square meter)

Baseline Year			
Year	Headquarter	Fabric	Garment
2020	33,014	2,027,765	472,811
Last 2 Years			
Year	Headquarter	Fabric	Garment
2023	31,429	1,825,679	573,925
2024	34,464	2,028,198	622,546

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	

Water consumption emission intensity
(unit: square meter)

Baseline Year		
Year	Fabric (per ton)	Garment (per thousand dozen)
2020	100.84	101.96
Last 2 Years		
Year	Fabric (per ton)	Garment (per thousand dozen)
2023	76.13	129.41
2024	78.66	104.37

*Emission intensity is amended.

Since 2016, the Company has established a rainwater harvesting system to reduce the pressure on water resource development. In 2024, rainwater accounted for 2.86% of the total water consumption.
In addition, the Company expanded its wastewater recycling system to improve water resource utilization efficiency. In 2024, the recycled water volume accounted for 20.42% of the total water consumption of the Fabric Division, an increase from 12.66% in 2023.
Looking ahead, the Company will continue to enhance the proportion of rainwater and recycled water usage, aiming to mitigate environmental impact and address water resource risks arising from climate change.

3. Waste management
The company conducts a comprehensive review of waste management goals every three years, using the year 2020 as the baseline. The reduction goal for the year 2023 focuses on a 6% decrease in emission intensity for both divisions. Waste quantity is internally audited and no formal arrangement has been made to commission impartial third-party verification.
In 2024, compared to the baseline year, the Garment Division achieved a 7.7% reduction, and the Fabric Division achieved a 9.6% reduction in emission intensity. Since the established targets were met, the Company has set a new goal of a 10% reduction by 2026 compared to the baseline year.
Due to continued business growth, the total waste volume increased by 2,082,442 kg in 2024 compared to the baseline year.

Waste management (unit: kg)
Non-hazardous wastes

Last 2 Years		
Year	Fabric	Garment
2023	10,315,348	3,752,493
2024	10,323,678	4,023,337

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td>
Hazardous wastes (unit: kg)
<table>
<tr><td colspan="3">Last 2 Years</td></tr>
<tr><td>Year</td><td>Fabric</td><td>Garment</td></tr>
<tr><td>2023</td><td>224,148</td><td>5,740</td></tr>
<tr><td>2024</td><td>264,020</td><td>5,881</td></tr>
</table>
Due to the type of waste specified by the local regulations in Vietnam, hazardous wastes only cover the Eclat Fabrics (Vietnam).

Waste weight (unit: kg)
<table>
<tr><td colspan="3">Baseline Year</td></tr>
<tr><td>Year</td><td>Fabric</td><td>Garment</td></tr>
<tr><td>2020</td><td>9,138,708</td><td>3,394,766</td></tr>
<tr><td colspan="3">Last 2 Years</td></tr>
<tr><td>Year</td><td>Fabric</td><td>Garment</td></tr>
<tr><td>2023</td><td>10,539,496</td><td>3,752,493</td></tr>
<tr><td>2024</td><td>10,587,698</td><td>4,029,218</td></tr>
</table>
Waste intensity (unit: kg)
<table>
<tr><td colspan="3">Baseline Year</td></tr>
<tr><td>Year</td><td>Fabric (per ton)</td><td>Garment (per thousand dozen)</td></tr>
<tr><td>2020</td><td>454.48</td><td>732.06</td></tr>
<tr><td colspan="3">Last 2 Years</td></tr>
<tr><td>Year</td><td>Fabric (per ton)</td><td>Garment (per thousand dozen)</td></tr>
<tr><td>2023</td><td>439.51</td><td>846.11</td></tr>
<tr><td>2024</td><td>410.65</td><td>675.49</td></tr>
</table>
In addition to the basic regulatory requirements, in 2016, the Taiwan plant site has established the “Waste Handling Contractor Survey Form” and “Waste Handling Contractor Audit Form” for the handling of wastes, and the scope of the survey includes document review, disposal capability and risk assessment (illegal events, public protest or complaint), and the audit items include disposal, storage, processing, final treatment and document review. In 2018, the Vietnam plant site has implemented the “Waste Handling Contractor Evaluation Regulations” in order to perform contractor evaluation. Through a complete review mechanism, the most optimal handling contractor is selected, thereby ensuring that the industrial wastes are handled via the most appropriate method.
</td><td></td></tr>
<tr><td>IV. Social Issues
A. Has the Company formulated the administrative policies and procedure in compliance with relevant laws and international</td><td>V</td><td></td><td>A. The Company complies with the local laws of each operating sites globally. The Company treats each current employee with respect according to the internally recognized human rights standards of the “International Bill of Human Rights”, “Core Labor Standards of International Labor Convention” and the sustainable development standard system etc. as well as the local laws and regulations. Most importantly, in terms of the policy and management aspects, the</td><td>None</td></tr>
</table>

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
convention on human right?			Company has established management mechanism in order to protect the human rights of employees. Relevant employee welfares, employee safety and health as well as employee career development and training implementation have been disclosed in the Report of the Company. Please refer to “3.2 Labor Human Rights Protection” on page 83 of the Report. The human rights policy and specific management actions of the Company is as follows:	

Human Rights Policy	**Management Actions**
Safeguard Workplace Health and Safety (in line with ergonomics to prevent occupational hazards)	1. Implement the ISO 45001 Occupational Health and Safety Management System to inspect health and safety management and prevent work-related injuries and illnesses. 2. Invest in equipment upgrades and introduce automated machinery to improve the work environment and reduce the occurrence of occupational hazards and illnesses. 3. Ensure a healthy and comfortable working environment and regularly conduct environmental monitoring. 4. Conduct occupational health and safety training on personal protective equipment usage, chemical hazard management, machine safety, firefighting, and emergency response. 5. Provide training and evaluation for onsite contractors to protect their operational safety within the premises.
Reasonable Working Hour Management	1.Strictly comply with local overtime regulations and never coerce unwilling employees into performing labor services. 2.Monitor employee attendance records via the clock-in system, and if abnormalities are detected, supervisors are promptly notified to pay attention to employee overtime. 3.After system reminders, computers of employees without approved overtime are automatically shut down to control working hours.
Prohibition of Violence and Unlawful Infringement	1. Formulate and announce the “Sexual Harassment Prevention Measures and Disciplinary Guidelines.” 2. Prohibit all forms of violence, harassment, or abuse, including verbal, psychological, physical, or

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			workplace bullying. 3. 3Provide regular training to employees and supervisors to enhance their ability to identify violence and harassment, and to familiarize them with complaint and handling procedures	
			Protection of Personal Data 1. Established an "Information Security Policy" and appointed dedicated personnel responsible for overseeing information security and protecting employees' personal data. 2. Conduct annual information security training and assessments for all employees, along with irregular promotional campaigns to raise awareness.	
			Fair Employment and Non-Discrimination 1. The Company follows the Act of Gender Equality in Employment and the codes of conduct of various brands, and announces the relevant ethical standards across all factory locations. We ensure that employees are not discriminated against or unfairly treated in employment, compensation, benefits, promotion, disciplinary action, termination, or retirement based on gender, gender identity, race, religion, age, disability, illness, marital status, pregnancy, sexual orientation, nationality, political views, social or ethnic background, or other factors. 2. Established sexual harassment prevention measures and set up grievance mechanisms.	
			Compliant Compensation and Benefits 1. The Company has established an "overall compensation and benefits structure," and determines adjustments to salaries for new hires, annual salary increases, promotion-based salary increases, quarterly performance bonuses, and year-end bonuses based on the Company's annual operational results and employee performance evaluations. 2. Provides compensation and benefits above the industry average to maintain competitiveness in the job market. 3. Established a daycare center at the headquarters to help employees balance work and family responsibilities, and provides daycare subsidies.	

Item	Implementation status (Note 1)				Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)		
			Responsible Recruitment	1.All foreign migrant workers employed at each facility are fully covered under the "zero recruitment fee" policy, and are not required to pay recruitment-related fees, visa fees, residence permit costs, or medical examination expenses. 2.Ensures that each migrant worker has the right to retain personal documents (such as ID cards, passports, and bankbooks) and enjoys full freedom of movement. 3.Prior to departure from their home country, migrant workers are fully informed of all employment terms in their native language, to ensure their rights are protected. 4.Conducts due diligence on recruitment agencies in the migrant workers' countries of origin.	
			Prohibition of Forced Labor	The Company complies with government labor regulations and international standards, strictly prohibiting the use of forced or coerced labor against a person's will, and forbids any restriction on personal freedom, including confiscation of personal documents.	
			Prohibition of Child Labor	1. The Company strictly prohibits the employment of child labor under the legal working age at any of its operating sites and throughout its supply chain, and ensures that children do not enter the workplace. 2. The Company has established clear recruitment and interview procedures to verify applicants' ages through ID document checks and interviews.	
			Freedom of Association and Collective Bargaining	1. Employees are respected and guaranteed the right to freely choose whether to join a labor union in accordance with local laws. 2.Employees are encouraged to freely organize clubs, and the Company provides subsidies to support their operation.	
			Provision of Diverse and Anonymous Grievance Mechanisms	1.In accordance with local labor and occupational health and safety regulations, as well as relevant international standards, the Company has established corresponding grievance policies and procedures. 2.The Company promotes two-way communication through routine	

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<tr><th>Y</th><th>N</th><th>Summary description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td>business and production-sales meetings and conducts an annual employee satisfaction survey.
3. The Company has formulated the “Grievance Handling Procedure,” and accepts complaints and feedback via a dedicated phone line and email inbox, which are handled and followed up by a designated unit.</td></tr>
<tr><td>Responsible Raw Material Procurement</td><td>1. Require suppliers to sign the Code of Conduct and ensure their compliance with relevant local regulations.
2. Provide training to suppliers to enhance their awareness of human rights, occupational health and safety, and environmental management standards.
3. Conduct regular internal audits of suppliers to verify actual practices and review external audit reports.
4. Establish a supplier evaluation system to systematically assess their sustainability performance and regulatory compliance.</td></tr>
</table></td><td></td></tr>
<tr><td>B. as the Company established and implement reasonable welfare measures (incl. remuneration, vacation and other benefits), and properly based employees’ remuneration on business performance?</td><td>V</td><td></td><td>B. The status of relevant employee welfare provided by the Company, employee safety and health as well as employee career development and training implementation is disclosed in the following. (Please refer to “2.3 Remuneration Welfare and Care” on page 59 of the Report.)
1. Continuous salary raises
From 2018 to 2022, due to the Company’s steady growth, overall salary adjustments of 3% to 5% were implemented for five consecutive years. In 2024, the Company once again adjusted salaries in response to economic recovery. In addition, for the first three quarters of 2024, to boost employee morale, incentive bonuses were granted upon the achievement of performance targets, as approved by the Board of Directors.
2. Addition of overseas staff's relative rental subsidy and education allowance
The maximum overseas staff’s relative rental subsidy reaches USD 650 per month and the children's education allowance of USD 3,400 per academic year, allowing overseas employees to work securely in foreign places and increase the retention rate.
3. Flexible Make-up Workday Policy:
If the Company meets its performance targets in the previous year, employees are granted additional leave on government-mandated make-up Saturdays, thus</td><td>None</td></tr>
</table>

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			promoting better work-life balance. **4. Promoting Workplace Diversity and Gender Equality:** The Company has established operations in Taiwan, Vietnam, Cambodia, and Indonesia. As of the end of 2024, the total number of employees across these four locations reached 20,668. In each location, female employees constitute the majority: 62.5% in Taiwan, 87.2% in Vietnam, 83.1% in Cambodia, and 86.8% in Indonesia. **5. Ratio of Female Senior Executives:** In 2024, 41.67% of the Company's managers were female, and 16.66% of associate vice presidents and above were female. **6. Concrete Actions for a Diverse and Friendly Workplace:** Most of the Company's employees are female. In addition to enacting the Diversity, Equality and Inclusion Policy, the Company places particular emphasis on a female-friendly workplace. Facilities include a lactation room, breastfeeding breaks, and designated VIP parking spaces for pregnant employees. A childcare center is located on the ground floor of the headquarters. Employees who enroll their children in the center are eligible for childcare subsidies. In light of the demand for infant care in the neighborhood of New Taipei City's Xinzhuang subcenter, where the Company is headquartered, the center is also open for external enrollment. Currently, 24 children of employees and 11 children from the community are enrolled.	
C. Has the Company provided a safe and healthy workplace, and delivered safety and health education to its workers periodically?	V		C. The Company provides a safe and healthy working environment for employees and regularly implements safety and health training as follows. (Please refer to Section 3.1 "Occupational Safety and Health" on page 73 of the Report.) To strictly comply with national laws and labor site regulations, the Company has established the "Eclat Environmental, Safety, Health and Energy Policy," and formulated the "Occupational Health and Safety Management System" in accordance with ISO 45001:2018, CNS 45001:2018, and TOSHMS. The system has been certified under ISO 45001 and TOSHMS, covering all production bases in Taiwan and selected production sites in Vietnam. Through a comprehensive PDCA-based sustainability and occupational safety and health management system, the Company regularly convenes Environmental and Occupational Safety and Health Committees to continually improve working	None

Item	Implementation status (Note 1) Y	N	Summary description (Note 2)	Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
			conditions and fully prevent occupational injuries and illnesses. Personnel covered include employees (98%) and non-employees (2%) performing work under the Company's control. The Vietnam sites have adopted similar occupational safety and health standards to those in Taiwan to ensure consistency in working conditions.	

2024 Number of employees of occupational accidents and ratio thereof (Excluding Commuting Accidents)

Region	Number of employees in occupational accidents	Ratio of occupational accidents
Taiwan	3	0.01%
Vietnam	19	0.09%
Cambodia	8	0.04%
Indonesia	6	0.03%
Total	36	0.17%

In 2024, the Company invested approximately NT$4.38 million in Taiwan, NT$24.38 million in Vietnam, NT$2.40 million in Cambodia, and NT$0.28 million in Indonesia to improve the working environment at each site. In addition to basic personal protective equipment, improvements included the installation of ergonomic assistive devices, fire safety equipment, enhancements to thermal and ventilation conditions for better workplace comfort, installation of machine safety guards, improved lighting, and structural assessments of plant buildings.

The Company provides regular occupational safety and health training every year. For details regarding the investment in employee safety and health training hours and expenses in 2024, please refer to Section 5, Business Overview / Labor Relations / (II) Employee Training Measures.

The number of fire incidents, casualties, and casualty rate as a percentage of total employees in 2024 is summarized in the following table.

Region	Number of Fire Incidents	Number of Casualties	Ratio of occupational accidents
Taiwan	0	0	0%
Vietnam	0	0	0%
Cambodia	0	0	0%
Indonesia	0	0	0%
Total	0	0	0%

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			Every six months, we conduct regular disaster preparedness drills, and each production site also completes annual building fire safety inspections and tests on fire systems maintenance to ensure their smooth operation during emergencies. All factory colleagues undergo online occupational safety, health, and fire management basic courses to learn about fire and explosion risk identification, analysis, response strategies, and evaluation concepts, achieving the participation of all staff in fire prevention and enhancing fire safety awareness. In Taiwan, quarterly patrols using infrared (IR) thermography are conducted on electrical panels to detect equipment abnormalities in advance. Upon identifying abnormal temperatures on the panels, investigations into the root causes are conducted, and improvements are made. If abnormal temperature points are detected, the facilities and electricians are promptly notified to rectify the abnormalities, and continuous monitoring is conducted to mitigate operational risks in the factories.	
D. Has the Company offered effective training programs for vocational skills development to its workers?	V		D. The Company establishes effective career and skill development training program for employees as described in the following. (Please refer to the description of "2.2 Talent Cultivation and Development" on page 55 of the Report): To ensure that employees receive training and knowledge that align with their professional and functional needs, each department head submits the following year's training plan and budget based on their business and personnel needs at the end of each year. These are reviewed and approved by the Human Resources Department, which also provides necessary resources for implementation. The human resource division is also responsible for the establishment of the Company's education and training directives, internal instructor training and tracking, and evaluation and review of education and training plans. Since 2019, the Company has launched the "Eclat e-School" program, and the internally prepared digital courses have increased 18 courses, such that employees' learning is not restricted by location and time. We also implement online and offline education, allowing employees to select the learning model most suitable to their needs.	None
E. Has the Company conformed to relevant laws and international	V		E. The product sales target of the Company refers to international brand makers, and the products provided by the Company must comply with relevant regulations and international standards. With regard to the research and development, procurement,	None

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description (Note 2)</th></tr>
<tr><td>standards, and established policies on consumer rights protection and complaint system, in regard to the health and safety of its customers, client confidentiality, product marketing and labeling?</td><td></td><td></td><td>manufacturing, operation and service processes, the Company establishes the inspection procedure, including the use of non-toxic dyes, metal testing probe, autonomous or third-party verification institution to conduct test reports etc. in order to ensure the rights and benefits of consumers. Please refer to"4.2 Service Quality and Customer Management" on page 108 of the report. In our business model, the Company doesn't sell its products to end consumers but to the global brands, and the global brands sell them directly to consumers and deal with consumer complaint. However, once the Company's clients convey any consumer complaint to it, the Company must investigate its cause and reply to its clients as soon as possible.</td><td></td></tr>
<tr><td>F. Has the Company enforced policies on supplier management that request the suppliers to comply with the regulations – incl. environmental protection, occupational safety and health and labor rights, etc. and that track their actual practice?</td><td>V</td><td></td><td>F. The Company's "Sustainable Development Best Practice Principles" stipulate that suppliers must sign the "Supplier Code of Conduct" in their contracts. The environmental and social impacts caused by suppliers are included in the evaluation. Suppliers are required not to violate the Supplier Code of Conduct. The Code covers 12 areas including: (1) environment, (2) human rights, (3) overtime work, (4) anti-discrimination, (5) prohibition of child labor, (6) anti-harassment, (7) occupational health and safety of work premises and workers, (8) compliance with environmental laws, (9) pollution prevention, (10) hazardous substance management, (11) wastewater and waste discharge management, and (12) air pollution management. In 2024, all contract renewals with outsourced processing suppliers were completed. Please refer to"4.3 Sustainability Value Supply Chain" on page 105 of the report.

Determine the severity of violations against sustainability issues by identifying specific requirements.
<table><tr><th>Level</th><th>Type</th></tr><tr><td>No Issue</td><td>No defects</td></tr><tr><td>Needs Improvement</td><td>1.No written labor contract is not signed
2.Failure to retain salary records and attendance logs.
3.Over the hour limit of overtime
4.Salary is not paid on a regular basis
5.At least 1 day off every 7 days
6.Failure to lawfully establish and maintain the fire system in proper working condition.
7.Non-compliant management of chemical storage.
8.Non-compliance with machine equipment operation, education and</td></tr></table></td><td>None</td></tr>
</table>

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			(table continued below)	

	training, or permits. 9.Lack of environmental-related permits or licenses. 10.Other labor or environmental health and safety deficiencies.
Critical	1.Discrepancy between registered business or factory address and actual location. 2.Physical or verbal violence, harassment, obstruction of freedom of association. 3.Lack of a clock-in system to track attendance and working hours. 4.Severe environmental issues: such as illegal discharge or burial of chemicals, wastewater, or waste. 5.Serious occupational health and safety problems: like unsafe building structures, failure to report safety inspections of fire evacuation equipment, lack of maintenance for fire equipment, insufficient emergency exits, dormitories not separate from production buildings and warehouses.
Zero Tolerance	1.Non-cooperation during investigations, providing false documents. 2.Utilizing subcontractors without proper authorization. 3.Operating without a business license, bribing auditors, retaliating or attempting to influence interviewed employees. 4.Failing to meet minimum wage requirements, not providing overtime pay. 5.Confiscating colleagues' passports, bankbooks, identification documents, etc. 6.Forced labor. 7.Withholding wages, compelling savings. 8.Use child labor.

In 2024, six subcontractors located in Taiwan that undertook specific customer orders were evaluated. The evaluation results indicated that improvements were needed. Most deficiencies were related to non-critical occupational health, safety, and labor issues. With guidance from Eclat, all issues were rectified within the specified time frame. However, two deficiencies were classified as critical

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	
			environmental, health, and safety issues. For items that could be addressed immediately, the subcontractors were required to rectify them without delay. For those requiring more time, we will regularly follow up on the improvement progress. All deficiencies were in the category of non-critical environmental, health, and safety issues, as detailed below:	

Aspect	Level	Deficiency	Improvement
Business Ethics	N/A		
Labor	Non-critical	One worker had incomplete attendance records.	Records were updated.
		Excessive Overtime	Review manpower allocation Issue overdue overtime payment
Environmental Health and Safety	Critical	Dormitories not clearly separated from the workplace	Required to redesign for proper separation
		Structural safety verification of buildings not completed	Required to commission third-party structural inspection immediately
	Non-critical	MSDS not posted or damaged	Reposted or replaced
		Reposted or replaced	Obstruction removed
		Fire drills not conducted or reported as required	Conducted and submitted late report
		Emergency evacuation map incomplete	Correction required
		Insufficient first-aid personnel	Required factory to assign staff for training and certification
		Machine belts not equipped with safety guards	Installation required
		Complaint confidentiality	Required to establish and

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Y</th><th>N</th><th>Summary description (Note 2)</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td></td><td></td><td>mechanism not established</td><td>improve system</td></tr></table></td><td></td></tr>
<tr><td>V. Has the Company stipulated standards or guidelines according to the internationally accepted report, prepared corporate ESG report etc. and reports for disclosing non-financial information of the Company? Has the aforementioned reports obtained the assurance or guarantee opinions from a third verification unit?</td><td>V</td><td></td><td>The Company entrusts the independent Ernst & Young (EY) with credibility to assist the Company to perform limited assurance according to the report prepared by GRI Standards, Assurance Standards No. 1 “Non-historical Financial Information Audit or Review Assurance Cases” announced by the Accounting Research and Development Institute (established based on ISAE3000), and to issue the limited assurance report of independent auditor.</td><td>None</td></tr>
<tr><td colspan="5">VI. Where the Company establishes its own ESG according to the “Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies”, please describe the discrepancy between its operation and the principles established: The Company has established the “Sustainable Development Best Practice Principles” and has established the “ESG Committee” in order to allow various business development strategies of the Company to further comply with the concept of sustainable development and implementation of the execution thereof.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate the understanding of implementation of sustainable development initiatives

(1) Rooted in Taiwan:
The Company has established its new corporate headquarters in Xinzhuang District, New Taipei City, and operates factories in Dayuan District, Taoyuan City and Houlong Township, Miaoli County, creating substantial local employment opportunities.
(2) Industry-academia collaboration:
The Company collaborates with multiple universities to provide paid internships for 11 outstanding students. In addition, the Company has funded the establishment of the Eclat Education Foundation, which offers scholarships to outstanding students. Senior executives also participate as lecturers in various courses, aiming to cultivate new talent for the textile industry and provide students with practical experience.
(3) Investing in the development of domestic culture:
1. To nurture outstanding emerging Taiwanese fashion designers and enhance their international visibility, the Company donated NT$800,000 to the "FJU Talents Fundraising Project."
2. The Company has hosted the Eclat Fashion Design Competition for nine consecutive years to promote creative aesthetics in the sports and leisure apparel industry, discover outstanding local design talents, and invigorate the industry atmosphere. Together with the Eclat Education Foundation, the 9th competition offered a total prize pool of NT$1.53 million, attracting around 400 talented designers to participate. The event was suspended in 2023 due to the COVID-19 pandemic.
3. Over the years, the Company has frequently sponsored the “Taiwan Fashion Design Award (TFDA) New Talent Award” organized by the Taiwan Textile Federation.</td></tr>
</table>

Item	Implementation status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Y	N	Summary description (Note 2)	

(4) Community engagement:

1. **Headquarters:** Mobilized 50 employees to participate in a beach cleanup event at Jiabao Beach in Linkou, New Taipei City. Invited the Cih-Tai Sheltered Workshop to sell charity cookies at the staff cafeteria twice, helping to raise approximately NT$90,000. In collaboration with Pei-Li Yuan, 10 employees were matched to visit four elderly individuals in need, providing companionship to alleviate loneliness and assisting with improving their living conditions.
2. **Dayuan Plant:** Adopted the upstream section of Laojie Creek in Taoyuan District, conducting regular patrols and cleanups to maintain the waterway.
3. **Xizhou Plant:** Sponsored multiple community engagement events in Houlong Township, including those involving local junior high and elementary schools, and volunteer police and firefighters, with a total investment of NT$552,000.

For more details, please refer to “3.3 Community and Social Co-Prosperity” on page 92 of the Report.

Note 1: If the Implementation Status is selected as “Yes,” please explain the key policies, strategies, measures taken and execution status; if Implementation Status is selected as “No,” please explain deviation and reasons in the field of “Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons”, and explain any relevant policy, strategy and measure planned for the future.

Note 2: Materiality principle refers to relevant environment, society and corporate governance issues having material impacts on the investors and other interested parties of the company.

Note 3: Climate change risk assessment results and the corresponding mitigation measures adopted:

Identification and assessment table for major climate risks

Type of Risk		Risks regarding climate	Potential impacts	Financial Impacts	Impact boundary	Management strategies and goals
Physical risks	Long term	a. Disaster of drought	A severe water shortage may cause the following operational risks: 1. Limited water use leads to the obstacles of brewing raw materials procedure. 2. The amount of water for the dyeing process reduces, causing production to stop. 3. If the air compressor lacks cooling water, it will stop production.	Revenue may loss	Eclat Downstream	**Strategies:** **Response Measures** 1. Monitor water consumption, identify major water consumption stages and implement various water-saving measures. 2. Lay down response measures to limit water and increase the water recovery rate. **Goals:** 1. Enhance the water recycling rate. The water recycling rate in

Type of Risk		Risks regarding climate	Potential impacts	Financial Impacts	Impact boundary	Management strategies and goals
						2024 is 20.42%. 2. Raise the number of water towers to improve the water storage capacity of the plant.
Transformation	Policies and regulations	b. Increasing demands of revealing the carbon emission data	The increasing demands for carbon-related requirements from investors and customers have led to increased costs and profits reduction.	Cost of production may increase	Eclat	**Strategies:** **Response Measures:** To respond to customer demands as early as possible, we have been gradually replacing the high energy-consuming equipment with decentralized low energy-consuming equipment. **Goal:** Complete all equipment replacement and improvement in every garment factory.
		c. The laws and regulations regarding greenhouse gas are tightened; Carbon border tax	1. The requirements of the Taiwan Stock Exchange for disclosure of non-financial information in annual reports have become increasingly strict and detailed day by day. 2. If the greenhouse gas management law and regulations officially implement the carbon trading system, open the carbon trading market, or start to impose carbon taxes, the purchase of carbon credits or the company's emission costs will increase. 3. "Renewable Energy Development Act." If the Taiwanese government imposes a certain ratio of renewable energy on large-scale energy consumers, it	Cost of production may increase	Eclat	**Strategies:** **Response Measures:** 1. Trace and identify the related laws and regulations every month. 2. Closely pay attention to Carbon Border Adjustment Mechanism, CBAM. 3. Transform the energy and raise the using proportion of renewable energy to decrease product carbon footprint. **Goals:** 1. In 2025, ECLAT's (The Taiwan plant) renewable energy use will account for 10%. 2. Overseas factories' renewable energy use will account

Type of Risk		Risks regarding climate	Potential impacts	Financial Impacts	Impact boundary	Management strategies and goals
			will increase the costs for renewable energy consumption of the Company. 4. The border carbon tax will increase operating costs.			for 15% in 2025.
	Technology	d. Replace the existing products and services with low-carbon products e. The cost for the transformation of low-carbon technology	Additional costs incurred by implementation of new technology and equipment.	Cost of production may increase	Upstream Downstream	**Strategies:** **Response Measures:** Modify some technology and raw materials, as well as invest in new equipment (such as anhydrous dyeing machine), and increase the renewable energy capacity. **Goal:** Will invest in some new equipment and technical specialists. Long-term goal: The cost of energy deployment or technical operations can be reduced once it is stabilized.

Identification and Evaluation Table of Major Opportunities of Climate

Opportunity category		Opportunities regarding climate	Potential impacts	Financial Impacts	Impacted site	Management strategies and goals
Opportunities	Resource efficiency	a-1. Adopt a more efficient transportation approach	Prevent the cost and waste of manpower due to repeated transportation.	Production cost may reduce	Fabric Division	**Strategies: Response Measures:** Organize and combine the shipments at the same export location to reduce the number of shipments, as well as reduce carbon emissions caused by transportation. **Goal:** Organize and combine orders from all business departments for unified production scheduling.
			Encourage our suppliers to invest in the areas surrounding our factories to reduce the overseas shipping costs. The procurement cost of raw materials is expected to be reduced with shorter transportation distance and the greenhouse gas emissions in scope 3 of plants can also be reduced.	Production cost may reduce		**Strategies: Response Measures:** Invite and advise our close strategic alliance suppliers of the investment advantages and encourage them to establish factories in Vietnam. **Goal:** 80% of raw materials are locally purchased to form a clustering effect for the industry and enhance the vertical communication efficiency in the supply chain.
		a-2. Use more efficient processes of production and distribution	Prevent wasting resources (energy and human resources) from repeatedly producing the same product and reduce environmental loading (carbon emissions and wastewater).	Production cost may reduce.		**Strategies: Response Measures:** Through combining the end customers, integrate the orders and produce them at once. **Goal:** Improve production quality and reduce re-repair rate. Simplify the production process and consolidate shipments.
		a-3. Reduce energy consumption and decrease emissions	Save the energy consumption for the company	Production cost may reduce	All production division	**Strategies: Response Measures:** Reduce various kinds of energy use, increase energy

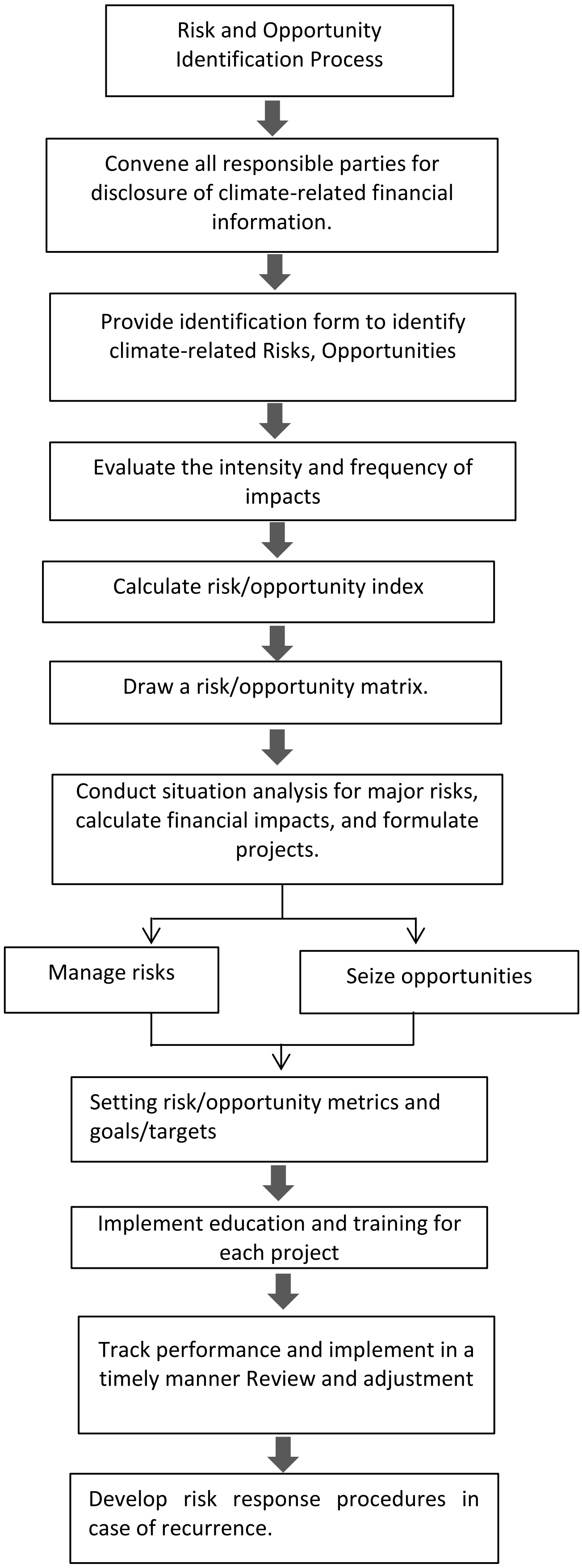
Opportunity category		Opportunities regarding climate	Potential impacts	Financial Impacts	Impacted site	Management strategies and goals
						efficiency. **Goal:** All factories finish replacing the high energy-consuming equipment, and all paper consumption reduces 50%.
	Energy sources	b. Use low-carbon energy	1. We replace some of our electricity sources with solar power by taking the advantage of the abundant sunshine in Vietnam. (The factory provides the roof areas, and the solar manufacturers are responsible for investment in the equipment and maintenance. Since we use the green energy produced by ourselves, the electricity costs can be discounted by 8%-10%). Despite increasing the rate of using green electricity, we can also get green electricity at preferred rates. 2. Moreover, it can also decrease the market-based emissions in scope 2, and the lower product emissions are beneficial to reduce the cost of the border carbon tax in the future.	Production cost may reduce	Vietnam production sites	**Strategies: Response Measures:** Evaluate the benefits and applicability of using solar power, and gradually introduce the use of green energy in each factory. **Goal:** 1. In 2025, the use of renewable energy in the Taiwan Plant will account for 10%. 2. Overseas factories' renewable energy use will account for 15% in 2025.
	Products and services	c. Develop and/or increase low-carbon products and services	The Carbon Footprint Verification of products set a goal for carbon reduction in the production process.	Revenue can increase	Fabric Division	Strategy: Conduct carbon footprint certification for our major products, understand the hot spots of energy consumption and make improvements. Short-term goal: Obtain the carbon footprint certification for 10% of our self-developed products, and understand the hot spots of energy consumption in the production process. Long-term goal: Improve the energy efficiency in production process by

Opportunity category		Opportunities regarding climate	Potential impacts	Financial Impacts	Impacted site	Management strategies and goals
						10% in five years.
		d. R&D and innovation of developing new products and services	As the average temperature rises, the demands of moisture perspiration auxiliary fabric have increased. Our company currently has developed functional fabric with better moisture absorption and perspiration performance. Temperature changes will indeed change consumers' preferences and demands for clothing. However, we cannot assure the change tendency of the temperature; thus, the transformation opportunity cannot ensure to be consistent.			**Strategies: Response Measures:** Continue to develop functional fabrics with better moisture absorption and perspiration performance. **Goal:** Increase the orders for moisture perspiration auxiliary fabric.

Climate Change Risks and Opportunities Metric Disclosure Framework

Category	Metric	Corporate Governance Actions
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Climate change-related risks have been integrated into the scope of corporate risk management, and Eclat's "Climate Change Risk Management Procedure" has been approved by the Chairman. ESG Committee reports corporate risks and response measures to the Board of Directors on an annual basis.
	b. Describe management's role in assessing and managing risks and opportunities.	The ESG Committee manages climate change matters at the Company, with the Board of Directors as the highest-level decision-making unit, which reviews the status of the promotion of climate change related issues every quarter, and reports the results of the implementation of climate change related issues directly to the Board of Directors on an annual basis.
Strategies	a. Describe the short-, medium-, and long-term climate-related risks and opportunities that have been identified by the organization.	Following Eclat's internal goal management timeline, climate risks and opportunities are defined within the framework of short-term (less than three years), medium-term (three to five years), and long-term (more than five years) periods.
	b. Describe the climate-related risks and opportunities that pose a significant impact on the organization's business, strategy and financial planning.	In accordance with the "Climate Change Risk Management Procedure," the "Climate Change Risk and Opportunity Identification Questionnaire" is used to identify material risks and opportunities related to climate change. This assessment helps to evaluate their potential operational and financial impacts on Eclat.
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or harsher scenario.	Eclat takes climate change scenarios into account to set strategies and short-, medium- and long-term goals for major risks and opportunities.
Risk Management	a. Describe the organization's processes for identifying and assessing climate-related risks.	The TCFD framework is used to identify climate risks and opportunities, and all departments and plant-related units are brought together to discuss and reach a consensus on the results of the annual significant climate risks, which are confirmed by senior management.
	b. Describe the organization's processes for managing climate-related risks.	This is conducted in accordance with the risk identification process of Eclat's "Climate Change Management Procedures".
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	In 2010, the Company formulated the Enterprise Risk Management (ERM) methodology, and the second revision was completed in 2018, incorporating climate change risk management into the scope of the ERM methodology, defining and identifying climate change risks and opportunities, evaluating their financial impacts, formulating climate risk management strategies, and proposing risk mitigation measures.
Metrics and Targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Reduce total greenhouse gas emissions, electricity consumption, and water consumption per unit of product; reduce landfill and incineration of waste, increase the reuse rate of waste, increase the proportion of renewable energy use, and minimize production interruptions due to climate disasters.

Climate Change Risk and Opportunity Identification Flowchart



(2) Climate-Related Information of TWSE/TPEx Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's ESG Committee at headquarters serves as the governing body for managing climate change, with the Board of Directors acting as the highest-level guiding unit. The Committee reviews the progress of climate-related initiatives on a quarterly basis, and the Chairperson reports the execution results of climate-related issues to the Board annually. The Environmental Sustainability Task Force designs a risk and opportunity identification table and convenes both domestic and overseas factories, as well as all relevant business management departments, to conduct indicator alignment based on the Task Force on Climate-related Financial Disclosures (TCFD) framework. Through comprehensive inventory and identification of various risks and opportunities, the Task Force develops a material risks and opportunities matrix. Based on the results of the matrix analysis, the Task Force estimates the management costs and financial impacts accordingly, thereby strengthening the Company's climate governance. This systematic approach enables the Company to assess financial relevance, mitigate risks, and seize potential opportunities for improvement and transformation.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Refer to page 82-87," Identification and assessment table for major climate risks".
3. Describe the financial impact of extreme weather events and transformative actions.	Refer to page 82-87, "Identification and assessment table for major climate risks".
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Refer to page 89, "Climate Change Risk and Opportunity Identification Flowchart".
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Refer to page 82-89, "Identification and assessment table for major climate risks ", "Climate Change Risk" and "Opportunity Identification Flowchart".
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Refer to page 82-89, "Identification and assessment table for major climate risks", "Climate Change Risks" and "Opportunities Metric Disclosure Framework".
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	We will continue to plan and improve in the future.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Refer to page 67, "D. Has the Company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and has the company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management?"
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO2e), intensity (metric tons CO_2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Information of the Company	According to the Sustainability Development Roadmap for listed companies, the following disclosures are required at minimum:
□Companies with a capital of 10 billion NT dollars or more, engaged in the steel and cement industries. □Companies with a capital of 5 billion NT dollars or more but less than 10 billion NT dollars. ■Companies with a capital of less than 5 billion NT dollars	□Individual Inventory of the parent company □Inventory of subsidiary companies for consolidated financial reporting □Individual Assurance of the parent company □Assurance of subsidiary companies for consolidated financial reporting

Greenhouse Gas Inventory and Assurance Status for Year 2023

Scope 1	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)	Assurance Institution	Assurance Information
Eclat Textile Co., Ltd.	7,955.1432	0.26	SGS	The disclosed total greenhouse gas emissions of the Company amount to 126,980.151 metric tons of CO2e (constituting 100% of the total emissions) have been assured by a credible institution following the ISO 14064-3 standard. Further details on the reasonable assurance are provided.
Eclat Fabrics Co., Ltd. (Vietnam)	17,859.6608	0.58		
Colltex Garment Mfy Co., Ltd. (VN)	215.1354	0.01		
Eclat Textile Co. Ltd. (Vietnam)	691.6520	0.02		
Tai-Yuan Garments Co., Ltd.	136.2780	0.00		
E-TOP (Vietnam) Co., Ltd.	492.8330	0.02		
Eclat Textile (Cambodia) Co., Ltd	564.2375	0.02		
PT Eclat Textile International	310.2277	0.01		
Total	28,225.1678	0.91		
Scope 2	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)		
Eclat Textile Co Ltd.	51,760.0078	1.68		
Eclat Fabrics Co., Ltd. (Vietnam)	21,714.2591	0.71		
Colltex Garment Mfy Co., Ltd. (VN)	2,693.1035	0.09		
Eclat Textile Co. Ltd. (Vietnam)	5,775.2201	0.19		
Tai-Yuan Garments Co., Ltd.	1,469.8458	0.05		
E-TOP (Vietnam) Co., Ltd.	2,130.6134	0.07		
Eclat Textile (Cambodia) Co., Ltd	1,705.6069	0.06		
PT Eclat Textile International	3,312.0900	0.11		
Total	90,560.7466	2.94		
Scope 3	9,881.7272			

Greenhouse Gas Inventory and Assurance Status for Year 2024

Scope 1	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)	Assurance Institution	Assurance Information
Eclat Textile Co Ltd.	8,249.6906	0.22	SGS	The Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, "Complete assurance information will be disclosed in the ESG report
Eclat Fabrics Co., Ltd. (Vietnam)	19,870.1879	0.62		
Colltex Garment Mfy Co., Ltd. (VN)	255.7183	0.01		
Eclat Textile Co. Ltd. (Vietnam)	736.6905	0.02		
Tai-Yuan Garments Co., Ltd.	134.4723	0.00		
E-TOP (Vietnam) Co., Ltd	335.9158	0.01		
Eclat Textile (Cambodia) Co., Ltd	645.6604	0.02		
PT Eclat Textile International	402.7997	0.01		
Total	30,811.1355	0.84		
Scope 2	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)		
Eclat Textile Co Ltd.	53,397.5916	1.45		
Eclat Fabrics Co., Ltd. (Vietnam)	22,744.5179	0.62		
Colltex Garment Mfy Co., Ltd. (VN)	3,127.5072	0.08		
Eclat Textile Co. Ltd. (Vietnam)	6,929.9165	0.19		
Tai-Yuan Garments Co., Ltd.	1,482.0134	0.04		
E-TOP (Vietnam) Co., Ltd	2,408.3213	0.07		
Eclat Textile (Cambodia) Co., Ltd	1,600.2722	0.04		
PT Eclat Textile International	4,891.0290	0.13		
Total	96,581.1691	2.62		
Scope 3	11,921.1927			

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

Greenhouse Gas Assurance Information for year 2023

Scope 1	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)	Assurance Institution	Assurance Information
Eclat Textile Co Ltd.	7,955.1432	0.26	SGS	The disclosed total greenhouse gas emissions of the Company amount to 128,667.642 tons of CO2e (constituting 100% of the total emissions) have been assured by a credible institution following the ISO 14064-3 standard. Further details on the **reasonable assurance** are provided.
Eclat Fabrics Co., Ltd. (Vietnam)	17,859.6608	0.58		
Colltex Garment Mfy Co., Ltd. (VN)	215.1354	0.01		
Eclat Textile Ltd. Co. (Vietnam)	691.6520	0.02		
Tai-Yuan Garments Co., Ltd.	136.2780	0.00		
E-TOP (Vietnam) Co., Ltd.	492.8330	0.02		
Eclat Textile (Cambodia) Co., Ltd	564.2375	0.02		
PT Eclat Textile International	310.2277	0.01		
Total	28,225.1678	0.91		
Scope 2	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)		
Eclat Textile Co Ltd.	51,760.0078	1.68		
Eclat Fabrics Co., Ltd. (Vietnam)	21,714.2591	0.71		
Colltex Garment Mfy Co., Ltd. (VN)	2,693.1035	0.09		
Eclat Textile Ltd. Co. (Vietnam)	5,775.2201	0.19		
Tai-Yuan Garments Co., Ltd.	1,469.8458	0.05		
E-TOP (Vietnam) Co., Ltd.	2,130.6134	0.07		
Eclat Textile (Cambodia) Co., Ltd	1,705.6069	0.06		
PT Eclat Textile International	3,312.0900	0.11		
Total	90,560.7466	2.94		
Scope 3	9,881.73			

Greenhouse Gas Assurance Information for year 2023

Scope 1	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)	Assurance Institution	Assurance Information
Eclat Textile Co Ltd.	8,249.6906	0.22	SGS	The Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, "Complete assurance information will be disclosed in the ESG report
Eclat Fabrics Co., Ltd. (Vietnam)	19,870.1879	0.62		
Colltex Garment Mfy Co., Ltd. (VN)	255.7183	0.01		
Eclat Textile Ltd. Co. (Vietnam)	736.6905	0.02		
Tai-Yuan Garments Co., Ltd.	134.4723	0.00		
E-TOP (Vietnam) Co., Ltd.	335.9158	0.01		
Eclat Textile (Cambodia) Co., Ltd	645.6604	0.02		
PT Eclat Textile International	402.7997	0.01		
Total	30,811.1355	0.84		
Scope 2	Emission Volume (metric tons CO2e)	Intensity (metric tons CO2e/NT$ million)		
Eclat Textile Co Ltd.	53,397.5916	1.45		
Eclat Fabrics Co., Ltd. (Vietnam)	22,744.5179	0.62		
Colltex Garment Mfy Co., Ltd. (VN)	3,127.5072	0.08		
Eclat Textile Ltd. Co. (Vietnam)	6,929.9165	0.19		
Tai-Yuan Garments Co., Ltd.	1,482.0134	0.04		
E-TOP (Vietnam) Co., Ltd.	2,408.3213	0.07		
Eclat Textile (Cambodia) Co., Ltd	1,600.2722	0.04		
PT Eclat Textile International	4,891.0290	0.13		
Total	96,581.1691	2.62		
Scope 3	11,921.1927			

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the

annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
(1) Corporate Strategies for Climate Change Adaptation and Greenhouse Gas Management In response to the increasing threat of extreme climate disasters and the growing demand for stringent low-carbon sustainability regulations, evaluating the risks and opportunities posed by climate change and initiating energy-saving and carbon reduction management has become a crucial agenda for the Company. We commit to the following strategies as the guiding principles for addressing climate change: **Compliance with Local Regulations and Support for International Climate Initiatives** The Company complies with, and often exceeds, local greenhouse gas and carbon management regulations applicable to its facilities. It also responds to international carbon disclosure initiatives and meets sustainability disclosure requirements from brands and customers to fulfill client expectations and local societal demands. **Climate Risk Communication and Promotion of Climate Action** The Company convenes senior management from the Sustainability Committee and all relevant departments to emphasize the importance of addressing climate change and the urgency of climate risk management. Through this process, employees are encouraged to cultivate sustainable awareness and internalize the Company's commitment to tackling climate risks. **Assessment of Major Climate Risks and Identification of Climate Opportunities** The Company evaluates the risks and opportunities brought about by climate change at each of its production sites. For significant risks and opportunities, it assesses the potential operational and financial impacts on the business. **Establishment of Risk Management Systems and Performance Indicators** Based on the prioritization of identified impacts and existing internal target timelines, the Company sets short-, medium-, and long-term goals for energy conservation and carbon reduction. **Development of Risk Mitigation Measures and Implementation of Energy-Saving Programs** Efforts are made to reduce equipment energy consumption and improve energy efficiency. Enhanced greenhouse gas reduction management and the promotion of low-carbon process planning are also key focuses. **Enhancing Climate Resilience and Implementing Adaptation Measures** To prevent operational disruptions at production sites due to climate change and extreme weather events, the Company establishes response guidelines and contingency plans based on identified physical risks such as droughts, typhoons, and floods, thereby minimizing the impact of climate-related disasters. **Achieving Energy Transition through the Use of Clean and Renewable Energy** The Company is phasing out coal usage and adopting cleaner alternatives such as natural gas, biomass, and other green energy sources. It is also installing solar power systems or purchasing renewable energy to increase the proportion of renewable energy used. **(2) Corporate Greenhouse Gas Emission Reduction Targets** Set the year 2017 as the baseline, the intensity target for the year 2025 is a 20% reduction. (As of 2024, achieved GHG emission reductions include a 10.8% decrease in the Garment Division and a

33.5% decrease in the Fabric Division).

(3) Budget and Plan for Corporate Greenhouse Gas Emission Reduction

In response to both external and internal pressures for emission reduction, the Company will actively pursue energy transition by installing solar power generation facilities. The initial plan is to set up these facilities in the Taiwan manufacturing plant, with completion scheduled for June 2023. The estimated electricity generation in 2024 is around 3.20 million kWh, resulting in a carbon reduction of 1582.75 metric tons of carbon dioxide equivalent.

(4) Carbon Reduction Effects of the Company Products or Services for Customers or Consumers

The Company will focus on locally sourcing raw materials to reduce indirect emissions caused by logistics and transportation. Additionally, efforts will be made to increase the usage of eco-friendly yarns, thereby reducing carbon emissions from the production of raw yarn. The development of low-carbon processes is prioritized to create environmentally friendly products.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

2.3.9 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishing ethical management policies and plans (I) Has the Company established the ethical management policies approved by the board of directors, and stated in its Memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the board of directors and the management level committed to fulfilling this commitment?	V		The Company has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct" and has been approved by the board of directors. The board of directors and management of the Company uphold the principle of ethics to establish the Ethical Management Best Practice Principles, actively implement the ethical management policies.	None
(II) Has the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis, which shall at least include preventive measures listed in Paragraph 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies"?	V		The Company has established a Code of Ethical Conduct and is progressively requiring suppliers to sign an Anti-Corruption Policy Statement to mitigate operational risks associated with unethical business practices. In the past, the Company provided onboarding training for new employees to promote awareness of the "Code of Conduct for Employee Business Practices." Following the training, employees were required to sign a declaration acknowledging their understanding of and commitment to comply with the code. Starting from 2024, the "Code of Conduct for Employee Business Practices" has been incorporated into the labor contract. New employees must agree to and comply with the contents of the code upon signing their employment contract.	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(III) Has the company established any measures against unethical conduct? Are these measures supported by proper procedures, behavioral guidelines, disciplinary actions and complaint systems? In addition, is the aforementioned plan reviewed and revised periodically?	V		The Company performs educational trainings on employees in order to prevent unethical conducts. The operation status is proper, and in the employee, management rules, the rules specify relevant requirements. The Company has established the Complaint Handling Regulations in order to handle complaints from internal and external interested parties.	None
2. Implement ethical policies (I) Does the Company evaluate the integrity of all counter parties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		For the business activities of the Company, dealings with parties with unethical records are prevented. Before dealings with suppliers, the suppliers are requested to sign “Suppliers Code of Conduct”, included the anti-corruption policy declaration in order to ensure ethical conducts.	None
(II) Does the Company have a unit established under the board of directors that specializes (or is involved) in business integrity? Does this unit report to the board of directors on a regular basis (at least once a year) for ethical policies, programs for preventing unethical conduct and implements on supervision?	V		The Company had established the “ESG Committee” in 2017, and under its organizational structure, it establishes the Human Resources” team to promote the corporate ethical management, and provides reports to the board of directors on relevant execution status regularly. The latest date reported to the BOD was Feb 27, 2025.	None
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the reporting of conflicting interests and is executed properly?	V		The Company provides appropriate communication channels to prevent conflict of interest or occurrence of unethical conducts.	None
(IV) Has the Company implemented effective accounting and internal control systems for the purpose of maintaining ethical operation? In addition, has the internal audit unit established relevant audit plan according to the risk assessment result of unethical conduct-and audited the status of compliance with the	V		To implement ethical management, the Company has established relevant accounting system, internal control system and audit unit to perform audits, and the operation status is proper.	None

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
prevention against unethical conduct plan, or entrust CPA to audit?				
(V) Has the Company provided internal and external educational training on ethical operation on a regular basis?	V		The Company has provided internal and external educational training on ethical operation on a regular basis.	None
3. Reporting of misconducts (I) Does the Company provide incentives and means for employees to report misconducts? Does the Company assign dedicated personnel to investigate the reported misconducts?	V		The Company establishes the whistleblowing channel and punishment as well as complaint filing system for violation of ethical management rules, and the operation status thereof is proper.	None
(II) Has the Company implemented any standard procedures of investigations, follow-up measures after investigations of cases reported are completed and confidentiality mechanisms for handling reported misconducts?	V		The Company has implemented the standard procedures of investigations or confidentiality mechanisms for handling reported misconducts.	None
(III) Has the Company provided proper whistleblower protection from inappropriate handling?	V		The Company has provided proper whistleblower protection from inappropriate handling.	None
4. Enhance information disclosure Has the Company disclosed the content of the ethical corporate management best practice principles and their implementation results on its website and the MOPS?	V		Please refer to the official website of the Company.	None
5. If the Company establishes its own ethical corporate management best practice principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies", please describe the discrepancy between its operation and the Company's ethical corporate management best practice principles: The Company has established the "Ethical Corporate Management Best Practice Principles" and has been approved by the board of directors in order to ensure the directors, managerial personnel and employees of the Company properly comply with relevant rules, and it has been executed according to the regulations established.				
6. Other important information that is helpful in understanding the ethical corporate management operation of the Company? (Such as, the Company reviews the amendment of the ethical corporate management best practice principles etc.): (1). The Company has established the "Ethical Corporate Management Best Practice Principles" and has been approved by the board of directors on November 7, 2014; and has established the "Procedures for Ethical Management and Guidelines for Conduct" and has been approved by the board of directors on November 4, 2021. The corporate ethical management is promoted by the "Human Resources" team under the "ESG Committee". (2). Ethical management principle is implemented in various different aspects of the operation. In 2023, 4 online required education and training courses were opened, in order to educate the specific types of ethical management to all employees of the Company:				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

1. Based on the consideration that the Company is in the labor intense industry, for both its own factories and outsourced factories, a great number of first line of manpower is required in the field. Accordingly, to ensure that employees have a basic understanding of the labor criteria and human rights, the Company has created a human rights and social policy course, in order to allow employees to have a basic understanding of the human rights and social policy of the Company;
2. To ensure that gender equality can be implemented in the Company, and to convey information on the complaint filing method in case of occurrence of relevant incidents, the Company has opened sexual harassment prevention course;
3. The Company is a publicly listed company, and employees may access relevant internal information in the Company; however, if employees lack relevant understanding, they may engage in illegal conduct without knowing. Accordingly, the Company has opened the insider trading prevention course to provide explanation and review through actual example cases, allowing employees to have a basic understanding of possible types of insider trading.
4. Introduce the important contents of our company's "Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct s" to ensure that the principles of integrity are implemented by every colleague in the company.

4 compulsory online Training Courses were introduced on 2024, the results before December 31, 2024 are listed below:

Course Name	Number of qualified persons	Qualification rate*	Total number of hours (hour)
Human rights policy and social	1,162	94.47%	335.27
Sexual harassment prevention	1,163	94.55%	178.54
Insider trading prevention	1,162	94.47%	260.97
Ethical Corporate Management	1,159	94.23%	191.43

* Average Attendance: 1,230.

(3). To prevent insider trading, the Company has explicitly specified that directors accessing the financial report or relevant business performance content of the Company shall not trade their stocks during the closed period of thirty days before the announcement of the annual financial report and fifteen days before the announcement of a quarterly financial report according to Article 10 of the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, and the Company also informs directors and insiders to pay special attention to the aforementioned regulations on a monthly basis. In addition, the Company also informs individual directors and insiders not to perform any equity trading on the stocks of the Company after confirmation of material information, 18 hours before or after the announcement of material information, according to Article 157-1 of the Securities and Exchange Act.

2.3.10 If the Company has established corporate governance principles or other relevant guidelines, references to such principles must be disclosed:

The Company has established the “Corporate Governance Principles” and the “Procedures for Prevention of Insider Trading and Handling Material Inside Information” and has approved by the board of directors for execution in order to ensure the directors, managerial personnel and employees of the company to comply with relevant rules in light of establishing proper handling and disclosure mechanism for material inside information of the company, thereby preventing improper disclosure of information and ensuring the consistency and accuracy of the information announced by the company to the external.

2.3.11 Disclosures relating to the execution of internal control policies:

1.Internal Control system Statement:

The statement has been filed and disclosed on the information reporting website designated by the Financial Supervisory Commission. Relevant information can be found on the Market Observation Post System (MOPS) via the following path:

MOPS > Listed Companies > Corporate Governance > Corporate Charter/Internal Control > Internal Control Statement Disclosure

(Website: https://mops.twse.com.tw/mops/#/web/t06sg20)

2.If the internal control policy was reviewed by an external auditor, the result of such review must be disclosed: None.

2.3.12 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:

1. The 2024 Annual General shareholders' meeting was convened on June 12, 2024 in Miaoli. Resolutions of attending shareholders and execution status were as follows:

(1) Approval of the 2023 Business Report and Financial Statements.

Execution status: Approved through resolution.

(2) Approval of the 2023 Earnings Distribution Proposal.

Execution status: Approved. In accordance with the resolution of the Shareholders' Meeting, April 18, 2024 was set as the ex-dividend date. A cash dividend of NT$13.5 per share, totaling NT$3,703,955,998, was distributed.

(3) Approval of the Amendments to the Company's Internal Regulations:

1. Rules of Procedure for Shareholders' Meetings.

Execution status: Approved. Relevant matters have been handled in accordance with the resolution, and the revised internal regulations have been published on the Company's website.

(4) Election of Directors.

Execution status: Approved. The elected Directors are Mr. Shu-Wen Wang, Mr. Kun-Tang Chen, Mr. Jui-Ting Hung, Bei-Yu Limited Company, Xin-Xin Limited Company, Mr. Kuo-Sung Hsieh (Representative of Yi-Yuan Investment Co., Ltd.), Mr. Pat-Huang Su, and Mr. Jiann-Jong Chiu. Elected Independent Directors are Mr. Cheng-Ping Yu, Mr. Nai-Ming Liu, Ms. Chiu-Chun Lai, Ms. Xiao-Kai Chen, and Mr. Tian-Wei Shi — a total of 13 Directors. Mr. Shu-Wen Wang was elected Chairman by the Board.

(5) Proposal to Release the Newly Elected Directors from Non-Competition Restrictions.

Execution status: Approved and implemented in accordance with the resolution of the Shareholders' Meeting.

2. Major resolutions made by the Board of directors' Meeting for 2024 and up to the printing date of the annual report:

(1) Board of directors' meeting on January 12, 2024:

1. Approval of the distribution of year-end bonuses for 2023 to Directors, Functional Committee Members, and Managers as reviewed by the Compensation Committee.
2. Appointment of the auditor for the 2024 financial statements.

3. Approval of non-assurance services to be provided by KPMG in 2024.
4. Approval of revised performance bonus distribution standards for employees in the first three quarters of 2024.
5. Approval of the loan limits for affiliated enterprises in 2024.
6. Approval of financing limits with financial institutions for 2024.
   Execution status: All resolutions implemented.

(2) Board of directors' meeting on February 29, 2024:

1. Approval of the 2023 Business Report and Financial Statements.
2. Approval of the 2023 Earnings Distribution Proposal.
3. Approval of the 2023 Employees' Compensation Proposal.
4. Approval of the convening of the 2024 Annual General Shareholders' Meeting.
5. Discussion on the Full Re-election of the Board in 2024.
6. Approval of the assessment result on the effectiveness of the Internal Control System for 2023 and issuance of the Internal Control Statement.
7. Approval of amendments to the "Regulations Governing the Compensation of Directors, Functional Committee Members, and Managers."
8. Approval of amendments to the "Rules of Procedure for Board of Directors Meetings."
9. Approval of amendments to the "Audit Committee Charter."
10. Approval of donation to Eclat Education Foundation.

Execution status: Items 1 to 5 were submitted to the 2024 AGM for reporting, approval, and election; other resolutions have been implemented.

(3) Board of directors' meeting on May 2, 2024:

1. Review of the Nomination Committee's list of Independent Director Candidates.
2. Review of the Board's list of Director Candidates.
3. Approval of the release of non-competition restrictions under Article 209 of the Company Act for newly elected Directors.
4. Approval of amendments to the "Sustainable Development Committee Charter."
5. Approval of amendments to the "Corporate Governance Best Practice Principles."
6. Approval of amendments to the "Operating Procedures for Financial and Business Transactions with Related Parties."

Execution status: The first three resolutions were executed at the 2024 AGM; others have been implemented.

(4) Board of directors' meeting on May 27, 2024:

1. Approval of asset planning for the Cambodia facility.

Execution status: Implementation in progress.

(5) Board of directors' meeting on June 12, 2024:

1. Election of the new Chairman.

Execution status: Implemented.

(6) Board of directors' meeting on June 20, 2024:

1. Appointment of members to the Compensation Committee.
2. Appointment of members to the Nomination Committee.
3. Appointment of members to the Sustainable Development Committee.
4. Appointment of members to the Risk Management Committee.
5. Approval of the change of Company Spokesperson and Acting Spokesperson.
6. Approval of the change of Corporate Governance Officer.
7. Approval of the designation of Directors and Supervisors for subsidiaries.
8. Approval of the change of Financial Officers of subsidiaries.

Execution status: Implemented.

(7) Board of directors' meeting on June 28, 2024:

1. Approval of amendments to the "Implementation Rules for Internal Audits."
2. Approval of amendments to the "Supervisory Control Procedures for Subsidiaries."
3. Approval of revisions to the "Sales and Collection Cycle" in the Internal Control System.
4. Approval of amendments to the "Sustainability Report Preparation and Verification Procedures."
5. Approval of adoption of the "Environment, Health, Safety, and Energy Policy."
6. Approval of adoption of the "Water Resources Management Policy."
7. Approval of adoption of the "Waste Management Policy."
8. Approval of adoption of the "Climate Change Risk Response Policy."
9. Approval of adoption of the "Human Rights Policy."
10. Approval of adoption of the "Biodiversity Policy."
11. Approval of the election of Vice Chairman.
12. Approval of promotion of the President.

Execution status: Implemented.

(8) Board of directors' meeting on August 8, 2024:

1. Approval of the 2024 Q2 Consolidated Financial Statements.
2. Approval of the 2023 Sustainability Report.
3. Approval of amendments to the "Regulations Governing the Compensation of Directors, Functional Committee Members, and Managers."
4. Discussion of conferring the honorary title upon former Chairman Mr. Cheng-Hai Hung.

Execution status: Implemented.

(9) Board of directors' meeting on November 7, 2024:

1. Approval of the 2025 Audit Plan.
2. Approval of adoption of the "Self-Assessment Procedures" for Group subsidiaries.
3. Approval of amendments to the "Financing Cycle" in the Internal Control System.
4. Approval of amendments to the "Delegation of Authority Guidelines."
5. Approval of the 2024 Q3 Consolidated Financial Statements.
6. Approval of equipment procurement for the Eclat Fabric (Vietnam) Co., Ltd.

Execution status: Implemented.

(10) Board of directors' meeting on January 16, 2025:

1. Approval of incentive bonus distribution standards for the first three quarters of 2025.
2. Approval of the distribution of 2024 year-end bonuses for Directors, Functional Committee Members, and Managers as reviewed by the Compensation Committee.
3. Appointment of the auditor for the 2025 financial statements.
4. Approval of non-assurance services to be provided by KPMG in 2025.
5. Approval of loan limits for affiliated enterprises in 2025.
6. Approval of financing limits with financial institutions for 2025.

Execution status: Items 5 and 6 are in progress; others implemented.

(11) Board of directors' meeting on February 27, 2025:

1. Approval of the 2024 Business Report and Financial Statements.
2. Approval of the 2024 Earnings Distribution Proposal.
3. Approval of the 2024 Employees' Compensation Proposal.
4. Approval of amendments to the "Articles of Incorporation."
5. Approval of the convening of the 2025 Annual General Shareholders' Meeting.
6. Approval of the assessment of the effectiveness of the 2024 Internal Control System and issuance of the Internal Control Statement.
7. Approval of amendments to the "Salary Management Regulations."
8. Approval of amendments to the "Payroll Section" in the Company's Payroll Cycle.

Execution status: Items 1 to 5 are pending submission to the Shareholders' Meeting; others have been implemented.

2.3.13 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

(I) Audit Fees:
The content of the amounts of both audit and non-audit fees and the details of the non-audit services for non-audit fees paid to the CPA, to the accounting firm of the CPA, and to any affiliated enterprise of such accounting firm are equivalent to one quarter or more of the audit fees paid:

Unit: NT$1,000

Name of CPA firm	Name of CPA	Period covered by the CPA audit	Audit fee	Non-audit fee	Total	Remark
KPMG	Hui-Chih Kou Hsin-Yi Kuo	January 1 to December 31, 2024	3,920	1,644	5,564	Note1

Note: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the "Remarks" column and disclose sequentially the audit and non-audit fees paid. For non-audit fees, additionally specify the content of the services:
2. Changes its CPAs or accounting firm: None.
3. Non-audit fee details: Please see the Note 1.

Note 1: Non-audit fees include: tax certification NT$540 thousand, transfer pricing NT$726 thousand, company registration NT$143 thousand, and other services NT$235 thousand.

(II) 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.

(III) 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 on Replacement of Certified Public Accountant:

(I) Information relating to the former CPAs: None.

<table>
<tr><td>Change Date</td><td colspan="4">January 12, 2024 (Date of Board Approval)</td></tr>
<tr><td>Reason for Change</td><td colspan="4">In compliance with the mandatory rotation requirements for CPA firms responsible for attestation services.</td></tr>
<tr><td rowspan="3">Explanation of Whether the Change Was Initiated by the Appointing Party or the CPA</td><td colspan="2">Party / Circumstance</td><td>Yu-Feng Hsu (CPA)</td><td>Company (Appointing Party)</td></tr>
<tr><td colspan="2">Termination of Engagement</td><td>V</td><td>-</td></tr>
<tr><td colspan="2">Refusal to Accept (Continue) the Engagement</td><td>-</td><td>-</td></tr>
<tr><td>Whether Any Audit Reports with Opinions Other Than Unqualified Opinions Were Issued in the Last Two Years</td><td colspan="4">None.</td></tr>
<tr><td rowspan="7">Whether There Were Any Disagreements with the Issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting Principles or Practices</td></tr>
<tr><td></td><td colspan="2">Disclosure in Financial Statements</td></tr>
<tr><td></td><td colspan="2">Scope or Procedures of Audit</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>No</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Other Description: None.</td></tr>
<tr><td>Other Disclosure Matters (Disclosure pursuant to Article 10, Paragraph 6, Subparagraphs 4 to 7 of the Regulations)</td><td colspan="4">None</td></tr>
</table>

(II) Information relating to the successor CPAs: None.

Name of CPA Firm	KPMG Taiwan
Name of CPA	CPA Hsin-Yi Kuo
Date of Appointment	January 12, 2024 (Date of Board Approval)
Consultations Prior to Appointment Regarding Accounting Treatment of Specific Transactions, Accounting Principles, or Possible Audit Opinions on Financial Reports	None
Written Opinions by the Successor CPA Regarding Matters of Disagreement with the Predecessor CPA	None

(III) Replay of former auditor to item 1 and item 2-3 of Subparagraph 6 of Article 10 of these Regulations: Not applicable.

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

2.7 Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

The relevant information has been filed and disclosed on the information reporting website designated by the Financial Supervisory Commission. For details, please refer to the Market Observation Post System (MOPS):

Share Transfers:

MOPS > Individual Company > Shareholding Changes / Securities Issuance > Share Transfer Information > Post-reporting Statement of Insider Shareholding Changes
Website: https://mops.twse.com.tw/mops/#/web/query6_1

Changes in Share Pledge Status:

MOPS > Individual Company > Shareholding Changes / Securities Issuance > Insider Share Pledge / Release of Pledge > Announcement of Insider Shareholding Changes – Pledge/Release
Website: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

2.8 Relationship among the Top 10 Shareholders

Name (Note)	Current shareholding		Spouse and Minor shareholding		Shareholding by Nominee Arrangement		Relationship characterized as spouse or the second degree relative or closer among the top 10 shareholders.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Yih-Yuan Investment Corp. - Shih-Fan Chen	25,790,335	9.40%	0	-	0	-	Cheng-Hai Hung Ching-Fang Chen	Second degree kinship	-
	-	-	Note 2	Note 2	Note 2	Note 2			
Xinli Limited Company -Cheng-Shin Wang	13,566,000	4.94%	0	-	0	-	None	None	-
	612,472	0.22%	Note 2	Note 2	Note 2	Note 2			
Hsien-Chin Tsai	12,687,246	4.62%	0	-	Note 1	Note 1	Nu-Dan Co., Ltd	Major shareholders	
Ching-Fang Chen	9,543,332	3.48%	9,035,318	3.29%	0	-	Cheng-Hai Hung Shih-Fan Chen	Spouses Second degree kinship	-
Nu-Dan Co., Ltd- Hsien-Chin Tsai	9,180,914	3.35%	0	-	0	-	Hsien-Chin Tsai	The same person	
	12,687,246	4.62%	0	-	Note 1	Note 1			
Cheng-Hai Hung	9,035,318	3.29%	9,543,332	3.48%	0	-	Ching-Fang Chen Shih-Fan Chen	Spouses Second degree kinship	-
HSBC Bank (Taiwan) Ltd., Custodian of Fidelity Funds Series VIII: Fidelity Emerging Markets Focus Fund Investment Account	8,046,000	2.93%	0	-	0	-	None	None	-

Name (Note)	Current shareholding		Spouse and Minor shareholding		Shareholding by Nominee Arrangement		Relationship characterized as spouse or the second degree relative or closer among the top 10 shareholders.		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relation	
Fubon Life Insurance Co., Ltd.: Fu-Hsing Lin	7,852,000	2.86%	0	-	0	-	None	None	-
	-	-	Note 2	Note 2	Note 2	Note 2			
Cathay Life Insurance Co., Ltd- Ming-Ho Hsiung	7,427,000	2.71%	0	-	0	-	None	None	-
	-	-	Note 2	Note 2	Note 2	Note 2			
Nan Shan Life Insurance Co., Ltd - Chung-yao Yin	7,024,000	2.56%	0	-	0	-	None	None	-
	-	-	Note 2	Note 2	Note 2	Note 2			

Note : The top 10 shareholders should all be listed, and those who are corporate shareholders should list the name of the corporate shareholder and the representative separately.

Note 1: This shareholder owns Eclat's 9,180,914 shares under the names of Nu-Dan Co., Ltd, with a shareholding ratio of 3.35%.

Note 2: Relevant information could not be obtained.

2.9 Comprehensive Shareholding Percentage

Unit: In Thousand Shares, %

Investee (note)	Held by the Company		Held by Directors, Supervisors, managers, and directly or indirectly controlled entities		Aggregate investment	
	Shares	%	Shares	%	Shares	%
GRAND ELITE HOLDINGS INC.	21	100%	—	—	21	100%
ECLAT CAYMAN ISLAND HOLDINGS	121,080	100%	—	—	121,080	100%
ECLAT TEXTILE (CAMBODIA) CO., LTD.	8,000	100%	—	—	8,000	100%
ECLAT ENTERPRISE LTD.	1	100%	—	—	1	100%
TAI-YUAN GARMENTS CO., LTD.	6,800	100%	—	—	6,800	100%
COLLTEX GARMENT MFY CO., LTD.(VN)	16,800	100%	—	—	16,800	100%
E-TOP (VIETNAM) CO., LTD	36,000	100%	—	—	36,000	100%
ECLAT TEXTILE CO., LTD. (VIETNAM)	22,000	100%	—	—	22,000	100%
ECLAT FABRICS CO., LTD. (VIETNAM)	40,000	100%	—	—	40,000	100%
PT ECLAT TEXTILE INTERNATIONAL	5,000	100%	—	—	5,000	100%

Note: For relevant detailed information on investee companies, please refer to: VI. Special Remarks.

III. Information on Capital Raising Activities

3.1 Source of Capital and Shares

3.1.1.Source of capital

Year/Month	Par Value (NT$)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of capital	Capital Increased by Assets Other than cash	Others (Note)
1977.11	1,000	500	500,000	500	500,000	Registration	-	-
1981.09	1,000	1,000	1,000,000	1,000	1,000,000	Cash capital increase	-	-
1987.11	1,000	7,000	7,000,000	7,000	7,000,000	Cash capital increase	-	-
1988.08	1,000	52,000	52,000,000	52,000	52,000,000	Cash capital increase	-	-
1991.03	1,000	65,333	65,333,000	65,333	65,333,000	Capitalization of earnings	-	-
1992.03	1,000	110,333	110,333,000	110,333	110,333,000	Cash capital increase of NT$ 9,000,000 Capitalization of earnings of NT$ 15,000,000 Creditor's right for payment of shares of NT$ 21,000,000	-	-
1992.12	10	19,500,000	195,000,000	19,500,000	195,000,000	Cash capital increase of NT$ 44,667,000 Capitalization of earnings of NT$ 40,000,000	-	-
1997.06	10	160,000,000	1,600,000,000	72,430,896	724,308,960	Cash capital increase of NT$ 200,000,000 Capitalization of earnings of NT$ 156,000,000 Consolidated capital increase of NT$ 173,308,960	-	(1997) Tai-Tsai-Zheng(1) No. 51666 Letter
1998.09	10	160,000,000	1,600,000,000	79,673,986	796,739,860	Capitalization of earnings of NT$ 72,430,900	-	(1998) Tai-Tsai-Zheng(1) No. 59366 Letter
1999.08	10	160,000,000	1,600,000,000	86,047,896	860,478,960	Capitalization of earnings of NT$ 63,739,100	-	(1999) Tai-Tsai-Zheng(1) No. 63075 Letter
2000.09	10	160,000,000	1,600,000,000	91,210,766	912,107,660	Capitalization of earnings of NT$ 51,628,700	-	2000/7/12 (2000) Tai-Tsai-Zheng(1) No. 60720 Letter
2004.08	10	160,000,000	1,600,000,000	95,771,304	957,713,040	Capitalization of earnings of NT$ 45,605,380	-	2004/6/30 Tai-Tsai-Zheng(1)-Zi No. 0930128923
2005.06	10	160,000,000	1,600,000,000	109,179,286	1,091,792,860	Capitalization of earnings of NT$ 134,079,820	-	2005/6/16 Jin-Guan-Zheng-Yi-Zi No. 0940125666

Year/Month	Par Value (NT$)	Authorized capital		Paid-in capital		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Source of capital	Capital Increased by Assets Other than cash	Others (Note)
2005.12	10	160,000,000	1,600,000,000	129,179,286	1,291,792,860	Cash capital increase of NT$ 200,000,000	-	2005/10/17 Jin-Guan-Zheng-Yi-Zi No. 0940148057
2006.07	10	160,000,000	1,600,000,000	143,389,007	1,433,890,070	Capitalization of earnings of NT$ 142,097,210	-	2006/7/13 Jin-Guan-Zheng-Yi-Zi No. 0950132152
2007.06	10	250,000,000	2,500,000,000	159,161,797	1,591,617,970	Capitalization of earnings of NT$ 157,727,900	-	2007/6/21 Jin-Guan-Zheng-Yi-Zi No. 0960033202
2007.07	10	250,000,000	2,500,000,000	184,161,797	1,841,617,970	Cash capital increase of NT$ 250,000,000	-	2007/6/14 Jin-Guan-Zheng-Yi-Zi No. 0960032162
2008.09	10	250,000,000	2,500,000,000	189,686,651	1,896,866,510	Capitalization of earnings of NT$ 55,248,540	-	2008/7/4 Jin-Guan-Zheng-Yi-Zi No. 0970033483
2009.09	10	250,000,000	2,500,000,000	193,480,384	1,934,803,840	Capitalization of earnings of NT$ 37,937,330	-	2009/7/7 Jin-Guan-Zheng-Fa-Zi No. 0980033696
2010.09	10	250,000,000	2,500,000,000	199,284,795	1,992,847,950	Capitalization of earnings of NT$ 58,044,110	-	2010/7/28 Jin-Guan-Zheng-Fa-Zi No. 0990039425
2011.09	10	250,000,000	2,500,000,000	211,241,882	2,112,418,820	Capitalization of earnings of NT$ 119,570,870	-	2011/8/9 Jin-Guan-Zheng-Fa-Zi No. 1000036962
2012.09	10	300,000,000	3,000,000,000	226,028,813	2,260,288,130	Capitalization of earnings of NT$ 147,869,310	-	2012/7/10 Jin-Guan-Zheng-Fa-Zi No. 1010030287
2012.10	10	300,000,000	3,000,000,000	246,028,813	2,460,288,130	Cash capital increase of NT$ 200,000,000	-	2012/7/18 Jin-Guan-Zheng-Fa-Zi No. 1010030728
2013.09	10	300,000,000	3,000,000,000	250,949,389	2,509,493,890	Capitalization of earnings of NT$ 49,205,760	-	2013/7/25 Jin-Guan-Zheng-Fa-Zi No. 1020029077
2014.09	10	300,000,000	3,000,000,000	260,987,364	2,609,873,640	Capitalization of earnings of NT$ 100,379,750	-	2014/7/27 Jin-Guan-Zheng-Fa-Zi No. 1030027248
2016.02	10	300,000,000	3,000,000,000	268,987,364	2,689,873,640	Cash capital increase of NT$ 80,000,000	-	2015/11/27 Jin-Guan-Zheng-Fa-Zi No. 1040046754
2017.09	10	300,000,000	3,000,000,000	274,367,111	2,743,671,110	Capitalization of earnings of NT$ 53,797,470	-	Report effective date of June 22, 2017

Note：Please fill in the data for the current year up to the date of publication of the annual report.

Note1: Effective Date & Approval Document Number

Unit: share

Type of share	Authorized capital			Remarks
	Issued shares	Unissued shares	Total	
Common shares	274,367,111	25,632,889	300,000,000	Listed shares

Note：Listed company stock.

3.1.2. List of major shareholders:

List of major shareholders \ Shareholding	Number of shareholdings	Percentage of Shareholding
Yih-Yuan Investment Corp. - Shih-Fan Chen	25,790,335	9.40%
Xin-Li Co., Ltd.- Cheng-Hsin Wang	13,566,000	4.94%
Hsien-Chin Tsai	12,687,246	4.62%
Ching-Fang Chen	9,543,332	3.48%
Nu-Dan Co., Ltd.- Hsien-Chin Tsai	9,180,914	3.35%
Cheng-Hai Hung	9,035,318	3.29%
HSBC Bank (Taiwan) Ltd., Custodian of Fidelity Funds Series VIII: Fidelity Emerging Markets Focus Fund Investment Account	8,046,000	2.93%
Fubon Life Insurance Co., Ltd.- Fu-Hsing Lin	7,852,000	2.86%
Cathay Life Insurance Co., Ltd.- Ming-Ho Hsiung	7,427,000	2.71%
Nan Shan Life Insurance Co., Ltd.- Chung-Yao Yin	7,024,000	2.56%

3.1.3 Dividend policy and implementation:

(1) Dividend policy specified in the Articles of Incorporation:

Where the Company has a profit (the term "profit" refers to the income before deducting the distribution of employee remuneration from the income before tax) in current year, if there is surplus after covering the accumulated loss, no less than 0.1% shall be appropriated for the employee's compensation for the distribution according to the resolution of the Board of Directors' meeting, and be reported to the shareholders' meeting. The distribution of employee's compensation may be made in the form of shares or cash.

Where the Company has earnings in current year, after tax is paid according to the law, it shall be used to cover the accumulated loss first, following which, 10% thereof shall be set aside as the legal reserve; however, when the legal reserve has reached the paid-in capital of the Company, it may be exempted from such appropriation. For the remaining amount, after special reserve is further set aside or reversed according to the laws. It is combined with the undistributed surplus earnings at the beginning of the same period, for proposing to the shareholders' meeting for resolution on the distribution.

The Company is now in the growth stage and has a plan to expand the product line. Due to the need for capital to fulfill the plan, the policy for dividend distribution should reflect factors such as investment planning, financial structure, future fund requirements, and status of earnings. In a normal consideration, the percentage of earnings distribution shall not be less than 50% of the net earnings of the current year after compensating for accumulated deficits, if any. The board of directors shall make the distribution proposal, and it is then approved at the shareholders' meeting. The ratio for distributing cash dividends shall not be lower than 20% of the total distribution.

(2) Status of distribution of dividends proposed for resolution in the Board of Directors:

The Company's Articles of Incorporation were amended and approved by the shareholders' meeting on June 14, 2022, authorizing the Board of Directors to distribute earnings in cash after the end of each fiscal year, subject to subsequent reporting to the shareholders' meeting.

On February 27, 2025, the Board of Directors resolved to distribute a cash dividend of NT$4,664,240,887 for the fiscal year 2024 (NT$17 per share). The Chairman was authorized to determine and execute the ex-dividend date at his full discretion.

3.1.4 Impact to Business Performance and EPS Resulting from Stock Dividend: None.

3.1.5 Employees' remunerations and remuneration of directors and supervisors:

(1) The Articles of Incorporation specifies the percentage or range of the employees' remuneration: The Company's Articles of Incorporation do not specify the remuneration of directors and related explanations for employee remuneration please refer to 3. (1) for detail.

(2) Estimation of employees' remuneration and remuneration of directors for the present period:

(A) The distribution amount proposed by the board of directors and the recognized expense annual estimation amount are as follows: (NT$)

Item	Distribution amount proposed by the board of directors	Recognized expense annual estimation amount	Difference
Employee cash remuneration	9,000,000	9,000,000	None
Remuneration of directors and supervisors	0	0	None

(B) Cause of difference: Not applicable.

(C) Handling of difference amount: If the distribution amount approved by the shareholders' meeting differs from the amount proposed by the board of directors, the difference amount shall be recognized based on the accounting estimation after the approval of the shareholders' meeting.

(D) EPS recalculated: NT$ 24.20.

(3) Distribution of employees' bonus and remunerations of directors and supervisors for the previous year:

Item	Resolution of shareholders meeting Actual distribution Quantity	Originally approved by the board of directors Proposed distribution quantity	Difference
(A) Distribution status: (Unit: NT$)			
Employees' cash remuneration	7,000,000	7,000,000	None
The remuneration of directors and supervisors	0	0	None

Cause of difference: Not applicable.

Handling of difference amount: If the distribution amount approved by the shareholders' meeting differs from the amount proposed by the board of directors, the difference amount shall be recognized based on the accounting estimation after the approval of the shareholders' meeting.

(B) Information on EPS: (unit: NT$)

Original EPS	NT$ 18.87
Calculated EPS	NT$ 18.87

3.1.6. Repurchase of the Company's shares: 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 Implementation of the Company's Capital Allocation Plans: None.

IV. An Overview of Operations

4.1Business Activities:

4.1.1 Business Scope

1. Main areas of business operations:
   a. Manufacturing, processing, trading business of knitting and dyeing of fabrics, garments and textile raw materials.
   b. Manufacturing, processing, trading business of various types of textiles of fabrics, garments, yarns, chemical synthetic fibers and silks etc.
   c. Relevant import and export business of aforementioned items.

2. Revenue distribution:

Item	2024 Operating Percentage
Knitted fabrics	35.50%
Garments	64.50%
Total	100.00%

3. Main products: Various elastic knitted fabrics and garments.

4. New products development:

   Product development direction aims at diverse and differentiated product characteristics, specialized in functional fabrics, and sportswear series in order to establish complete production lines, such that the Company is able to provide comprehensive and differentiated services in order to satisfy the customer demand for a one-stop shop for all. Continue to research and develop technologies, improve product quality, collect latest domestic and foreign information, provide latest market trends, fabric types and styles to customers, in order to use such information as reference guides in determining the consumer market demands and to satisfy the needs of consumers.

4.1.2 Industry Overview

1. Industry Current Status and Development:

   The Taiwan textile industry—which encompasses man-made fiber production, spinning, weaving, dyeing and finishing, garment manufacturing and retail—has developed for over 60 years. Driven by technological advancements and strong market demand, it has established a fully vertically integrated upstream, midstream and downstream production system. Regarding the upstream sector, the raw materials are plentiful and the processing techniques are skillful, it includes outstanding basis for the production scale and technologies of man-made fiber production that are extremely competitive internationally. It is also one of the main supply sources of man-made fiber products around the globe. The midstream sector has always achieved remarkable export business performance, and business operators in this sector have been the best cooperating partners of international brands. For the downstream sector, the garment industry has been one of the leading industries to establish operations worldwide under the pressure of labor wages.

Presently, the development of textile industry in Taiwan has gradually developed from the traditional labor-intensive clothes manufacturing factories (such as garment processing, sweaters etc.) into a complete textile production system from upstream, midstream to downstream sectors. In addition, the products manufactured have also expanded from traditional yarns, fabrics, man-made fibers and garments to non-woven fabrics with specific functions, industrial specialized fabrics, building material and furniture fabrics, etc. Therefore, it has indeed become an industry with diverse development. Furthermore, the textile industry development in Taiwan has also shifted from OEM manufacturing model into an international cooperative production and sales system with vertical integration and horizontal specialization, which has certainly established solid foundation in the global textile industry with undeniable contribution worldwide.

The Taiwan textile industry is highly export-oriented and serves as a major source of foreign exchange. Downstream operators—seeking abundant labor—are often located overseas, yet they rely predominantly on high-functionality, high-quality fabrics imported from Taiwan, thereby driving the country's upstream and midstream textile sectors. According to data over the past decade, the export dependence of Taiwan's textile and garment industry (calculated as export value divided by output value) has averaged 77%. In 2024, textile and garment imports totaled USD 3.36 billion, resulting in a trade surplus of USD 3.08 billion. As the trade surplus in basic metals and products declined by 65.4% compared to 2023, textile products emerged as Taiwan's third-largest export item generating a trade surplus. The textile industry has long been one of the primary drivers of Taiwan's economic development and foreign-exchange earnings, playing a critical role in the nation's balance of payments.

unit: in 100 million US$

Item	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Production value	148.2	133.6	121.3	126.4	129.1	116.6	97.8	123.3	115.1	104.5	90.6
Export value	115.6	108.0	99.3	100.7	100.7	91.8	75.3	90.2	88.4	66.3	67.3
Import value	34.3	34.6	33.4	33.6	36.8	35.5	33.7	38.6	39.4	36.5	36.5
Trade surplus	**81.3**	**73.5**	**65.9**	**67.1**	**63.9**	**56.3**	**41.6**	**51.6**	**49.0**	**29.8**	**30.8**
Export degree of dependence	**78%**	**81%**	**82%**	**80%**	**78%**	**79%**	**77%**	**73%**	**77%**	**63%**	**74%**

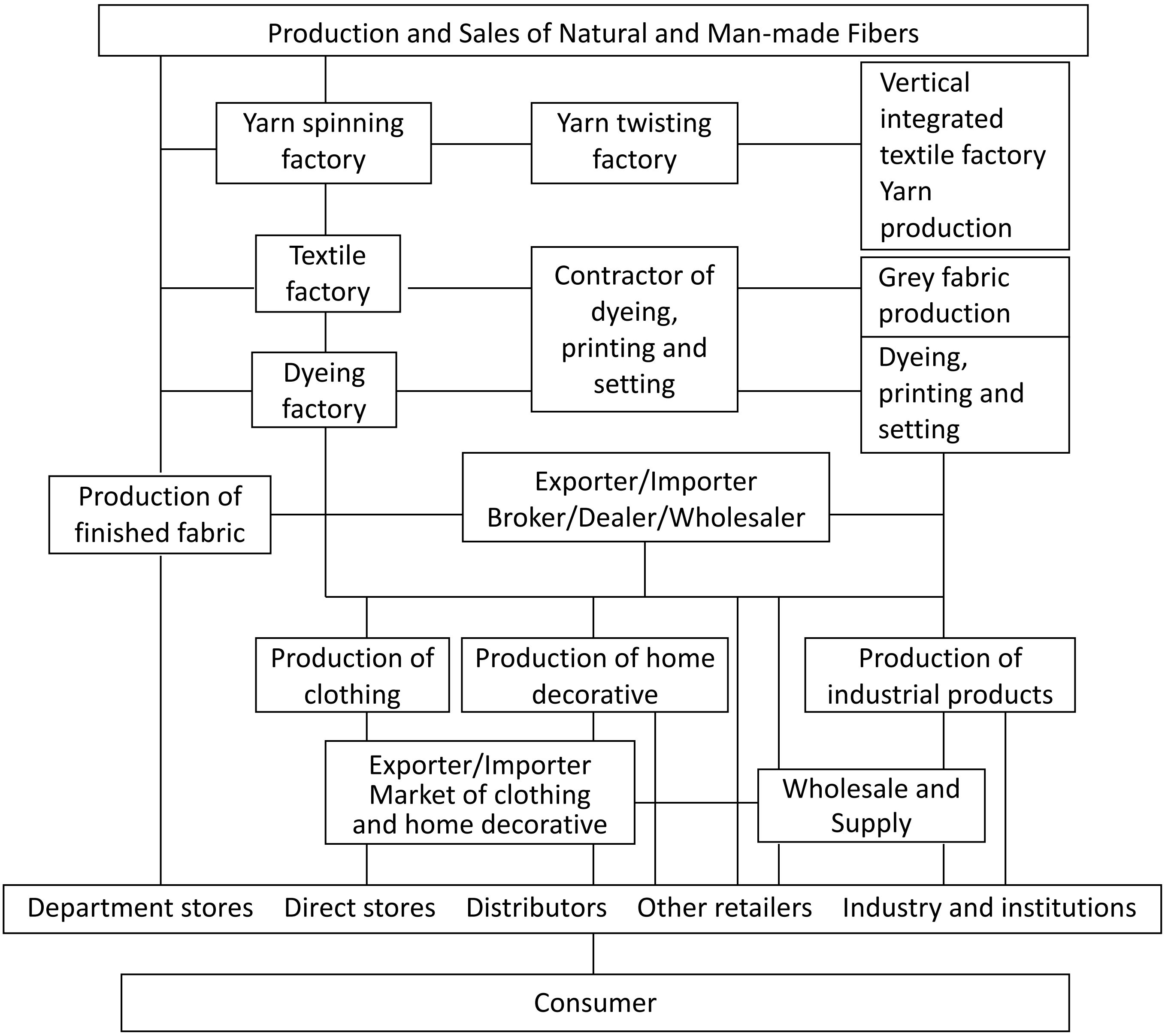
Source of Information: Department of Statistics, MOEA; Statistics of Customs Administration, MOF; Exchange rate based on the annual average exchange rate of Central Bank of R.O.C.; Summarized by Taiwan Textile Federation.

Regional Integration and Overseas Capacity Relocation: Due to regional integration factors, manufacturers have increased overseas investments and capacity relocations to secure tariff preferences or lower production costs. Vietnam has been a particularly prominent destination for such investments. Functional and high-quality fabrics are hallmarks of Taiwan’s textile products. Manufacturers should continue investing in R&D, leveraging Taiwan’s abundant man-made fiber supplies and innovative weaving and dyeing technologies to build a value chain and cluster advantages for functional textiles. By focusing on differentiated, high value-added products, Taiwan textile firms can maintain their competitive edge. Facing competition from established players in Korea and Mainland China, as well as emerging competitors in Sri Lanka, India and other markets, Taiwanese textile companies must develop core capabilities in innovative R&D and niche-product manufacturing to enhance product value. They should establish rapid response mechanisms for upstream R&D and downstream customer demands, and integrate industry value chains and production clusters to bolster overall industry competitiveness.

Looking into the year of 2025, the global economic conditions appear to be gradually recovering, but volatile geopolitical tensions and macroeconomic uncertainties remain. Leading brands are consolidating their positions, demanding closer supply-chain collaboration, and focusing on supplier capacity scale, geographic diversification, inventory management and corporate sustainability. Demand for high-end apparel is less sensitive to economic fluctuations. The Company will continue to innovate and develop high value-added products, swiftly respond to end-market needs, and concentrate on niche market expansion as the key to stable growth.

2. Correlation among upstream, midstream and downstream in the industry:

Structure of Textile Industry



The textile industry encompasses a comprehensive production system spanning six major sectors: fiber, spinning, weaving, dyeing and finishing, garment manufacturing and retail. In Taiwan's domestic textile landscape, several medium to large enterprises leverage their competitive advantages to pursue the most suitable development paths in different sectors, forming vertically integrated operations and actively expanding internationally to establish their own textile footprints. Leading groups include Formosa Plastics Group (Nan Ya Plastics), Far Eastern Group, Shin Kong Group, Tainan Spinning Group and Eclat Textile Group.

3. Product development trends:

As sports and health lifestyles become increasingly popular, comfortable, close-fitting athletic apparel has transitioned into a daily dressing trend. Many fashion labels and retail brands have already introduced related collections, demonstrating that the growth momentum of sportswear outstrips that of the overall apparel market.

In light of the rapid growth expected in the athleisure market and consumers' increasingly stringent requirements for functional products, domestic and international manufacturers are actively innovating their production technologies. In weaving and dyeing processes, they employ micro-porous membranes, high-density fabrics, and special finishing agents; in apparel manufacturing, they utilize advanced cutting and bonding techniques to achieve low resistance, high abrasion resistance, high tensile strength, lightweight warmth, UV protection, quick-dry moisture wicking, waterproof breathable, antimicrobial and deodorizing functionalities. In recent years, the German textile industry has successfully developed bio-medical and electronic-textile products by incorporating polymers and novel fibers to embed communication, information-processing, medical and sensing functions into fabrics. These "smart textiles" can detect toxic substances or gases, temperature, heart rate, pulse, pressure, displacement, respiration, self-cleaning, thermo-humidity regulation, protection and health-care effects—meeting consumers' demands for health, athletic performance and leisure.

Strategic Imperative for Taiwan's Textile Industry:

Often dubbed a "trillion-NT-dollar industry," Taiwan's textile sector has accelerated its global footprint under various regional trade agreements. Although domestic output has gradually declined, Taiwan's share of global order fulfillment continues to rise. With Mainland China and Southeast Asian countries leveraging abundant low-cost labor—exerting competitive pressure on general sports and leisure apparel—Taiwanese firms must leverage in-house R&D capabilities and continuous product and process innovation to shift from OEM towards differentiated, high-value-added ODM. This transformation is the critical competitive edge and the sustainable path forward for Taiwan's textile industry.

4. Competition:

Competitiveness of the Company

A. Quality: The Company has accumulated extensive manufacturing experience and is of great commitment to quality. In 1993, the company received the "Q Mark" quality certification from DuPont to come the first enterprise to receive such great honor in the Asia-Pacific region.

B. Technology:

(A). Fabrics: Since knitted fabrics are made from elastic yarns and general non-elastic yarns, to blend the two types of elastic and non-elastic yarns and to allow them to interlace with each other firmly without interferences while maintaining the original characteristics of long and short fibers, the technology level required is relatively higher. The company owns various knitting machines of different specifications, and since 1989, the company has cooperated with DuPont such that presently, the technology of the company is mature and leads the industry.

(B). Dyeing: Since elastic fibers behave in a way similar to rubber bands, such that during dyeing process at high temperature, the elastic yarn can be in a molten state or generate ripples. Through continuous research and development as well as testing for different high/low dyeing solution temperatures, curve graphs, the company has been able to achieve most optimal control on such process.

(C). Garment: The Company establishes a dedicated unit in collecting the market trend information. In addition, the headquarters of the company has established a fast sample center of the largest scale in Taiwan, and in conjunction with various latest equipment of sewing machines, pattern making software and operators, such that the company is able to provide the one-stop shop service including on-site fitting and ODM etc. to customers.

(D). Lead time: The headquarters of the company is a global logistics center, capable of achieving fast order receiving, selecting appropriate production site according to the customer demands, lead time and cost etc., in order to maintain the competitiveness of the company. In addition, the company also strengthens the cooperation with raw material suppliers and various relevant manufacturing process vendors in order to effectively manage the manufacturing process and to control the delivery date.

(E). Research and development: Obtain the market trend, develop various fabrics of modern technology materials, and jointly develop garment styles with customers in order to satisfy the modern consumer demands on the diverse textile products.

(F). Consumer demands: Actively participate in domestic and international trade shows, collect themes and colors of the current market trend, as well as actively participate in projects and events organized by various professional institutions entrusted by the Ministry of Economic Affairs in order to increase the design and competitiveness of the company.

4.1.3 Research and Development:

1. Research and development budget invested in recent years up to the printing date of annual report: Unit: NTD 1,000

	R&D budget invested	Current operating revenue	R&D budget to current operating revenue ratio
2024	171,460	36,828,499	0.47%
January to March, 2025	38,592	9,374,606	0.41%

2. Technology and product：

Product Type	Technology	Usage and Description
Sustainable Series	Carbon reduction and energy saving - Reduce	
	Tencel®	A. In view of the focus of the international brands on environmental protection issue, Eclat and Lenzing Group have developed a range of materials with REFIBRA™. Its high-efficient closed-loop production technique is able to upgrade and reuse the large amount of cotton fabrics waste left from the garment production, such that the waste is blended with wood pulp to become raw material, thereby allowing it to be bio-degraded in the natural world and reducing impacts to the environment and the Earth. B. The material is comfortable and soft with the characteristics of skin-friendly feel, natural drape, and also blended with good moisture wicking synthetic fibers, making Tencel products to be equipped with both aesthetics and functionality. C. It can be applied to lifestyle apparel and yoga clothes, etc.

Product Type	Technology	Usage and Description
	Polypropylene	A. Polypropylene fiber is an eco-material; its weight is lighter than water with better heat capture. In addition, it also has the advantages of being lightweight and heat insulation. With hydrophobic fibers, the material can be presented in its original color without coloring during the dyeing process, such that the process also saves water resources. B. Low moisture regain rate characteristic makes the materials with fast drying function to increase wearing comfort. C. Materials are ideal for outdoor Base layer and running related products.
	Recycle and reuse	
	Recycled PET Recycled Nylon	A. Through consumer end waste recycle or industrial waste recycle with raw material treatment, eco-friendly fibers are obtained through recycle and reuse treatment processes. B. It is equipped with multi-function and characteristics of moisture management and wearing comfort. C. It can be used for pro-sportswear category.
	Renew type	
	Sorona®	A. DuPont's Sorona fibers use the raw material extracted from corn and protein carbohydrates, which is different from man-made fibers using raw material extracted from petroleum. B. Sorona exhibits the characteristics of softness, wearing comfort, elasticity and restoration performance. C. It complies with the innovation concept of global sustainable development.

Product Type	Technology	Usage and Description
	Bioenergy nylon	A. Eclat and the international giant manufacturer in Germany, BASF, cooperate with each other to launch, the first bioenergy nylon textile in the world. B. It uses 100% renewable raw material alternative production - regenerated from waste bio-oil, bio-waste, food industry waste substances of vegetable oil etc. Its production process is eco-friendly and is able to effectively reduce 35% of the greenhouse gas emission. C. It complies with the company's commitment in sustainable development.
Functional series	Sunlight Management	
	BodyCare® UV Resistance	A. BodyCare® is a trademark of Eclat Textile Company. B. The trademark registration includes the U.S.A., European Union, and Asia. C. Based on the main focus of wearing comfort and functionally, it utilizes the technology and development in fibers, interlacing or after-processing treatment in order to achieve the function of UV resistance. D. It is applied to outdoor sportswear products.
	FIR warmth	A. With the utilization of the insulation and warmth characteristics of fibers, the fabrics can be made to have excellent insulation and wearing comfort. B. Through professional design, diverse applications can be provided for selection. C. This series is suitable to fall, winter outdoor sportswear.

Product Type	Technology	Usage and Description
	Reflection	A. This series of fabric is provided for safety protection of sportsman performing exercises in the morning or night time. The fabrics are equipped with the night luminous and light reflective functions in order to satisfy the demand of consumers during the outdoor walking or exercising, such that the fabric is equipped with the function for warning others while maintaining a pleasing appearance. B. Night luminous series: Through the utilization of yarns and special manufacturing process, light is absorbed in the fabric in order to maintain a certain level of effect. C. Light reflective series: Through special manufacturing process, the light reflection principle of vehicle headlights is utilized to achieve the light reflective effect. D. It is a fabric that is suitable to the exercises of jogging, cycling in the morning or at night.
	Air Management	
	BodyCare® Anti-bacterial	A. BodyCare® is a trademark of Eclat Textile Company. B. The trademark registration includes the U.S.A., European Union, and Asia. C. This series of fabric mainly focuses on performance and functionality. It utilizes the technology and development in fibers, interlacing or after-processing treatment in order to allow the fabric to become a BodyCare® product with anti-bacterial function. D. It is widely used in sportswear, recreation wear, home wear.
	Cool Sensation	A. With the use of natural fibers or fibers with the addition of cool elements, textiles can have the characteristic of cool touch feeling. B. Increase the wearing comfort. C. It is suitable to wear under long period of sunlight exposure.

Product Type	Technology	Usage and Description
	3-in-1 milti-function	A. Use of specially modified fibers, along with texture design in order to allow textiles to have the functions of UV resistance, heat isolation and deodorization. B. Deodorization function: Long lasting of reduction of odor due to the breeding of microorganisms. C. UV resistance function: Capable of isolating and reducing skin damages caused by UV radiation, capable of preventing skin sunburn, and suitable for outdoor sports. D. Heat isolation function: Equipped with UV shielding capability and reflecting visible light, reducing heat conduction speed in order to increase the wearing comfort of sportsman. E. It is designed for jogging, outdoor activities and athleisure.
	Moisture Management	
	BodyCare® Moisture Management	A. BodyCare® is a trademark of Eclat Textile Company. B. The trademark registration includes the U.S.A., European Union, and Asia. C. The material mainly focuses on performance and functionality. It utilizes the technology and development in fibers, interlacing or after-processing treatment in order to allow the Material has better moisture absorbing and perspiration drying functions. D. It can be applied to sportswear and recreation wear.
	Umorfil®	A. Through nanotechnology, collagen peptide amino acid is applied to fiber. It increases moisture retention and wearing comfort of the material; in addition, it is an eco-friendly material. B. With the use of fibers and the moisture permeability knitting structure, the functionality related to the efficiency of moisture wicking and sweat absorption of the product is increased. C. It is a bionic fiber with skin-friendly characteristic, which is suitable to intimate apparel and home apparel.

Product Type	Technology	Usage and Description
	Aqua-Guide®	A. Aqua-Guide is a trademark of Eclat Textile Company. B. Faster moisture wicking and quick dry attributes. Moisture can be absorbed by the absorbing layer and transferred to the medium moisture storage layer for absorbing, which is then swiftly exhausted to the fabric surface layer. Consequently, it is able to prevent moisture from returning back to the fabric to cause skin attachment; as a result, wearing comfort can be increased. C. It is applied to outdoor products of sportswear and athleisure wear.
Functional series	Drylight Light and highly breathable series	A. Product name of Eclat Textile Company B. Moisture transfer and fast drying performance allow the water absorption later to absorb sweat and transfer to the fabric surface. 3D weaving structure provides high breathability, preventing the fabric from attaching to the skin after absorbing sweat, thereby increasing comfort when worn. C. It is applied to extreme sports, jogging, outdoor sports and recreation wear.
High Performance products	Woveknit™	
	Woveknit™ for mid-layer	A. It is a patented technology and a trademark of Eclat, and has received the recognition of Top 10 in the ISPO exhibition. B. With the utilization of fiber cross section principle, it is able to achieve insulation effect by preventing the loss of body heat, in conjunction with special fleece processing technology to enhance the warmth and breathable functions. C. High CLO value and pilling resistance characteristics in order to increase the added value of the textile. D. It can be used for hiking and mountain climbing activities.

Product Type	Technology	Usage and Description
	Woveknit™ for outerlayer	A. It is a patented technology and a trademark of Eclat. This series of fabric has received the recognition of Outer Layer Top 10 in the ISPO exhibition. B. It utilizes Eclat's patented technology - Windbreaker knitted fabric. C. In comparison to conventional windbreaker jacket available in the market, such type of fabric is lighter and packable, along with elasticity. D. It is applied to outdoor and travel clothing.
	Woveknit™ for baselaye	A. It is a patented technology of Eclat. In addition, this series of fabric has also received the recognition of Top 10 in the ISPO exhibition. B. It utilizes the high-density knitting method, along with elastic fiber series of characteristic in order to increase the wearing comfort during exercises. C. Through bonding techniques for making 2.5 Layers, 3 Layers bonded fabrics for protection type of products and it also utilizes environmentally friendly C6 and C0 coating chemicals for the product developments for consumers to choose. D. It is suitable for mountain climbing, cycling and styling.

4.1.4 Long-term and Short-term Development

(1). Short-term development plan:

1. Plan the training of new knitting technical and machines learning, continue innovation, increase production and competitiveness, root in Taiwan, and global manufacturing. Establish the design, research and development as well as the high-level production technical center in Taiwan, utilize raw materials of excellent quality and use quality system to improve the product competitiveness, achieve global market expansion, in light of increasing production capacity, reducing costs and shortening lead time.
2. Integration strategy for upstream, midstream and downstream:
   - Reduce the number of suppliers and centralize the management of

suppliers, strengthening the cooperation relationship with suppliers.

- Establish raw material joint development model, improve quantity and quality, and increase value of suppliers.
- Cooperate with suppliers to develop new technical guidance and new materials. Strengthen supply chain capabilities and breadth.

3. Product development from fabric to garment:
   - Provide customers a complete service from fabric to garment, establish vertically integrated order receiving operation model.
   - Obtain market trend, provide products satisfying customer demands, and establish service value of excellent quality and short lead time.
   - Cooperate with world first-class suppliers, utilize innovative technologies in research and development of fabrics and garment styles in order to increase the differentiation with competitors and to create values in the overall value chain.

(2). Long-term development plan:

1. Collaborate with customers in designs to create values jointly:
   - Strengthen brand manufacturers, cultivate medium and small customers, and drive the company revenue performance with customers' growth.
   - Cultivate designers to co-design with clients on customized fabric patterns and garment styles. Develop new garment brands, products or markets with professional experiences of production.
   - R&D personnel collaborate with customers in the development of fabrics, anticipate customer demands, coordinate production through the order and planned production methods in order to accelerate the product supply capabilities, to strengthen relationships with customers and to create joint value.
2. Development of eco-friendly sustainable textile:
   - Focus on the global trend on environmental protection awareness, actively develop products complying with the eco-friendly concept.
   - In 2006, the company has received the organic cotton manufacturing process certification from CONTROL UNION and IMO. Since Europe and American countries emphasize on the environmental protection issue more and more, the company has cooperated with the development strategy of brand manufacturers on organic cotton products in order to satisfy the market demand and to actively develop new products for business opportunities.
3. Responding to the global trend toward environmental consciousness, the Company obtained Bluesign certification in 2011 to comply with brand-owner standards, foster closer collaborative relationships, and reinforce

its commitment to sustainable development.

4.2 An Analysis of the Market as Well as the Production and Marketing Situation

4.2.1 Market Analysis

1. Sales region:

Unit: NTD 1,000

Region \ Year		2022		2023		2024	
		Amount	%	Amount	%	Amount	%
Domestic Sales		188,634	0.47	135,426	0.44	123,400	0.34
Export Sales	America	18,426,424	46.37	14,439,220	46.90	18,496,249	50.22
	Asia	14,441,647	36.34	10,827,938	35.17	12,904,469	35.04
	Others	6,679,468	16.82	5,387,878	17.49	5,304,381	14.40
	Sub-total	39,547,539	99.53	30,655,036	99.56	36,705,099	99.66
Total		39,736,173	100.00	30,790,462	100.00	36,828,499	100.00

2. Market Share (%) of Major Product Categories in the Last Two Years

According to the Taiwan Top 2,000 survey by the CommonWealth Magazine, Eclat is ranked 128th in the manufacturing industry, and for the textile industry, Eclat is the 4th in terms of the operating revenue, 3rd in terms of the net income after tax, and 5th in terms of the profitability. Since 2024, the monthly production capacity for knitted fabrics of the company reaches above 15 million yards, and the monthly production capacity for garments reaches above 13.35 million pieces. The production capacity scale of Eclat is also ranked high among the top domestic manufacturers.

3. Market Analysis of Major Product Categories:

(1). Market future supply and demand outlook – textile and dyeing industry:

For spun, with the fast-emerging origins of natural fiber raw materials of China, Pakistan and Indonesia etc., and due to the excessive factory expansion by the domestic manufacturers, production capacity is in excess. This has led to price competition and significant reduction in profit for domestic natural fiber yarns and textiles manufacturers, such that a great number of manufacturers move out of the country. Regarding Synthetic fiber, in terms of the woven fabrics, with the significant increase in the demand for functional textiles, and since such type of functional textiles are mostly made from the modification and processing from man-made fibers, the future market for functional textiles is expected to continue to grow. Post-processing fabric are closely related to the market information trend.

Regarding the knitted fabrics, in recent years, due to the short product life cycle of knitted fabrics, low entrance barrier and the trend of low product price in the international market, traders and distributors tend to seek sources in the regions of China and Southeast Asia. Under the influence of technical guidance over the past years, the manufacturers in the regions of China and Southeast Asia are now able to produce products of competent level to the products made by Taiwanese Manufacturers. Despite of the fact that the quality of products from China and Southeast Asia are still unstable, their prices are nevertheless far more attractive than Taiwanese products, such that the domestic export quantity of knitted fabrics is decreasing year after year.

Countermeasure and required criteria:

The countermeasures that can be adopted by the knitted fabrics and dyeing industry include reinforcement of the differentiation, technology alliance, local market rooting, branding management and global market expansion. The required criteria include product planning and innovative research and development abilities; investment in research and development budget; increase of successful rate in new products; maintaining excellent cooperation relationship with vendors; market keenness and ambition of leaders; excellent financial ability; equipped with market development type of sales talents; outstanding management team; and the ability to completely satisfy the demands of branded customers and purchasers in terms of the criteria of quality, price, research and development, service, lead time, human rights, environmental protection etc.

(2) Market future supply and demand outlook -- garment industry:

Garment industry is characterized by its labor-intensive industry, and the factory establishment cost and capital technology level are relatively low. In recent years, due to the continuous increase of the wage in Taiwan, the basic employee labor supply is clearly insufficient such that garment manufacturing operation environment is difficult. In addition to the cheap labor cost advantages in China and new emerging countries, manufacturers in the industry continue to move out of Taiwan.

Countermeasure and required criteria:

The strategy combinations recommended to be adopted by the garment industry include the three strategies of global market expansion, branding management and local market rooting etc. The required criteria include sound financial standing, outstanding management talents, market keenness and ambition of leaders, equipped with product planning and R&D talents, and the ability to satisfy the basic demands of branded customers in terms of the criteria of quality, price, research and development, service, lead time, human rights, environmental protection etc. completely.

Future growth:

The main products of the company include elastic knitted fabrics and professional/functional clothes. The main raw materials of such fabrics and clothes are natural fiber yarns, man-made fiber yarns and elastic fiber yarns. Since the petrochemical industry in Taiwan is mature, there is no concern on the semi-finished petroleum raw materials. With the complete industry structure, the production capacity for fibers and processed yarns is ranked high worldwide. As a result, the raw materials can be obtained relatively easily, the source of supply is abundant and the quality is also stable. Regarding elastic fibers, Eclat mainly uses the elastic fibers of "Lycra" produced by Invista, and such elastic fiber is at the leading position in the industry. In terms of the market demand, all developed and emerging countries worldwide are gradually focusing on recreation lifestyles, and the outdoor activity time generally increases. This is particularly so in developed countries in Europe and America, which place great emphasis on health and recreational lifestyles. So much so that the demand for recreation, functional and healthy wear is being driven to increase, and the scale of relevant market is expanding significantly. Knitted fabric of the characteristics of small-volume with large-variety have earned great recognition from professional designers such that knitted fabric is used as the material for high-end fashion wear and is of great potential in fashion trend development. The future outlook of the elastic fabric of the company demonstrates great market potential.

4. Competitive niche and favorable, unfavorable factors in future development outlook and countermeasures:

Competitive niche:

The main products of the company include circular elastic knitted fabric and garment manufacturing thereof, which utilizes elastic yarn and conventional synthetic fiber and spun mixed knitting as well as special post-processing fabric treatment technology. The company is active in the research and development of trendy, sporty, recreational, eco-friendly, health and multi-functional fabric in conjunction of trendy style designs. This allows the company's fabrics to be widely applied to diverse product series of sportswear, recreation wear, underwear and pajamas, yoga wear etc., for sales to all well-known brands, department stores and major retailers worldwide.

Main competitive advantages:

1) Provide excellent brand reputation to customers, establish reliable partnership.
2) Own factory with complete vertical integration (from knitting→dyeing→setting→garment) as a key in earning customer trust.
3) Production reaches the economies of scale, equipped with greater price bargain power in raw material purchase, along with the utilization of mature Synthetic fiber industry in Taiwan in order to obtain quality raw materials at low price.
4) Technology integration with upstream vendors in order to reduce production errors, improve quality and increase product competitiveness.
5) Product innovation ability and high added value, excellent and stable production quality, equipped with relatively greater competitiveness; strong ability in global logistics management, capable of achieving short fast delivery. Local offices established in New York, Los Angeles and Hong Kong, capable of satisfying the all-round service demands of customers from raw materials to finished products.
6) The operation management level of the company is committed to the sustainable operation.

Favorable factors to business development:

A.Stable raw material source:

(a) Synthetic fiber: In recent years, with the rapid development of the petrochemical industry in Taiwan, the production capacity of the downstream man-made fibers, processed yarns are driven to expand, and the production capacity of polyester fibers is also ranked top 4th worldwide. For knitted fabric, synthetic fiber can be obtained easily and the supply source is stable while the price of raw material is also lower than other competitors in, such as Japan and the US.

(b) Spun: Under the impact of global climate change, the annual production quantity and price of natural fibers also fluctuate. To ensure the stable raw material supply source, the company engages in long-term cooperation with well-known suppliers, such as: Tai Yuen Textile and Far Eastern New Century, in order to ensure the stable source of yarns such that the Company is able to cooperate with the production progress and to arrange the lead time.

(c) Elastic fiber yarns: The elastic fiber yarns used by the company mainly refer to the elastic fiber yarn of “Lycra” manufactured by Invista. In addition, the company signs contracts with suppliers for planned procurement such that the expected procurement quantity is arranged according to the annual order demand on a quarterly basis, and reasonable price are negotiated in order to ensure the quantity and quality of elastic yarns of the company.

B. Leading technology:

(a) Knitting technology: Since elastic knitted fabrics are made from elastic yarns and general non-elastic yarns, to blend the two types of elastic and non-elastic yarns and to allow them to interlace with each other firmly without interferences while maintaining the original characteristics of synthetic fiber and spun, it is clear that requirements for the technology level are high. Since 1989, the company has cooperated with DuPont and accepted the technical guidance of DuPont engineers. Presently, the technology of the company is mature and is at the leading position in the industry.

(b) Dyeing technology: Since elastic fibers behave in a way similar to rubber bands, and dyeing on rubber band is known to be difficult. This is mainly due to the reason that during the dyeing process at high temperature, the elastic yarn can be in a molten state or generate ripples. Through continuous research and development as well as testing for different high/low dyeing solution temperatures, curve graphs, the company has been able to achieve most optimal control on such process.

C. Strong R&D department:

The company established the R&D Department in 1993, and it is presently under Material Division, which is in charge of the research and development of new fabrics. This includes knitting, dyeing and post-processing treatment technologies. In addition, the company also establishes the Test Center for testing various qualification standards of textiles, such as: shrinkage rate test, color fastness test, physical test etc. The Planning and R&D Departments irregularly participate in the international textile trade shows, including the ISPO in Germany, Functional Fabric Fair in US etc., in order to provide fabrics successfully developed by and garment styles from Eclat on its own for buyer's selection, creating excellent brand image and reputation for the company as well as establishing reliable partnership with customers or branded manufacturers.

D.Global market expansion:

The Company positions the headquarters in Taiwan as the business center. Product development and business promotion are achieved through the utilization of technologies, in order to understand the consumer market status, to collect fashion trend information, and to receive orders and service customers without space limitation. In addition, in all major consumer markets worldwide, the company has agents in a long-term relationship with the company in order to represent the company in the business and sales of fabrics and garments.

Regarding the production site, for the production of knitted fabrics, due to the factors that the production technology requirement is high, investment cost is large, and customer designates for products made in Taiwan, Eclat has established knitting, setting, digital printing and quality inspection packaging factories in Hsichou, Miaoli, and dyeing factory in Dayuan, Taoyuan. In terms of overseas factories, there is a knitting and dyeing factory, Eclat Fabrics (Vietnam) Co., Ltd in Vietnam. Regarding the production of garments, the company has established Eclat Textile Co., Ltd (Vietnam), Colltex Garment Mfy Co., Ltd. (Vietnam), E-Top (Vietnam) Co., Ltd, Tai-Yuan Garments Co., Ltd. (Vietnam), Eclat Textile (Cambodia) Co., Ltd. and PT Eclat Textile International (Indonesia) in order to Hsi chou diversify the risk of concentrated production bases and expand the production scale to meet the demand for production capacity. In addition, the company has also established strategic alliance OEM factories in various areas of Lesotho of South Africa, Vietnam and China. Presently, the company production site layout is as shown in the table below:

Operating Offices	Taiwan Taipei Headquarters	
Production Sites	Fabrics	Garments
	Hsichou knitting, setting, digital printing and packaging factory, Tashan knitting factory, Dayuan dyeing factory, Eclat Fabrics (Vietnam) Co., Ltd.	Eclat Textile Co., Ltd (Vietnam), Colltex Garment Mfy Co., Ltd. (VN), E-Top (Vietnam) Co., Ltd., Tai-Yuan Garments Co., Ltd., (Vietnam), Eclat Textile (Cambodia) Co., Ltd., PT Eclat Textile International (Indonesia) and strategic alliance OEM factories in Lesotho, Vietnam and China, etc.

Unfavorable factors affecting future development and countermeasures:

A. Unfavorable factors:

a. For the textile market, the price competition is more intense due to the low-price products from Southeast Asia countries, such as Vietnam, India, Pakistan, and countries of Korea and China etc.
b. After the global market expansion, the localization ratio of the management team is insufficient, causing difficulty in the management thereof.
c. Labor cost is high, and OEM profit is low.
d. Formation of regional economy, leading to greater trade protection.

B. Countermeasures:

a. Production innovation:
    1. Innovation in production design:
    R&D personnel shall obtain the trend information at all times, perform self-development or collect latest products, provide such products to sales personnel.
    2. Innovation in marketing and sales:
    Sales personnel shall provide services based on the customer-oriented approach, and cooperate closely with the R&D personnel in order to jointly design and provide products demanded by the customers, or even generate additional customer demand.
    3. Innovation in administrative operation:
    Introduction of e-system; through the establishment of ERP, provide the production and sales enterprise mode that is of fast innovation, fast R&D, fast production and fast sales to customers and suppliers.
    Through the creation of corporate innovation culture and global logistics electronic assistance, provide value-added products to customers in order to increase the competitiveness of the company.
b. Marketing and sales strategy:
    1. Short-term:
    Prompt response, close to market, enhance the cooperation with customers, establish close relationship with customers as partners, and increase the efficiency of the supply chain. In addition, when customers choose to cooperate with suppliers with advanced operation procedures and systems in the future, the company is able to reduce the risk, lower the production

development cost and improve the production capability.

2. Medium-term:
   Based on the concern of a more efficient supply chain management, European and American customers will shift their procurement subjects to suppliers with the vertical integration ability and capable of providing the complete service from raw material to finished product or even design service. Accordingly, the company will exploit its advantage in vertical integration as a supplier in order to provide a complete solution and service in ODM model to customers such that the relationship with customers is strengthened further.
   Establish “Brand Partner”. Based on the consideration of the trend that large scale of international buyers and brand retailers tend to become greater in scale, the primary markets will be gradually dominated by several large brand companies. Regardless of whether it is for the agency of foreign brands, seeking agency for new brands, obtaining licensed production from foreign well-known brand manufacturers, the company will provide a one-stop shop for all model of production service from finished fabrics to finished garments in order to satisfy the demands of customers completely.
3. Long-term:
   Establish excellent branding reputation as an ODM supplier, and improve product added values. Actively establish the global logistics channel mapping, spread out the production locations, and choose a production region with competitiveness for manufacturing. Regarding strategy, Taiwan serves as the operation center in charge of design, research and development, order receiving, management of order distribution and customer service in Taiwan. In addition, in view of the global regional economy development, the company will establish domestic factories for production for countries with greater tariff advantages in order to increase competitiveness.

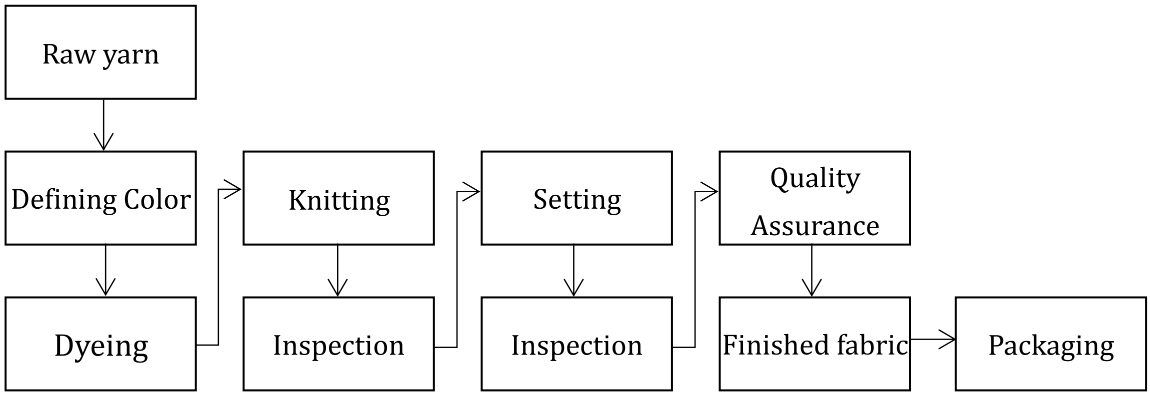
4.2.2 Production Procedures of Main Products:

1. Key purpose of main products

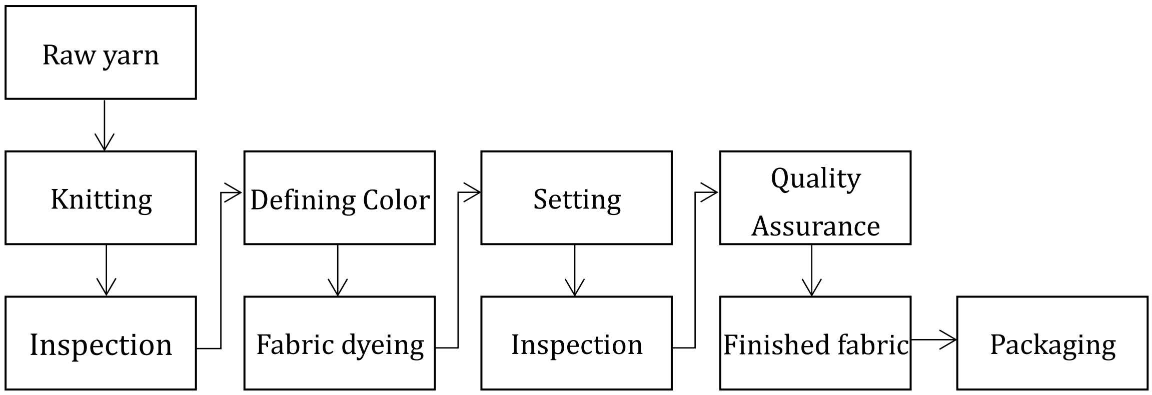
The main products of the company include fabrics for garments that are made from man-made fibers, and blended yarn fibers; among which, circular knitting elastic knitted fabric is a key product of the company. The fabrics manufactured by the company are widely used in recreation wear, sportswear and yoga wear etc. following the latest fashion trend in the market.

2. Production process of main products

(1) Yarn-dye:



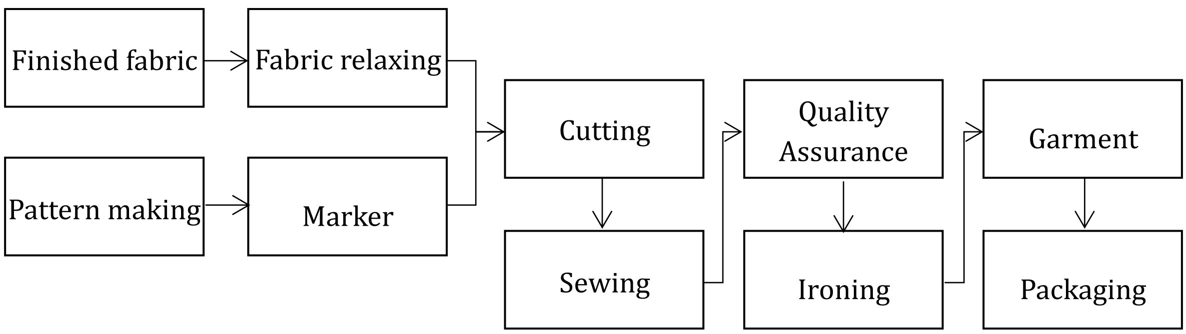
(2) Piece-dye:



(3) Post-processing:

According to different types of fabrics, the processes of printing, embossing, folding, burn-out printing, fleece finishing, brushing, shearing.

(4) Finished garment:



4.2.3 Supply Status of Main Materials:

Main industrial Division	Product Name	Main raw material		
		Raw material name	Main supply source	Supply status
Fabric Division	Knitted fabric	Grey yarn	Taiwan and Vietnam	Stable
		Elastic yarn	Singapore, Vietnam and Taiwan	Stable
Garment Division	Garment	Finished fabric	Self-manufactured, Taiwan, China and Vietnam	Stable

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:

1. Name of customers accounted for more than 10% of total sales amount of the company in the most recent two years and its sales amount and ratio:

Unit: NTD 1,000

Item	2023				2024				Up to the last quarter of 2025			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A	4,735,617	15.38	-	A	5,200,401	14.12	-	A	1,463,819	15.61	-
2	B	3,178,107	10.32	-	B	3,290,072	8.93	-	B	787,113	8.40	-
3	C	2,113,846	6.87	-	C	3,461,748	9.40	-		1,141,971	12.18	-
	Others	20,762,892	67.43	-	Others	24,876,278	67.55	-	Others	5,981,703	63.81	-
	Net sales amount	30,790,462	100.00	-	Net sales amount	36,828,499	100.00	-	Net sales amount	9,374,606	100.00	-

The main products of the company are knitted fabrics and garments, and the main customers are mainly brands and distributors with good credit and stable operation. In recent years, it has been committed to collaborative development and design with customers, and provided vertically integrated one-stop purchase services from fabrics to garments. Benefiting from the centralized procurement policy of customers, the proportion of major customers has increased year by year.

2. Name of suppliers accounted for more than 10% of total purchase amount of the company in the most recent two years and its purchase amount and ratio: None.

The main raw materials of the knitted fabrics manufactured by the Company are synthetic, spun and elastic fibers. For elastic fibers, the

Company uses the “Lycra” manufactured by the Lycra Company, and spandex manufactured by Formosa Asahi and Hyosung. For synthetic fibers, the main suppliers include Toung Loong, Zig Sheng, Nan Ya, Italon and Shin Kong. For staple fibers, they are from well-known manufacturers cooperate with the Company. The Company has established long-term relationship with the suppliers, and the supply sources are stable such that there is no concern in the situation of the shortage, interrupt or overly concentrated supply.
The company is made to order, and the amount of supplier purchases fluctuates according to customer order requirements.

4.3 Human Resources:

Year		2023	2024	Up to 2025.5.2of the current year
Number of employees	Direct labor	13,553	15,305	15,421
	Indirect labor	3,019	3,334	3,413
	Company staff	2,043	2,029	1,932
	Total	18,615	20,668	20,766
Average age		31.24	31.31	31.33
Average service year		4.28	4.37	4.65
Education %	PhD	0	0	0
	Masters's Degree	1	1	1
	Bachelor’s Degree	11	10	10
	Senior High School	40	41	37
	Below Senior High	48	48	52

4.4 Disbursements for Environmental Protection

1. According to the laws and regulations, regarding the application of pollution facility installation permit license or pollution emission permit license or required payment for pollution control fees or requirement on the installation of dedicated unit/personnel for environmental protection, please refer to the following description on the application, payment or establishment status thereof:

(1) Waste water, air emission, discarded fabrics and residual yarns possibly generated during the production process of textiles of the company. Regarding the waste water and air emission treatment, the company has installed the waste water and air emission treatment equipment in the factories of the company. For the waste treatment, presently the company

follows the waste classification requirements, and performs the preliminary collection inside the factories, followed by handling such wastes to professional environmental service contractors approved by the Environmental Protection Administration for handling.

(2) According to the laws and regulations, relevant permit licenses obtained by the company are as follows:

Factory name	Application unit	Permit license type	Relevant laws	Certificate No.	Valid period
Hsi-Chou Plant	Miaoli County Government	Water Pollution Control Permit	Water Pollution Control Act	Miaoli Env. Discharge Permit No. 00031-14	2024-11-06 – 2028-09-21
Hsi-Chou Plant	Miaoli County Government	Stationary Source Operation Permit	Air Pollution Control Act	Miaoli Env. Operation Permit No. K0308-08	2024-09-12 – 2028-11-28
Hsi-Chou Plant	Miaoli County Government	Stationary Source Operation Permit	Air Pollution Control Act	Miaoli Env. Operation Permit No. K0309-09	2024-09-12 – 2028-05-23
Hsi-Chou Plant	Miaoli County Government	Stationary Source Operation Permit	Air Pollution Control Act	Miaoli Env. Operation Permit No. K0878-06	2024-09-13 – 2028-12-01
Hsi-Chou Plant	Miaoli County Government	Stationary Source Operation Permit	Air Pollution Control Act	Miaoli Env. Operation Permit No. K0984-02	2025-03-06 – 2030-03-05
Hsi-Chou Plant	Miaoli County Government	Waste Disposal Plan Submission	Waste Disposal Act	Miaoli Env. Waste Permit No. 1130045222	2025-04-23 – 2028-04-24
Dayuan Plant	Taoyuan City Government	Stationary Source Operation Permit	Air Pollution Control Act	Operation Permit No. H2978-08	2021-01-20 – 2026-01-19
Dayuan Plant	Taoyuan City Government	Water Pollution Control Permit	Water Pollution Control Act	Taoyuan Env. Discharge Permit No. H3241-07	2021-12-22 – 2026-12-21
Dayuan Plant	Taoyuan City Government	Waste Disposal Plan Submission	Waste Disposal Act	H1011140009	2021-02-09 – 2026-02-09
E-TOP (Vietnam) Plant	Department of Natural Resources and Environment	Environmental Permit	Environmental Protection Law (72/2020/QH14)	06/GPMT-BQL	Until 2033-03-05
Eclat Textile (Vietnam)	Department of Natural Resources and Environment	EIA Approval Resolution	Environmental Protection Law (55/2014/QH13)	3905/QD-UBND	Permanent
Eclat Textile (Vietnam)	Department of Natural Resources and Environment	Hazardous Waste Source Registration Register	Hazardous Waste Management Regulation (12/2011/TTBTNMT)	QLCTNH:75. 001016.T	Permanent
Eclat Fabrics (Vietnam)	Department of Natural Resources and Environment	EIA Permit	Environmental Protection Law (72/2020/QH14)	26/GPMT-BTNMT	2032-01-13 –
Tai-Yuan Garments Co., Ltd.	Department of Natural Resources and Environment	EIA Permit	Environmental Protection Law (72/2020/QH14)	3727/GPMT-STNMT	2034-05-28 –
Colltex Garment Mfy Co.,	Department of Natural Resources and	EIA Permit	Environmental Protection Law (72/2020/QH14)	14/GPMT-UBND	2034-01-02 –

Factory name	Application unit	Permit license type	Relevant laws	Certificate No.	Valid period
Ltd.	Environment				
Phnom Penh Plant	Phnom Penh Municipality Environmental Bureau	EIA Approval Resolution	Labor Law (1269/36/19961224)	SORCHONO 160	Permanent
Indonesia Plant	Kendal Regency Investment Board	Wastewater Treatment Permit	Environmental Protection and Management Law	660.3.1/003/DPMPTSP/2020	2025-08-18 –

(3) Payment of pollution control fees according to the laws and regulations.

(4) Environmental protection dedicated personnel required to be staffed according to the scale, manufacturing process characteristics and regulatory requirements for each production factory:

Factory name	Name	Dedicated Technology	Qualification Certification No.
Hsichou Plant	Pao-Kuei Wang	Class B Waste Treatment Technician	(2003) EPA-Training Certificate No. HB090773
Hsichou Plant	Yuan-Ming Chung	Class B Waste water treatment dedicated	(2000) EPA-Training Certificate No. GB120347
Dayuan Plant	Kuan-En Lin	Class A Waste water treatment dedicated	(2011) EPA-Training Certificate No. GA150559
Dayuan Plant	Yu-Hui Peng	Class A Waste Professional Engineer	(2016) EPA-Training Certificate No. HA310394
Eclat Fabrics Co., Ltd. (Vietnam)	Hu Thi đào	Environmental protection technician	Environmental Technology University No. 00113573

2. Investment in main equipment for environmental control pollution and its purpose and possible benefits:

December 31, 2024; Unit: NTD 1,000

Equipment name	Quantity	Acquisition date	Investment and modification cost	Nondepreciating balance amount	Purpose and expected possible benefit
Hsichou Plant electrostatic precipitator	1 set	2012.03.14	6,705	0	Treatment of waste gas to comply with the emission standard
Hsichou Plant setting electrostatic precipitator	1 set	2015.11.09	9,833	724	Treatment of waste gas to comply with the emission standard

Equipment name	Quantity	Acquisition date	Investment and modification cost	Nondepreciating balance amount	Purpose and expected possible benefit
Hsichou Plant waste water treatment construction	1 set	1999.11.16	9,910	812	Treatment of waste water to comply with the discharge standard
Hsichou Digital Print Plant electrostatic precipitator	1 set	2019.08.01	5,750	1,437	Treatment of waste gas to comply with the emission standard
Hsichou Plant waste water treatment precipitator	1 set	2020.11.25	9,910	418	Treatment of waste water to comply with the discharge standard
Dayuan Plant setting electrostatic precipitator	1 set	2010.10.01	5,750	559	Treatment of waste gas to comply with the emission standard
Dayuan Plant waste water treatment system improvement construction	1 set	2013.10.28	6,965	2,205	Treatment of waste water to comply with the discharge standard
Dayuan Plant waste water treatment equipment Phase 2 construction	1 set	2014.07.01	6,816	829	Treatment of waste water to comply with the discharge standard
Dayuan Plant setting electrostatic precipitator	1 set	2020.02.03	22,873	700	Treatment of waste gas to comply with the emission standard
Eclat Fabrics Co., Ltd (Vietnam) waste water system equipment	1 set	2015.01.01	10,853	146	Treatment of waste water to comply with the discharge standard (Class A standard)
Eclat Fabrics Co., Ltd (Vietnam) setting electrostatic precipitator	1 set	2018.12.06	13,208	2,701	Treatment of waste gas to comply with the emission standard
Tai-Yuan Garments Co., Ltd. living sewage treatment system	1 set	2015.03.26	28,665	9,645	Treatment of waste water to comply with the discharge standard
Colltex Garment Mfy Co., Ltd. (VN) living sewage treatment system	1 set	2018.04.03	17,758	6,804	Treatment of waste water to comply with the discharge standard

Equipment name	Quantity	Acquisition date	Investment and modification cost	Nondepreciating balance amount	Purpose and expected possible benefit
E-TOP (Vietnam) Co., Ltd. living sewage treatment system	1 set	2018.09.05	2,409	1,462	Treatment of waste water to comply with the discharge standard
E-TOP (Vietnam) Co., Ltd living sewage filter system	1 set	2020.05.01	2,354	0	Treatment of waste gas to comply with the emission standard
PT Eclat Textile International (Indonesia) wastewater treatment equipment and filter	1 set	2022.11.1	8,786	6,688	Treatment of waste gas to comply with the emission standard

3. History of environment protection improvement of the company in the recent years to the printing date of the annual report:

Factory	Project	2023	2024
Hsichou Plant	Replacement of lighting into high power LED lighting fixtures	Saving electricity of 872 kWh	Saving electricity of 7834.56 kWh
Hsichou Plant	Solar PV installation	Reduction of 487.2 tons CO_2e	Reduction of 1153.90 tons CO_2e
Dayuan Plant	Sludge drying and weight reduction operation	Reduction amount of 419 tons	Reduction amount of 230 tons
Dayuan Plant	Solar PV installation	Reduction of 267.32 tons CO_2e	Reduction of 428.85 tons CO_2e
Dayuan Plant	Team condensing water recycling and reuse	Saving water of 133,679 tons	Saving water of 137,569 tons
Eclat Fabrics Co., Ltd (Vietnam)	Sludge drying and weight reduction operation	Reduction amount of 424 tons	Reduction amount of 347 tons
Eclat Fabrics Co., Ltd (Vietnam)	Blower efficiency improvement plan	Saving electricity of 57,600 kWh	Saving electricity of 37,290 kWh
Eclat Fabrics Co., Ltd (Vietnam)	Cooled water thermal energy recycle plan	Saving electricity of 444,661 kWh	Saving electricity of 3,226,917 kWh
Eclat Fabrics Co., Ltd (Vietnam)	Wastewater plant air compressor reduction plan	Saving electricity of 347,200 kWh	Saving electricity of 706,982 kWh

4. Total amount of losses (including indemnification) and penalties of the company in recent years and up to the printing of the annual report due to environmental pollution and future countermeasures as well as possible expenses: On September 3, 2024, under Permit No. 1130244775 issued by the Miaoli County Government (Permit Code: Fu-Huan-Shui-Zi), the Hsi-chou Plant violated Article 7, Paragraph 1 of the Water Pollution Control Act when the biochemical oxygen demand (BOD) and chemical oxygen demand (COD) levels in its effluent failed to meet discharge standards, resulting in a fine of NT$273,000.

4.5 Labor Relations

4.5.1 Employee Welfare

As part of the operation principles, the company values humanity and the care of people. To take care of employees both physically and provide the employee welfare rights. With these employees are able to be cared for and be focused on their working performance. Furthermore, the Employee Welfare Committee is established to plan and execute welfare related activities for all employees. The current employee welfare programs mainly consist of the following:

1. Regular benefits:

   National health insurance, labor insurance, group insurance, traveling safety insurance, appropriation of pension reserve, appropriation of overdue wage repayment fund and appropriation of occupational disaster insurance.

2. Special benefits:

   “Happiness Day” per week with an early departure option one hour before regular closing; flexible working hours; annual health examinations; on-site parking for cars and motorcycles (car spaces allocated on application); dormitories for non-local employees (application required); meal subsidies; a company library; a gymnasium and yoga studio; an employee cafeteria; a nursing room; housing allowances and children’s education subsidies for overseas personnel; childcare subsidies and an on-site daycare center at the company headquarters; an 80% reinstatement rate after parental leave without pay; free massages provided by visually impaired therapists; and newly established volunteer leave for 2025.

3. Employee Welfare Committee activities:

   Monthly birthday cash gifts; biannual departmental staff dinners; subsidies for club activities; celebration cash gifts for weddings, funerals and festive occasions; maternity subsidies; three major festival welfare bonuses; agreements with preferred merchants; occasional issuance of gift vouchers; and gift boxes.

4. Employee incentive reward:

   The company's revenue and profit performance in 2024 has achieved top tier results. In order to stimulate the morale of colleagues, the board of directors has approved the issuance of quarterly operating performance bonuses.

5. Employee Stock Ownership Trust:

   To enhance employee welfare and foster a stronger sense of belonging, the Company plans to implement an Employee Stock Ownership Trust program in FY 2025, enabling employees to share in the Company's operational results and ensuring stability in their post-retirement lives.

4.5.2 Employee Development and Training Programs:

The Company provides training courses to employees timely, including the new employee orientation, on-the-job training (OJT), management skills training and other advanced trainings. In addition, the company also provides customized training on professional knowledge and skills to employees of different job functions.

In 2024, the training (including internal and external trainings) organized by the company have a total of 188,465 people in staff participation; approximately 365,369 training hours; the annual training expense is approximately NT$ 3,217 thousand.

Employee Development Programs:

Training Program	Description
New Employee Orientation Training	Goal: Familiarize new employees with organizational systems and norms and build fundamental industry knowledge and competencies. Audience: All new employees. Total Hours in 2024: 87,589.75 hours. Development Focus: Assist all new hires in transitioning to their workplace roles and adapting to the environment; cultivate basic work skills and requisite competencies, enabling them to find their role and stage within the Company.
On-the-Job Professional Training	Goal: Strengthen professional knowledge and skills through systematic training to improve work accuracy, efficiency and quality. Audience: Qualified incumbent employees. Total Hours in 2024: 62,416.46 hours. Development Focus: The Company values talent cultivation, offering a series of professional training courses to foster employees' independent thinking and

Training Program	Description
	problem-solving abilities; encourage innovative thinking and process improvements; and promote cross-departmental communication and collaboration through blended learning design.
Managerial Competency Training	Goal: Plan and implement management courses for senior and middle management in FY 2025. Audience: Management team. Development Focus: Enhance communication skills to effectively engage with subordinates; strengthen coaching techniques to motivate and support staff development and performance; improve team dynamics to build cohesion and trust and boost efficiency; adapt management strategies to respond to diverse talent needs; and enhance decision-making and problem-solving skills by developing logical thinking, analytical judgment, and the ability to maintain decision quality under complex situations

4.5.3 Retirement Program and Status quo:

The Company handles the employee retirement program in accordance with relevant laws of competent authority, and the retirement program covers all officially employed staff. According to the requirements of the regulations, the "Labor Standards Act" is applicable to the payment of employee pension fund, and the calculation of the pension is based on the base figure obtained from the service period and the average of monthly salary of six months before the retirement. Regarding the aforementioned number of bases, two bases are given to each full year of service rendered for the service of the first 15 years, and starting from the sixteenth year, one base is given to each full year of service rendered. Under such retirement regulations, the full amount of the pension payment is completely borne by the company.

Since the implementation of the "Labor Pension Act" (hereinafter referred to as the "new system") on July 1, 2005, employees may choose to apply the "Labor Standards Act" or choose to use the new system and reserve the service years before the application of the Act. For employees with the applicability of the original "Labor Standards Act" choose to the use of the new system for the service year or employees on board at work after the implementation of the new system, then their service years are changed to the defined contribution plan, and the payment of the pension is handled by the company through the appropriation of no less than 6% of the monthly wage on a monthly basis for saving into each worker's individual pension account.

4.5.4 Important Agreements between Labor and Employer and Preservation mechanism of welfare and benefits of employees:

The Company is committed to establishing transparent and open communication channels to foster harmonious labour–management relations, allowing employees to voice concerns and provide suggestions. Guided by a principle of autonomous management and full participation, department heads regularly engage in two-way communication with staff through business and production–sales meetings. This year, new employees reported an average satisfaction level of "satisfied" or above. Periodic surveys are also conducted to gauge satisfaction with the employee cafeteria and gymnasium, with the aim of continuously improving the work environment.

Since 2022, to better understand the needs and opinions of Taiwanese staff, the Company has commissioned an external consultant annually to conduct anonymous online satisfaction surveys, achieving an average response rate exceeding 80%. After each survey, results are reported to senior management, and relevant units propose and implement improvement measures. Based on the 2024 survey, employees expressed high regard for compensation, benefits and training and development. To enhance retention, the Company will implement market-competitive compensation policies and enhance employee benefits by incorporating full-attendance bonuses into base salary, granting additional long-service leave to overseas personnel, and introducing volunteer leave. In training, the Company plans to introduce diverse topics with an emphasis on managerial competency development.

The Company also maintains an employee suggestion mailbox and grievance channels, managed by designated personnel who promptly address employee feedback and ensure that employee rights are protected.

4.5.5 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

On April 16, 2024, the Dayuan Plant was fined NT$100,000 for violating Article 6, Paragraph 1 of the Occupational Safety and Health Act. The Taoyuan Labor Inspection Office confirmed that all deficiencies were rectified and completed following an internal audit.

4.5.6 Gender Equality and Diversity:

To uphold gender equality and respect for individual dignity, the Company not only complies with the Gender Equality in Employment Act but also proactively adopts the ethical conduct codes of our brand partners, publishing the relevant standards across all facilities. We emphasize that employees will not face discrimination in recruitment, compensation, benefits, promotion, rewards and punishments, or termination and retirement based on gender, gender identity, race, religion, age, disability, illness, marital status, pregnancy, sexual orientation, nationality, political views, social or ethnic background, or any other factors.

As of 2024, the ratio of Taiwan-hired employees is 73.4% (Taiwanese: 1,249; foreign nationals: 453).

Region	Percentage of Female Employees	Percentage of Female Managers
Taiwan	62.5%	57.9%
Vietnam	87.2%	70.3%
Cambodia	83.1%	77.8%
Indonesia	86.8%	74.4%

To prevent and address sexual harassment, we have established a dedicated grievance channel (help@eclat.com.tw) and formulated and published rules for sexual harassment prevention, grievance and disciplinary measures. An annual online training course on sexual harassment prevention is also conducted.

4.6 Cyber Security Management:

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

- Management structure of information security
  1. Senior information security officer: Manage information security policy promotion, cross-department coordination and resource allocation. Verify information security strategic plan and objective, provide resources, and review important information security management measures.
  2. Digital Development Department: Responsible for planning, executing and promoting information security. Conduct independent and objective

assessment periodically each year to reflect the latest status quo of the Company's information security management policy, regulation, technology and business, so as to ensure the effectiveness and feasibility of information security practical operation.
3. Internal audit office: Responsible for regular or irregular information security checking. Reporting the auditing results to the Audit Committee and then submitting to the Board of Directors.
4. All the staff: Complying with all kinds of information security policies, non-disclosure agreement procedures and operation requirements.
5. It is established according to Article 9-1 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and Secondary Standard of OTC Companies in order to enhance the security of Eclat and its subsidiaries and to achieve a balance between rigorous measures and maintenance of autonomy. To further enhance our commitment, on September 7, 2023, we assigned an Information Security Officer and established a dedicated information security team.
6. Board supervision: The Information Security Officer reports to the Board of Directors of Eclat periodically and proposes annual risk assessments and strategic recommendations for review.

- Policy of Information Security

  To ensure the confidentiality, completeness and accessibility is secured during the process of data processing and circulation. Avoiding company's resources from being interfered, damaged, invaded or any other malicious attempts by inadequate factors. Every internal department should comply with all kinds of information security measures and norms to ensure the firm's operation and development.

- Information security related status evaluation, response and participation

  To strengthen the public company's information security status sharing, to improve the information security event reporting and response abilities, the Company has applied to become a member of the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) in order to obtain information security early warning related information, information security threat and voluntarily information.

- Information security management measures
  1. The Company establishes the "Information Security Management Essentials" to norm the executive requirements of information security.
  2. Examining the information security environment periodically each year based on the "Information Security Auditing Checklist". Conducting risks assessment to implement controlling measures.

3. The Company has “Disaster Recovering Plans” to disclose the reporting procedures, authority units and execution steps when information accident happens.
4. The measures of information security are listed below:

Item	Description	Measures Plan and resources
Physical and environmental security	● Server room environment maintaining and management ● Network disconnection and interruption risk ● Regulate equipment procurement and services contract ● Compliance	● Information server room checklist and server room access registration record ● Environmental control system management ● Server room access control ● Establish backup circuit lines ● IT equipment destroys procedures ● profile offering, searching and deleting
System availability	● System status reporting ● Abnormal status process ● Disaster immediate recovery	● System and internet status surveillance ● Data and offsite backup ● Regular drill
Access control	● Data access control measures ● Connection equipment control ● Remote access control	● Authority set up ● Personnel and special authority account management ● Regulate portable access devices ● Blocking connection of unsecured equipment ● Preserving action trace ● Isolation of network segment ● Remote access double authentication implementation
Internal and External threats	● System weakness detection and reinforcement ● Establish protection measurements ● Improve personnel information security awareness ● Intranet equipment risk management	● Construction of firewall, virus protection, malware detection and blocking ● Enhance personnel information security education and control ● Email filtering mechanism ● Organize mail social engineering and system vulnerability scans periodically

Item	Description	Measures Plan and resources
		● Advanced and continuous threat and attack defense measures ● Corporate network connection equipment risk control platform ● Core system terminal threat detection and protection

- Cyber security risks and responsive measures
  Despite that the Company has implemented detection, protection, prevention, backup equipment and software according to the information security management requirements, network attack techniques continue to evolve and the Company cannot completely assure that the system is secured from all attacks such that system crashes may still occur, leading to improper internal operation, and data effective transmission can be affected. The scope of impact includes the aspects of sales, production, shipping and accounting, such that the operation and business reputation of the Company can be adversely affected. The Company will continue to enhance the information security protection measures and will also timely implement protective devices and systems and request all employees of the Company and cooperating suppliers to comply with the information security principles rigorously, in order to prevent computer virus infection, phishing events that may lead to the disclosure of information or occurrence of network blackmails, thereby reducing the possible impact caused by information security risk to the minimum.

(2) Up to the printing of the annual report, Loss from Major Information Security Incidents, Potential Impact, and Corresponding Response Measures or Major cyber security events: None.

4.7 Important Contracts: None.

V. Review and Analysis of Financial Position, Financial Performance, and Risk Assessment

5.1 Analysis of Financial Position:

Unit: NT$ 1,000

Item \ Year	2023	2024	Variance	
			Amount	Percentage
Current Assets	17,398,018	21,508,022	4,110,004	23.62%
Property, Plant and Equipment	12,287,751	12,993,610	705,859	5.74%
Intangible Assets	25,128	26,838	1,710	6.81%
Other Assets	2,121,838	1,336,650	(785,188)	(37.01)%
Total Assets	**31,832,735**	**35,865,120**	**4,032,385**	**12.67%**
Current Liabilities	6,080,958	6,766,856	685,898	11.28%
Non-current Liabilities	0	0	0	0.00%
Other Liabilities	81,196	176,603	95,407	117.50%
Total Liabilities	**6,162,154**	**6,943,459**	**781,305**	**12.68%**
Share Capital	2,743,671	2,743,671	0	0.00%
Capital Surplus	3,769,547	3,769,803	256	0.01%
Retained Earnings	19,117,834	22,080,917	2,963,083	15.50%
Foreign Currency Translation Adjustments & Others	39,529	327,270	287,741	727.92%
Total Equity	**25,670,581**	**28,921,661**	**3,251,080**	**12.66%**

Major Variance Explanations

For variances exceeding NT$10,000 thousand in amount and 20% in rate:

1. Current Assets increased due to higher operating revenues and net income, leading to increases in cash and cash equivalents, net accounts receivable, and inventories.
2. Other Assets decreased as prepayments for land were reclassified to Property, Plant and Equipment in the current year.
3. Other Liabilities rose primarily from increased deferred tax liabilities.
4. Foreign Currency Translation Adjustments & Others increased due to

exchange differences arising from translation of financial statements of foreign operations.

5.2 Analysis of Financial Performance

Unit: NT$ 1,000

Item \ Year	2023	2024	Variance	Percent Variance
Operating revenue, net	30,790,462	36,828,499	6,038,037	19.61%
Operating cost	21,111,381	25,459,513	4,348,132	20.60%
Gross profit	9,679,081	11,368,986	1,689,905	17.46%
Operating expenses	3,130,231	3,613,561	483,330	15.44%
Operating profit	6,548,850	7,755,425	1,206,575	18.42%
Non-operating income and expenses	126,748	595,503	468,755	369.83%
Profit before tax from continuing operations	6,675,598	8,350,928	1,675,330	25.10%
Income tax expense	1,499,131	1,710,076	210,945	14.07%
Net income	5,176,467	6,640,852	1,464,385	28.29%
Other comprehensive income (net, after tax)	16,388	313,928	297,540	1815.60%
Total comprehensive income	5,192,855	6,954,780	1,761,925	33.93%

Major Variance Explanations

For variances exceeding NT$10,000 thousand in amount and 20% in rate:

1. Net Sales & Cost of Goods Sold increased mainly due to higher order volumes from both Garment and Fabric business units.
2. Non-operating Income and Expenses rose significantly due to foreign exchange gains/(losses) variations between periods.
3. Other Comprehensive Income increased due to currency translation differences from foreign operations.

5.3 Analysis of Cash Flow

5.3.1 Liquidity analysis for the last 2 years

Item \ Year	2023	2024	Percent Variance
Cash Flow Ratio	76.70%	69.76%	(9.05)%
Cash Flow Adequacy Ratio	103.20%	98.13%	(4.91)%
Cash Reinvestment Ratio	0.00%	2.62%	–%

For the percent variance exceeds 20%, the causes are analyzed as follows: None.

5.3.2 Cash liquidity analysis for the next year

Unit: NT$ 1,000

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
3,618,179	4,956,371	6,508,804	2,065,746	—	—

1. Operating Activities: Based on orders received to date and projected operations, net cash from operating activities is expected to remain positive.
2. Investing Activities: Planned capital expenditures in 2025 include NT$ 1,640,000 thousand for expansion of the Indonesia plant and NT$ 204,564 thousand for machinery acquisition, leading to net investing outflows of NT$ 1,844,564 thousand.
3. Financing Activities: Cash dividends of NT$ 4,664,240 thousand are planned, resulting in net financing outflows of the same amount.

   No remedial measures are required given the positive ending balance.

5.4 The Effect upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

5.5 The Company's Reinvestment Policy for the Most Recent Fiscal Year

Unit: NT$ /US$1,000

Description / Item	Investment Amount	Reinvestment policy	Profit or loss Main reasons	Improvement plan	Investment plan for next
Eclat Cayman Islands Holdings (Cayman)	4,111,436 (USD 125,406)	To accelerate global garment production footprint, seek cost-effective manufacturing bases and expand facilities in Vietnam (ECLAT TEXTILE (VN), COLLTEX, E-TOP (VN), TAI-YUAN (VN)) as production hubs for apparel and knitwear, enhancing product competitiveness.	Market demand recovery in 2024 drove order growth, thus delivering profitable operations for the year.	None	None
Grand Elite Holdings Inc. (Grand Elite)	279,328 (USD 8,520)	To vertically integrate production capacity by indirectly investing in ECLAT TEXTILE (CAMBODIA), expanding overseas garment manufacturing footprint.	Despite higher labor costs, stable production efficiency maintained profitability at ECLAT TEXTILE (CAMBODIA).	None	None
PT Eclat Textile International	1,639,250 (USD 50,000)	To diversify production-base concentration risk by investing in an Indonesia garment plant, expanding capacity and	Indonesian plant reached breakeven in 2024, with further profitability expected in	None	1,640,000 (USD 50,000)

Description / Item	Investment Amount	Reinvestment policy	Profit or loss Main reasons	Improvement plan	Investment plan for next
		supply-chain integration to optimize global strategic footprint.	2025.		

5.6 Analysis and Assessment of Risk Factors.

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:

(1) Interest rates:

As of December 31, 2024, the Group’s short-term borrowings totaled NT$1,804,322 thousand. A 1% increase or decrease in interest rates, all else equal, would increase or decrease interest expense by approximately NT$18,043 thousand.

Future countermeasures:

Strengthen product development, business expansion and cost control to boost internal cash generation, thereby reducing borrowing needs and interest expense. The Group will also regularly review and negotiate bank financing rates to secure more favorable terms, mitigating interest-rate risk.

(2) Regarding the exchange rate fluctuation:

The Group’s net foreign-currency exposures at year-end were USD 155,319 thousand, VND 255,466,565 thousand and IDR (75,177,250) thousand. A 1% depreciation or appreciation of the NT dollar against these currencies, all else equal, would change after-tax net income by approximately NT$42,169 thousand.

Future countermeasures:

Actively reduce net foreign-currency positions by timely selling foreign-currency receivables and employing forward contracts and other hedging instruments to cushion exchange-rate volatility..

(3) Regarding the inflation:

To date, inflation's impact on the Group has been negligible. However, given global economic uncertainties, material changes in inflation or deflation could dampen consumer confidence and spending, adversely affecting operations.

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 does not engage in high-risk or highly leveraged investment activities. Fund loans to subsidiaries are solely to meet their working capital needs and are not expected to expose the Group to material financial risk.

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

(1) High Value-Added Textiles Development:

Integrating aesthetics with functionality, focusing on environmental sustainability, the Company is developing high-performance elastic knit fabrics. From raw-material design through production-process innovation and precise dye-chemical formulation—often via cross-industry collaboration—the goal is to meet each seasonal performance target. Environmental friendliness, comfort, safety, health and aesthetics constitute the five R&D pillars,

● Environmental protection

To implement the company's environmental policy of "Reduce our impact on the environment", during the production process, the company uses low-pollution or renewable objects or energies as much as possible in order to achieve continuous improvement through the environmental management system. Each year, through the certifications of Bluesign® and ISO 14001, the company ensures the production factory site properly fulfills the responsibility on the environmental protection. In addition, Eclat Da-Yuan dye house has participated in the 2017 manufacturing industry energy management demonstrative guidance project of the Industrial Development Bureau, MOEA, in order to construct the ISO 50001 energy management system. In addition, the Company also successfully reduces the energy use through change of corporate energy strategy. The goal of 10% reduction of energy consumption by 2020 originally established had been achieved in 2016, and the total energy use reduction achieved 27.95%. In 2019, the Company continued to implement the plans of replacement of light fixtures and equipment update etc. in order to management the use of energy. In 2020, equipment for the wastewater treatment, the fixed smoke and waste gas treatment and the pad printing activated carbon filtering system, etc. were additionally installed in order to reduce the impacts of wastes on the environment.

- Comfort

Based on the main focus of lightweight, warm and comfort, the artificial fiber raw material processing technique is adopted to change the physical structure and to cope with the knitting weave change, in order to increase the moisture absorption rate of fabric, to reduce the moisture content of the fabric, and to increase the insulation continuity. With the combinational application of weave and yarn, fabric can be made to transfer sweat in one direction swiftly and to increase the fabric thickness while maintaining its light weight, thereby increasing the heat convection between the body heat and textile. Accordingly, greater natural elastic characteristics can be provided to cotton-feel material and change the skin-friendliness of functional fabric.

- Health

Further improvement of biomimetic fiber integrates the cotton-feel artificial fiber design and adopts the weaving design of inner and outer separate layers, and the purpose of such design is to provide different skin feeling in order to provide functional needs through weaving for sports activities. The functionality includes the regulation of apparent temperature and high air permeability.

- Appealing

Fashion design elements integrated with sports products will become the mainstream of the garment industry. The appearance demanded by sports brands will also become higher and broader. Design concepts will be obtained from the fashion clothing brands for application to functional clothing products. The double-side and single-side computer jacquard technique is utilized in conjunction with pattern design, yarn type and finishing process, the fabrics can be applied to more casual styles with different function attributes.

- Safety

Application of high visibility reflective material and printing technology. Through cross-sector collaboration and technology exchange, develop reflective textiles with higher visibility, such that products can be equipped with safety as well as the comfort and functionality of functional fabrics at the same time. With the pattern arrangement and layout, diverse variations of patterns can be presented, thereby integrating aesthetics and fashion elements with the safety protection function field of functional clothing.

(2) High performance textiles development project:

a. For the development of high thermal insulation functional fabric, through the collaboration project with Industrial Technology Research Institute (ITRI), photothermal powders are injected into the fiber drawing process. The thermal insulators can absorb far/middle/near infrared and reflect heat. The third generation of photothermal powders is equipped with a faster temperature rising effect to increase the warming sensation with greater long-lasting insulation performance. To satisfy the demand and trend of lightweight products, the Company's development direction will head toward the one-side 3D pattern structure along with the reduction of the use ratio of elastic fibers in order to increase the heat storage space and shape-retaining capability of the structure.

b. Jacquard-like fabric technology development; Products equipped with both fashion and recreation elements are being actively developed by all international major sports brands for the consumer market. The demand for freedom of changes in the appearance of the products is higher and broader. To increase the diversity of patterns and structure dimension on jacquard, front and back sides with different up and down patterns are provided for visual play and unique hand-feel, allowing the brand designer to achieve greater amusement and technique on the design. The material structure includes single side and double side patterns. Various types of thickness are provided for different yarn specifications, such that the fabric is suitable for all seasons.

In 2025, the Company implements the functional fabric and garment development projects and it is expected to invest an amount of NT$ 172 million in the budget for the product development and promotion.

4. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

Impacts	(1) Free Trade Agreements & Tariffs: Regional FTAs (e.g., FTA, AGOA) may alter competitive dynamics and export tax rates. On April 5, 2025, the U.S. imposed a 10% base tariff on imports, followed April 9 by equivalent tariffs on 57 countries at rates from 11%–50%, suspended for 90 days pending negotiations. Our key production bases in Vietnam, Indonesia and Cambodia are affected, potentially disrupting costs and delivery times. As of April 15, negotiations were ongoing. (2) Local Regulatory Changes: Amendments to human-rights, minimum-wage or pollution-control laws at production sites may increase operating costs. (3) Quality-Certification Standards: Changes in foreign import quality-certification requirements for textiles could necessitate upgrades to raw-material processing and manufacturing technologies.
Countermeasures	(1) Regarding the information on the changes in domestic/foreign important policies and laws, the company has established a dedicated unit in charge of timely collect and summarizes responsive solutions in order to provide such solutions to the management level for decision-making. (2) All business units and production sites of the company comply with various regulations of local and external laws.

5. Effect on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

Impacts	(1) In terms of the raw materials, changes in technologies can allow the terminal products to have broader applications. (2) In terms of the manufacturing, changes in technologies can improve textile manufacturing as well as dyeing equipment and technology such that the production capacity and energy saving of the company can be further improved. (3) Garment manufacturing has a high labor reliance percentage. The impact of technology change is mainly on the utilization of information equipment, as well as the management tools and technologies for enhancing the industrial engineering.
Countermeasures	(1) Engage in joint development of customized raw materials and equipment with raw material suppliers and manufacturing process equipment suppliers in order to control the manufacturing know-how. (2) Utilize information technology to continuously improve ERP system and to increase management performance.

6. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

Impacts	Since the establishment of the company, the company has valued integrity as the cornerstone with the commitment in providing services and products of excellent quality to customers in order to create the greatest value for customers, employees and shareholders. Up to the present day, the company has not faced any cooperate operational crisis caused by change of cooperate image. The Company honorably receives the certification of “Sports Enterprise” issued by the Sports Administration, MOE, and one of the Top 300 enterprises in Asia by the Nikkei.

Countermeasures	(1) For any unjust and non-objective reports on the company reported by the media, the company will provide clarification immediately. If it is considered to be significant information, public announcement will be made according to the law immediately. (2) The company values the relationship with its customers, suppliers and investors. For the corporate governance, the company upholds the principle of transparent and open information in order to establish proper image of the company.

7. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken:

Expected benefit	(1) Expand production scale, exploit the benefits of economies of scale. (2) Promptly establish own production capacity, actively seize market business opportunities.
Possible risk	(1) Whether the managing team, system and culture can swiftly accept and adapt to the merger. (2) Whether there is an error in the prior assessment due to insufficient information or experience. (3) Operation performance not reaching the expected level.
Countermeasures	(1) To allow the merger to achieve synergy, before the merger, the reserve management team shall establish the plan for system and culture incorporation in order to reduce the mutual fusion time. (2) Careful selection in subject matter for merger, actively consult professional institutions of accountants and attorneys

	etc. in order to prevent erroneous information or insufficient experience.

8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

Expected benefit	(1) Expand production scale to exploit the benefits of economies of scale. (2) Replacement of obsolete equipment in order to increase production performance.
Possible risk	(1) Whether financial planning is appropriate. (2) Operation performance not reaching the expected level.
Countermeasures	(1) Establish sufficient and proper financial planning in order to prevent impacts on the operating capital. (2) The three aspects of expansion of business, manufacturing of niche products, establishment of own production capacity shall cooperate with each other in order to achieve the operational growth target, strengthen the production technical team of the company and protect the manufacturing process technologies for niche products in order to maintain cooperate competitiveness.

9. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The product sales of the current session of the consolidated company are mainly centralized at the regions of America and Asia. The customers of the product sales are not overly centralized, and the sales amount of one single customer is not accounted for more than 10% of the consolidated revenue total amount of the company as much as possible. In addition, the purchase amount of the largest supplier of raw yarn and garment fabric is not to be more than 10% of the total consolidated purchase amount of the company, as far as possible. During the material incoming, the company evaluates the supply quality, price of suppliers and also considers the market status in order to determine the incoming material suppliers. In view of the above, there are no possible risks for the company caused by overly centralized material incoming or product sales.

10. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

11. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

12. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

13. Other important risks, and mitigation measures being or to be taken: In order to elevate risk management of information security, the Company has “Program of Information Security Operation” based on the “Risk Management Regulation” by adopting PDCA (Plan-Do-Check-Act) measurements. Effectiveness and Feasibility are supervised under the “Information Security Checklist”. For information on risk management countermeasures of cyber security, please refer to “4.6 Cyber Security Management” in IV. Operational Highlights. Up to the printing date of the annual report, no material cyber security events have occurred in the Company.

5.7 Other important matters: None.

VI. Other Items Deserving Special Mention

6.1. Information Related to the Company's Affiliates:

The relevant information has been filed and disclosed on the information reporting website designated by the Financial Supervisory Commission. For details, please refer to the Market Observation Post System (MOPS) via the following path:

MOPS > Individual Company > Electronic Document Download > Disclosure Section for the Three Statements of Affiliated Enterprises

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

6.2. Private Placement Securities in the Most Recent Fiscal Years or During the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

6.3. Other Matters that Require Additional Description: None.

6.4. Any Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities: None.

Eclat Textile Co., Ltd.

Chairman ： Shu-Wen, Wang