

Stock Code: 1470



**Handbook for the 2024 Annual Meeting of Shareholders**

**MEETING TIME: June 25, 2024**

**PLACE: 9 Rong'an Rd., Lu-zhu Dist. Taoyuan City**

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# Translation

This English version is a translation based on the original Chinese version.

Where any discrepancy arises between the two versions, the Chinese version shall prevail.

# **Evertex Fabrinology Limited**

## **Year 2024**

### **Annual Shareholders' Meeting Procedure**

- I. Call the Meeting to Order
- II. Reports
- III. Acknowledgements
- IV. Provisional Motions
- V. Adjournment

# **Evertex Fabrinology Limited**

## **Year 2024**

### **Agenda of Annual Meeting of Shareholders**

**Convening Methods:** Physical shareholders' meeting

**Time:** 9:30 a.m. on Tuesday, June 25, 2024

**Place:** 9 Rong'an Rd., Luzhu Dist. Taoyuan City

### **Chairperson Remarks**

### **Reports**

1. 2023 Business Report
2. Audit Committees' Report on 2023 Financial Statements
3. Lending of capital to others and endorsements and guarantees of the Company in 2023
4. Appropriation of 2023 employees' and directors' compensation
5. Distribution of 2023 profits
6. Amendment to the Rule and Procedure for Board of Directors' Meetings

### **Acknowledgements**

1. Adoption of the 2023 Business Report and Financial Statements

### **Provisional and Motions**

### **Adjournment**

# Reports

## Report No. 1 : 2023 Business Reports

### A. Revenue:

The Company's revenue from dyeing and finishing OEM was NT\$143,426 thousand, accounting for 22% of the Company's total revenue; revenue from fabric sales was NT\$500,407 thousand, accounting for 76% of the Company's total revenue; and revenue from electricity sales was NT\$11,388 thousand, accounting for 2% of the Company's total revenue. The Company's total net operating revenue for 2023 was NT\$655,221 thousand, decreased by NT\$189,931 thousand, or 22.5%, as compared to the same period last year. Operating income for 2023 was NT\$34,444 thousand, an decrease of NT\$33,933 thousand as compared to 2022; net income for 2023 was NT\$49,346 thousand, an increase of NT\$16,503 thousand as compared to 2022; and earnings per share after tax for 2023 was NT\$0.58.

### B. 2023 Budget Implementation Status

The Company did not prepare the 2023 financial budget, so this is not applicable.

### C. Analysis of Receipts and Expenditures

Unit: NT\$ thousand

Item	Year	2023	2022
	Operating income		655,221
Operating cost		525,403	670,834
Operating margin		129,818	174,318
Operating expenses		96,468	105,941
Other income and expense		1,094	0
Net Operating income		34,444	68,377
Non-operating income and expenditure		22,734	(18,376)
Net profit before tax		57,178	50,001
Income tax expense		(7,832)	(17,158)
Net profit after tax for the current period		49,346	32,843
Basic earnings per share (NT\$) (after tax)		0.58	0.38

### D. Profitability Analysis

Item	Year	2023	2022
	Return on assets (%)		4.37
Return on shareholders' equity (%)		5.04	3.32

Percentage of paid-in capital (%)	Operating profit	4.02	7.97
	Net profit before tax	6.67	5.83
Net Margin (%)		7.53	3.89
Earnings per share (NT\$)		0.58	0.38

## E. R&D Status

Our research and development include weaving, dyeing, finishing and coating, etc. In addition to enhancing the quality and scope of application for our dyeing and finishing processes to meet the changing requirements from our customers, we also develop various kinds of high functional fabrics for outdoor sportswear to effectively enhance the wear comfort and to meet the diversification of the textile demands in modern society.

## F. Future Business Plan

### (I) Business policy and production and marketing policy

1. We continue to improve our manufacturing process and quality control equipment to ensure stable quality with hardware upgrades.
2. We will continue to enhance the R&D capabilities and improve the overall operational performance by developing new processes and products.
3. Develop more business opportunities with international brand customers.
4. In addition to upgrading more energy-efficient machines and building standard laboratories, the following improvements have been made to enhance our competitiveness:
  - ① Continue to purchase after-finishing processing equipment to enhance product diversification.
  - ② Continue to replace with eco-friendly equipment to protect the environment.
  - ③ Introduce into textile intelligent inspection system, it can reduce inspection time, labor costs significantly, and shorten the lead time.
  - ④ Continue to develop products with low carbon footprints and strengthen business relationships with new cooperative brands.
5. We continue to plan for the succession of officers in each unit to train outstanding employees and ensure that there is no shortage of talent in the Company.

### (II) Production Plan

1. We continue to establish a work order process and a standardized database for process conditions to ensure consistent product quality with standardized data production.
2. We analyze and track abnormalities by project management to prevent the same abnormality from happening in the future.

3. Increase the turnover ratio in each processing stage to accelerate the supply capacity, shorten the delivery time, and improve the quality of customer service.
4. We discuss with dyeing auxiliaries and equipment suppliers to break through production bottlenecks, improve dyeing reproducibility and reduce deficiencies.

## Evertex Fabrinology Limited

Chairman: Chung-Fa Yeh



President: Anthony Poliang Yeh



In-charge Accountant: Chao-Nan, Hsu





## Report No. 2 : Audit Committees' Report

### **Evertex Fabrinology Limited** Audit Committee Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for distribution of profits. The 2023 Financial Statements (including Consolidated Financial Statements) of the Company have been audited and certified by independent auditors, Keng - Shi Chang and Chung - Chen Chen, of the Deloitte & Touche firm. The Business Report, Financial Statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committees of Evertex Fabrinology Limited. According to Article 219 of the Company Law, we hereby submit this report.

### **Evertex Fabrinology Limited**

Convener of Audit of Committee

Fu-Nan Chou



March 8, 2024

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Evertex Fabrinology Limited

### Opinion

We have audited the accompanying consolidated financial statements of Evertex Fabrinology Limited (the "Group") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

### Basis of Audit Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is described as follows:

### Authenticity of customers' sales income under specific credit conditions

As the Group are public company, the management is expected to be under pressure to accomplish the projected financial objective, of which operating revenue is one of the important indicators for judging profitability and operating performance, and revenue recognition is more likely to have higher risks. The Group's revenue from sales to specific customers was NT\$269,579 thousand in 2023, accounting for 41% of the Group's total revenue, and has a material effect on the financial statements. Therefore, we determined that the main risk is the validity of the sales revenue from specific customers and therefore, included it as a key audit matter.

For the accounting policy on revenue recognition, please refer to Note 4 of the parent company only financial statements. The key audit procedures that we have performed in respect of the key audit matters described above are as follows:

We identify and evaluate the effectiveness of the internal control procedures over sales transactions with respect to the sales revenue from specific customers by understanding the internal control procedures related to sales transactions and by designing internal control procedures that address those risks. We selected samples from the sales records of specific customers to review external shipping documents or customer receipt documents and to confirm the collection of payments, verify that the transaction actually occurred and whether there is no major abnormality in the payment situation.

### **Other Matter**

We have also audited the parent company standalone financial statements of Evertex Fabrinology Limited as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The governance unit of Evertex Fabrinology Limited (including the audit committee) is responsible for supervising the financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

When checking in accordance with audit standards, the accountant shall use professional judgment and maintain professional doubts. The accountant also performs the following work:

1. Identify and evaluate the risk of material misrepresentation resulting from fraud or error in the entity's financial statements; design and implement appropriate measures to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for audit opinions. Because fraud may involve collusion, forgery, deliberate omission, misrepresentation or internal control, the risk of material misrepresentation due to fraud is higher than that caused by error.
2. Acquire the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures in the circumstances, but not for the purpose of expressing the opinion on the effectiveness of internal controls of Evertex Fabrinology Limited.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

The items that the accountant communicates with the governance unit include the scope and timing of the planned audit, as well as major audit findings (including significant deficiencies in internal controls identified in the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant belongs to the independence standard have complied with the professional ethics of accountants of the Republic of China, and communicate with the governance unit all relationships and other items (including relevant protective measures) that may be considered to affect the independence of accountants.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Keng-Shi Chang and Chung-Chen Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 8, 2024

Evertex Fabrinology Limited Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code	Assets(The attached notes form part of the entity's financial statement)	December 31,2023		December 31,2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents (Note 4 and 6)	\$ 202,034	18	\$ 193,619	17
1110	Current financial assets at fair value through profit or loss (Note 4 and7)	57,165	5	80,413	7
1120	Current financial assets at fair value through other comprehensive income(Note 4、8)	10,286	1	9,759	1
1136	Current financial assets at amortization cost (Note 4、9、30)	176,329	15	127,172	11
1150	Notes receivable (Note 4, 10 and 23)	2,349	-	15,406	1
1170	Accounts receivable (Note 4, 10 and 23)	52,080	5	53,396	5
1200	Other receivables(Note 4 and 10)	1,220	-	77	-
130X	Current inventories(Note 4 and 11)	140,608	12	193,998	17
1479	Other current assets(Note 12 and 29)	<u>13,503</u>	<u>1</u>	<u>28,395</u>	<u>2</u>
11XX	Total current assets	<u>655,574</u>	<u>57</u>	<u>702,235</u>	<u>61</u>
Non-current Assets					
1517	Non-current financial assets at fair value through other comprehensive income (Note 4、8)	4,592	-	3,405	1
1540	Current financial assets at amortization cost (Note 4、9、30)	45,226	4	-	-
1600	Property, plant and equipment (Note 4、14、29 and 30)	406,012	36	400,331	35
1755	Right-of-use Assets (Note 4 and 15、29)	10,390	1	3,513	1
1780	Intangible assets(Note 4and 16)	109	-	204	-
1840	Deferred tax assets (Note 4 and 24)	2,573	-	2,083	-
1915	Prepaid equipment	4,695	1	24,365	2
1920	Guarantee deposits paid(Note 4)	2,661	-	2,231	-
1975	Net defined benefit asset (Note 4 and 21)	3,368	-	3,294	-
1990	Other non-current Assets (Note 12)	<u>10,225</u>	<u>1</u>	<u>3,172</u>	-
15XX	Total non-current Assets	<u>489,851</u>	<u>43</u>	<u>442,598</u>	<u>39</u>
1XXX	Total assets	<u>\$ 1,145,125</u>	<u>100</u>	<u>\$ 1,144,833</u>	<u>100</u>
Code	Liabilities and Equity				
Current Liabilities					
2100	Short-term borrowings (Notes 17)	\$ 35,000	3	\$ 35,000	3
2130	Current contract liabilities (Note 4 and 23)	8,497	1	8,673	1
2150	Notes payable (Note 18)	8,133	1	14,574	1
2160	Note payables to related parties(Note 18 and 29)	1,212	-	-	-
2170	Account payable(Note 18)	19,616	2	22,935	2
2180	Account payables to related parties(Note 18 and 29)	593	-	-	-
2219	Other payables(Note 19)	63,122	5	66,013	6
2230	Income tax payable(Note 4 and 24)	7,999	1	16,009	2
2280	Current lease liabilities (Note 4、15 and 29)	3,992	-	2,160	-
2399	Other current liabilities(Note 4 and 20)	<u>777</u>	<u>-</u>	<u>794</u>	<u>-</u>
21XX	Total current liabilities	<u>148,941</u>	<u>13</u>	<u>166,158</u>	<u>15</u>
Non-current Liabilities					
2570	Deferred tax liabilities (Note 4 and 24)	4,705	-	4,309	-
2580	Non-current lease liabilities (Note 4、15 and 29)	<u>6,459</u>	<u>1</u>	<u>1,382</u>	-
25XX	Total Non-current Liabilities	<u>11,164</u>	<u>1</u>	<u>5,691</u>	<u>-</u>
2XXX	Total Liabilities	<u>160,105</u>	<u>14</u>	<u>171,849</u>	<u>15</u>
Equity attributable to owners of the company					
3110	Capital stock	<u>857,670</u>	<u>75</u>	<u>857,670</u>	<u>75</u>
3200	Capital surplus	<u>7,317</u>	<u>-</u>	<u>7,317</u>	<u>-</u>
Retained earnings					
3310	Appropriated as legal capital reserve	59,225	5	55,712	5
3320	Appropriated as special capital reserve	3,364	1	3,485	-
3350	Unappropriated earnings	<u>59,394</u>	<u>5</u>	<u>52,164</u>	<u>5</u>
3300	Total Retained earnings	<u>121,983</u>	<u>11</u>	<u>111,361</u>	<u>10</u>
3400	Other equity	(1,650)	-	(3,364)	-
3XXX	Total equity	<u>985,320</u>	<u>86</u>	<u>972,984</u>	<u>85</u>
Total Liabilities and equity		<u>\$ 1,145,425</u>	<u>100</u>	<u>\$ 1,144,833</u>	<u>100</u>

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

Code		2023		2022	
		Amount	%	Amount	%
	Net Revenue ( Note 4 and 23 )				
4100	Sales Revenue	\$ 511,795	78	\$ 602,772	71
4600	Service Revenue	<u>143,426</u>	<u>22</u>	<u>242,380</u>	<u>29</u>
4000	Total Net Revenue	<u>655,221</u>	<u>100</u>	<u>845,152</u>	<u>100</u>
	Cost ( Note 11 、 23 and 29 )				
5110	Cost of sales	311,661	47	427,161	50
5600	Cost of services	<u>213,742</u>	<u>33</u>	<u>243,673</u>	<u>29</u>
5000	Total Cost	<u>525,403</u>	<u>80</u>	<u>670,834</u>	<u>79</u>
5900	Gross profit from operations	<u>129,818</u>	<u>20</u>	<u>174,318</u>	<u>21</u>
	Operating Expenses (Note 23)				
6100	Selling Expenses	67,191	10	75,166	9
6200	Administrative expenses	29,424	5	30,764	4
6450	Expected credit Gain (Note 10)	( <u>147</u> )	-	<u>11</u>	-
6000	Total Operating Expenses	<u>96,468</u>	<u>15</u>	<u>105,941</u>	<u>13</u>
6500	Gain on disposal of property, plan and equipment ( Note23 )	<u>1,094</u>	-	-	-
6900	Operating income	<u>34,444</u>	<u>5</u>	<u>68,377</u>	<u>8</u>
	Non-operating income and expenses(Note 4 、 23 and 29)				
7100	Interest income	6,374	1	1,234	-
7190	Other income	4,749	1	8,834	1
7020	Other gains and losses	12,511	2	( 27,887 )	( 3 )
7050	Finance cost	( <u>900</u> )	-	( <u>557</u> )	-
7000	Non-operating income and expenses	<u>22,734</u>	<u>4</u>	( <u>18,376</u> )	( <u>2</u> )

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Code		2023		2022	
		Amount	%	Amount	%
7900	Profit from continuing operations				
	before tax Income before tax	57,178	9	50,001	6
7950	Tax expense (Note 4 and 24)	( 7,832 )	( 1 )	( 17,158 )	( 2 )
8200	Profit from continuing operations	<u>49,346</u>	<u>8</u>	<u>32,843</u>	<u>4</u>
	Other comprehensive income				
	Components of other comprehensive income that will not be classified to profit or loss				
8311	Losses on remeasurements of defined benefit plans (Note 21)	( 161 )	-	2,856	-
8316	Unrealized Gains from investments in equity instruments measured at fair value through other comprehensive income(Note 22)	1,714	-	121	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(Note 4 and 24)	<u>32</u>	<u>-</u>	( <u>571</u> )	<u>-</u>
8300	Components of other comprehensive income that will not be reclassified to profit or loss	<u>1,585</u>	<u>-</u>	<u>2,406</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 50,931</u>	<u>8</u>	<u>\$ 35,249</u>	<u>4</u>
	Net Profit (Loss) Attributable to:				
8610	Owners of the Company	\$ 49,346	8	\$ 32,843	7
8620	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 49,346</u>	<u>8</u>	<u>\$ 32,843</u>	<u>7</u>
	Total Comprehensive Income (Loss):				
8710	Owners of the Company	\$ 50,931	8	\$ 35,249	4
8720	Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 50,931</u>	<u>8</u>	<u>\$ 35,249</u>	<u>4</u>
	Earnings per share(Note 25)				
9710	Basic	<u>\$ 0.58</u>		<u>\$ 0.38</u>	
9810	Diluted	<u>\$ 0.57</u>		<u>\$ 0.38</u>	

The accompanying notes are an integral part of the consolidated financial statements.  
Chairman:Chung-Fa Yeh President:Anthony Poliang Yeh In-charge Accountant:Chao-Nan, Hsu



Evertex Fabrinology Limited Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

Code		Retained earnings				Other equity		Total equity
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
A1	Balance on January 1, 2022	857,670	6,918	49,178	13,975	81,694	( 3,485 )	1,005,950
	Appropriation of the 2021 earnings ( Note 22 )							
B1	Legal reserve appropriated	-	-	6,534	-	( 6,534 )	-	-
B17	Reversal of special reserve	-	-	-	( 10,490 )	10,490	-	-
B5	Cash dividends of ordinary share	-	-	-	-	( 68,614 )	-	( 68,614 )
D1	Net income of 2022	-	-	-	-	32,843	-	32,843
D3	Other Comperhensive income after tax of 2022	-	-	-	-	2,285	121	2,406
D5	Total Comperhensive income of 2022	-	-	-	-	35,128	121	35,249
T1	Others (Note 22)	-	399	-	-	-	-	399
Z1	Balance on December 31, 2022	857,670	7,317	55,712	3,485	52,164	( 3,364 )	972,984
	Appropriation of the 2022 earnings ( Note 22 )							
B1	Legal reserve appropriated	-	-	3,513	-	( 3,513 )	-	-
B17	Reversal of special reserve	-	-	-	( 121 )	121	-	-
B5	Cash dividends of ordinary share	-	-	-	-	( 38,595 )	-	( 38,595 )
D1	Net Income of 2023	-	-	-	-	49,346	-	49,346
D3	Other Comperhensive income after Tax of 2023	-	-	-	-	( 129 )	1,714	1,585
D5	Total Comperhensive income of 2023	-	-	-	-	49,217	1,714	50,931
Z1	Balance on December 31, 2023	<u>\$ 857,670</u>	<u>\$ 7,317</u>	<u>\$ 59,225</u>	<u>\$ 3,485</u>	<u>\$ 59,394</u>	<u>( \$ 1,650 )</u>	<u>\$ 985,320</u>

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from (used in) operating activities, indirect method		
A10000	Net Profit before Tax	\$ 57,178	\$ 50,001
A20010	Income Expense Item		
A20100	Depreciation Expense	50,258	52,541
A20200	Amortization expense	95	139
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	( 147 )	11
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 13,727 )	41,112
A20900	Finance costs	900	557
A21200	Interest income	( 6,374 )	( 1,234 )
A21300	Dividend income	( 3,027 )	( 6,973 )
A22500	Loss (gain) on disposal of property, plan and equipment	( 1,094 )	-
A23700	Impairment losses (gain) on non-financial assets	( 2,028 )	804
A24100	Unrealized foreign exchange loss (gain)	4,350	483
A30000	Changes in operating assets and liabilities	-	( 8 )
A31130	Decrease (increase) in note receivable	13,057	25,878
A31150	Decrease (increase) in accounts receivable	1,005	33,925
A31180	Decrease (increase) in other receivable	( 3 )	179
A31200	Decrease (increase) in inventories	55,418	64,262
A31240	Decrease (increase) in other current assets	14,928	25,069
A31250	Decrease (increase) in Net defined benefit asset	( 235 )	( 438 )
A32125	Increase (decrease) in contract liabilities	( 176 )	1,862
A32130	Increase (decrease) in notes payable	( 6,441 )	( 51,534 )
A32140	Increase (decrease) in notes payable from related parties	1,212	( 1,002 )
A32150	Increase (decrease) in accounts payable	( 3,329 )	( 18,905 )

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Code		2023	2022
A32160	Increase (decrease) in accounts payable from related parties	593	( 1,145)
A32180	Increase (decrease) in other payable	( 1,396)	( 10,889)
A32230	Increase (decrease) in other current liabilities	( 15)	( 8)
A32240	Increase (decrease) in net defined benefit liability	<u>-</u>	( <u>596</u> )
A33000	Total changes in operating assets and liabilities	161,002	204,091
A33100	Interest received	526	220
A33300	Interest paid	( 880)	( 552)
A33500	Income taxes refund (paid)	( <u>15,904</u> )	( <u>14,580</u> )
AAAA	Net cash flows from (used in) operating activities	<u>144,744</u>	<u>189,179</u>
	Cash flows from (used in) investing activities		
B00020	Disposal of financial assets at fair value through other comprehensive income	-	-
B00040	Acquisition of Financial assets measured at amortised cost	( 94,325)	( 36,000)
B00100	Acquisition of financial assets at fair value through profit or loss	-	( 23,809)
B00200	Disposal of financial assets at fair value through profit or loss	36,975	20,519
B02700	Acquisition of property, plant and equipment	( 30,632)	( 15,226)
B02800	Disposal of property, plant and equipment	1,094	-
B03700	Increase in refundable deposits	( 430)	( 427)
B03800	Decrease in Guarantee deposits paid	-	7
B04500	Acquisition of intangible assets	-	( 35)
B06700	Increase in Other non-current Assets	( 7,053)	( 3,172)
B07100	Acquisition of prepaid equipment	( 3,492)	( 11,749)
B07500	Interest received	4,641	967
B07600	Dividends received	<u>3,027</u>	<u>6,973</u>

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Code		2023	2022
BBBB	Net cash flows from (used in) investing activities	( <u>90,195</u> )	( <u>61,952</u> )
	Cash flows from (used in) financing activities		
C04020	Repayment of the principal portion of lease liabilities	( 3,629 )	( 3,954 )
C04500	Cash dividends paid	( 38,595 )	( 68,614 )
C09900	Exercising the right of imputation	<u>-</u>	<u>399</u>
CCCC	Net cash flows from (used in) financing activities	( <u>42,224</u> )	( <u>72,169</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>3,910</u> )	( <u>422</u> )
EEEE	Net increase (decrease) in cash and cash equivalents	8,415	54,636
E00100	Cash and cash equivalents at beginning of period	<u>193,619</u>	<u>138,983</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 202,034</u>	<u>\$ 193,619</u>

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

## INDEPENDENT AUDITORS' REPORT

Evertex Fabrinology Limited:

### **Opinion**

The entity's balance sheets of Evertex Fabrinology Limited of December 31, 2023 and 2022, and the entity consolidated income statement, statement of changes in entity equity, statement of entity cash flows and notes to entity's financial statements (including the summary of major accounting policies) from January 1 to December 31, 2023 and 2022, have been checked by the accountant.

In the opinion of the accountant, the above entity's financial statements have been prepared in all major respects in accordance with the financial report compilation standards for securities issuers, which are sufficient to express the entity's financial position of Evertex Fabrinology Limited on December 31, 2023 and 2022, and entity's financial performance and entity's cash flows from January 1 to December 31, 2023 and 2022.

### **Basis of Audit Opinion**

The accountant had carried out the inspection in accordance with the rules for checking the financial statements and the auditing standards. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility for the accountant's examination of the entity's financial statements. In accordance with the professional ethics of accountants, the personnel who are subject to the independence standards of the accounting firm have maintained their independence from Evertex Fabrinology Limited and performed other responsibilities of the standards. The accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

### **The key audit items**

The key audit items means the most important items for the inspection of the entity's financial statements of Evertex Fabrinology Limited in 2023 according to the professional judgment of the accountant. These items have been responded to in the process of examining the entity's financial statements as a whole and forming audit opinions, and the accountant does not comment on these items separately.

The key items for checking the entity's financial statements of Evertex Fabrinology Limited in 2023 are described as follows:

#### Authenticity of customers' sales income under specific credit conditions

As EVERTEX FABRINOLOGY LTD. is a public company, the management is expected to be under pressure to accomplish the projected financial objective,

of which operating revenue is one of the important indicators for judging profitability and operating performance, and revenue recognition is more likely to have higher risks. The Company's revenue from sales to specific customers was NT\$269,579 thousand in 2023, accounting for 42% of the Company's total revenue, and has a material effect on the financial statements. Therefore, we determined that the main risk is the validity of the sales revenue from specific customers and therefore, included it as a key audit matter.

For the accounting policy on revenue recognition, please refer to Note 4 of the parent company only financial statements. The key audit procedures that we have performed in respect of the key audit matters described above are as follows:

We identify and evaluate the effectiveness of the internal control procedures over sales transactions with respect to the sales revenue from specific customers by understanding the internal control procedures related to sales transactions and by designing internal control procedures that address those risks. We selected samples from the sales records of specific customers to review external shipping documents or customer receipt documents and to confirm the collection of payments, verify that the transaction actually occurred and whether there is no major abnormality in the payment situation.

### **Responsibilities of Management and Governance Unit to entity's Financial Statements**

The responsibility of management is to prepare properly expressed entity's financial statements in accordance with the financial reporting standards of securities issuers, and to maintain the necessary internal controls relating to the preparation of the entity's financial statements to ensure that the entity's financial statements do not contain material misrepresentations caused by fraud or errors.

In preparing the entity's financial statements, the responsibility of management also includes the assessment of the ability of Evertex Fabrinology Limited to continue to operate, the disclosure of related items, and the adoption of the accounting basis for continued operation, unless the management intends to liquidate the Evertex Fabrinology Limited or cease business, or there is no practical alternative other than liquidation or closure.

The governance unit of Evertex Fabrinology Limited (including the audit committee) is responsible for supervising the financial reporting process.

### **Responsibility of Accountant to Check Entity's Financial Statements**

The purpose of the accountant to check the entity's financial statements is to obtain reasonable assurance as to whether there are material misrepresentations caused by fraud or error in the entity's financial statements as a whole, and to issue an audit report. Reasonable certainty is a high degree

of certainty, but audits carried out in accordance with audit standards do not guarantee that material misrepresentations in the entity's financial statements will be identified. False expression may be caused by fraud or error. It is considered significant if the individual amounts or remittances misrepresented can be reasonably expected to affect the economic decisions made by the users of the entity's financial statements.

When checking in accordance with audit standards, the accountant shall use professional judgment and maintain professional doubts. The accountant also performs the following work:

1. Identify and evaluate the risk of material misrepresentation resulting from fraud or error in the entity's financial statements; design and implement appropriate measures to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for audit opinions. Because fraud may involve collusion, forgery, deliberate omission, misrepresentation or internal control, the risk of material misrepresentation due to fraud is higher than that caused by error.
2. Acquire the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures in the circumstances, but not for the purpose of expressing the opinion on the effectiveness of internal controls of Evertex Fabrinology Limited.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
4. Based on the audit evidence obtained, draw a conclusion as to whether there is significant uncertainty about the appropriateness of the management's adoption of the accounting basis of continuing operations and whether there is significant uncertainty about the events or circumstances that may give rise to significant doubts about the ability of the Evertex Fabrinology Limited to continue to operate. If the accountant considers that there is material uncertainty in such events or circumstances, the accountant shall, in the audit report, remind users of the entity's financial statements to pay attention to the relevant disclosures of the entity's financial statements, or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the inspection report. However, future events or circumstances may cause the Evertex Fabrinology Limited have no ability to continue to operate.
5. Assess the overall expression, structure and content of the entity's financial statements (including related notes), and whether there are related transactions and events expressed in the entity's financial statements.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent individuals within the Evertex Fabrinology Limited to express the opinion on entity's financial statements. The accountant is

responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming audit opinions of Evertex Fabrinology Limited.

The items that the accountant communicates with the governance unit include the scope and timing of the planned audit, as well as major audit findings (including significant deficiencies in internal controls identified in the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant belongs to the independence standard have complied with the professional ethics of accountants of the Republic of China, and communicate with the governance unit all relationships and other items (including relevant protective measures) that may be considered to affect the independence of accountants.

From the items of communication with the governance unit, the accountant decides on the key items for checking the consolidated financial statements of Evertex Fabrinology Limited In 2023. The accountant describes these items in the audit report, unless the law does not allow public disclosure of specific items, or in rare cases, the accountant decides not to communicate specific items in the audit report, because it can be reasonably expected that the negative impact of this communication is greater than the promotion of the public interest.

The engagement partners on the audits resulting in this independent auditors' report are Keng-Shi Chang and Chung-Chen Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 8, 2024



Evertex Fabrinology Limited  
Balance Sheets  
December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars)

Code	Assets (The attached notes form part of the entity's financial statements)	December 31,2023		December 31,2022	
		Amount	%	Amount	%
<b>Current Assets</b>					
1100	Cash and cash equivalents (Note 4 and 6)	\$ 197,977	18	\$ 183,262	17
1110	Current financial assets at fair value through profit or loss (Note 4 and 7)	57,165	5	80,413	7
1120	Current financial assets at fair value through other comprehensive income(Note 4、8)	10,286	1	9,759	1
1136	Current financial assets at amortization ( Note 4、9、29 )	149,329	13	112,172	10
1150	Notes receivable (Note 4, 10 and 22)	2,349	-	15,406	1
1170	Accounts receivable (Note 4, 10 and 22)	51,539	5	52,919	5
1200	Other receivables(Note 4 and 10)	1,205	-	70	-
130X	Current inventories(Note 4 and 11)	140,608	13	193,998	17
1479	Other current assets(Note 12 and 28)	<u>13,486</u>	<u>1</u>	<u>28,356</u>	<u>3</u>
11XX	Total current assets	<u>623,944</u>	<u>56</u>	<u>676,355</u>	<u>61</u>
<b>Non-current Assets</b>					
1517	Non-current financial assets at fair value through other comprehensive income (Note 4 and 8)	4,592	1	3,405	-
1535	Current financial assets at amortization ( Note 4 and 9 )	45,226	4	-	-
1550	Investments accounted for using equity method (Note 4 and 13)	52,481	5	51,557	5
1600	Property, plant and equipment (Note 4、14 and 29)	345,756	31	335,958	31
1755	Right-of-use Assets (Note 4、15 and 28)	10,390	1	3,513	1
1780	Intangible assets(Note 4 and 16)	109	-	204	-
1840	Deferred tax assets (Note 4 and 23)	2,573	-	2,083	-
1915	Prepaid equipment (Prepayments for business facilities)	4,695	1	24,365	2
1920	Guarantee deposits paid (Note 4)	2,661	-	2,231	-
1975	Net defined benefit asset ( Note 4 and 20 )	3,368	-	3,294	-
1990	Other non-current Assets ( Note 12 )	<u>10,225</u>	<u>1</u>	<u>3,172</u>	<u>-</u>
15XX	Total non-current Assets	<u>482,076</u>	<u>44</u>	<u>429,782</u>	<u>39</u>
1XXX	Total assets	<u>\$ 1,106,020</u>	<u>100</u>	<u>\$ 1,106,137</u>	<u>100</u>
<b>Liabilities and Equity</b>					
<b>Current Liabilities</b>					
2130	Current contract liabilities (Note 4 and 22)	\$ 8,497	1	\$ 8,673	1
2150	Notes payable (Note 17 )	8,133	1	14,574	1
2160	Note payables to related parties(Note 17 and 28)	1,212	-	-	-
2170	Account payable(Note 17)	19,616	2	22,935	2
2180	Account payables to related parties(Note 17 and 28)	593	-	-	-
2219	Other payables(Note 18)	62,405	5	65,328	6
2230	Income tax payable(Note 4 and 23)	7,565	1	15,884	2
2280	Current lease liabilities (Note 4、15 and 28)	3,992	-	2,160	-
2399	Other current liabilities(Note 4 and 19)	<u>777</u>	<u>-</u>	<u>780</u>	<u>-</u>
21XX	Total current liabilities	<u>112,790</u>	<u>10</u>	<u>130,334</u>	<u>12</u>
<b>Non-current Liabilities</b>					
2570	Deferred tax liabilities (Note 4 and 23)	1,451	-	1,437	-
2580	Non-current lease liabilities (Note 4、15 and 28)	<u>6,459</u>	<u>1</u>	<u>1,382</u>	<u>-</u>
25XX	Total Non-current Liabilities	<u>7,910</u>	<u>1</u>	<u>2,819</u>	<u>-</u>
2XXX	Total Liabilities	<u>120,700</u>	<u>11</u>	<u>133,153</u>	<u>12</u>
<b>Equity(Note 21)</b>					
3110	Capital stock	<u>857,670</u>	<u>77</u>	<u>857,670</u>	<u>77</u>
3200	Capital surplus	<u>7,317</u>	<u>1</u>	<u>7,317</u>	<u>1</u>
<b>Retained earnings</b>					
3310	Appropriated as legal capital reserve	59,225	5	55,712	5
3320	Appropriated as special capital reserve	3,364	-	3,485	-
3350	Unappropriated earnings	<u>59,394</u>	<u>6</u>	<u>52,164</u>	<u>5</u>
3300	Total Retained earnings	<u>121,983</u>	<u>11</u>	<u>111,361</u>	<u>10</u>
3400	Other equity	( <u>1,650</u> )	<u>-</u>	( <u>3,364</u> )	<u>-</u>
3XXX	Total equity	<u>985,320</u>	<u>89</u>	<u>972,984</u>	<u>88</u>
Total Liabilities and equity		<u>\$ 1,106,020</u>	<u>100</u>	<u>\$ 1,106,137</u>	<u>100</u>

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited  
Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

Code		2023		2022	
		Amount	%	Amount	%
	Operating Revenue ( Note 4 and 22 )				
4100	Sales Revenue	\$ 500,407	78	\$ 592,238	71
4600	Service Revenue	<u>143,426</u>	<u>22</u>	<u>242,380</u>	<u>29</u>
4000	Total Operating Revenue	<u>643,833</u>	<u>100</u>	<u>834,618</u>	<u>100</u>
	Operating Cost ( Note 11 、 22 and 28 )				
5110	Cost of sales	306,848	48	422,442	51
5600	Cost of services	<u>213,742</u>	<u>33</u>	<u>243,673</u>	<u>29</u>
5000	Total Operating Cost	<u>520,590</u>	<u>81</u>	<u>666,115</u>	<u>80</u>
5900	Gross profit from perations	<u>123,243</u>	<u>19</u>	<u>168,503</u>	<u>20</u>
	Operating Expenses (Note 10 and 22)				
6100	Selling Expenses	67,191	10	75,166	9
6200	Administrative expenses	28,568	5	29,933	3
6450	Expected Credit Losses	( <u>147</u> )	<u>-</u>	<u>11</u>	<u>-</u>
6000	Total Operating Expenses	<u>95,612</u>	<u>15</u>	<u>105,110</u>	<u>12</u>
6500	Gain on disposal of property, plan and equipment ( Note22 )	<u>1,094</u>	<u>1</u>	<u>-</u>	<u>-</u>
6900	Operating income	<u>28,725</u>	<u>5</u>	<u>63,393</u>	<u>8</u>
	Non-operating income and expenses(Note 4 、 22 and 28)				
7100	Interest income	6,056	1	1,114	-
7190	Other income	4,739	1	8,834	1
7020	Other gains and losses	12,511	2	( 27,887 )	( 3 )
7070	Share of Profit and Loss of Subsidiaries Using Equity Method	4,223	-	3,665	-
7050	Finance cost	( <u>135</u> )	<u>-</u>	( <u>59</u> )	<u>-</u>

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<u>Code</u>		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
7000	Non-operating income and expenses	<u>( 27,394 )</u>	<u>( 4 )</u>	<u>( 14,333 )</u>	<u>( 2 )</u>
7900	Profit from continuing operations before tax				
	Income before tax	56,119	9	49,060	6
7950	Tax expense (Note 4 and 23)	<u>( 6,773 )</u>	<u>( 1 )</u>	<u>( 16,217 )</u>	<u>( 2 )</u>
8200	Profit from continuing operations	<u>49,346</u>	<u>8</u>	<u>32,843</u>	<u>4</u>
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans (Note 20)	<u>( 161 )</u>	<u>-</u>	<u>2,856</u>	<u>-</u>
8316	Unrealized Gains from investments in equity instruments measured at fair value through other comprehensive income(Note 21)	<u>1,714</u>	<u>-</u>	<u>121</u>	<u>-</u>
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(Note 23)	<u>32</u>	<u>-</u>	<u>( 571 )</u>	<u>-</u>
8300	Components of other comprehensive income that will not be reclassified to profit or loss	<u>1,585</u>	<u>1</u>	<u>2,406</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 50,931</u>	<u>4</u>	<u>\$ 35,249</u>	<u>4</u>
	Basic earnings per share(Note 24)				
9710	Basic earnings per share	<u>\$ 0.58</u>		<u>\$ 0.38</u>	
9810	Diluted earnings per share	<u>\$ 0.57</u>		<u>\$ 0.38</u>	

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited  
Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars)

Code		Retained Earnings				Unappropriated	Other equity	Total equity
		Ordinary share	Capital surplus	Legal reserve	Special reserve	retained earnings (accumulated deficit)	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
A1	Balance on January 1, 2022	857,670	6,918	49,178	13,975	81,694	( 3,485 )	1,005,950
	Appropriation of the 2021 earnings ( Note 21 )							
B1	Legal reserve appropriated	-	-	6,534	-	( 6,534 )	-	-
B17	Reversal of special reserve	-	-	-	( 10,490 )	10,490	-	-
B5	Cash dividends of ordinary share	-	-	-	-	( 68,614 )	-	( 68,614 )
D1	Net Losses of 2022	-	-	-	-	32,843	-	32,843
D3	Other comprehensive income of 2022	-	-	-	-	2,285	121	2,406
D5	Total comprehensive income of 2022	-	-	-	-	35,128	121	35,249
T1	Others (Note 21)	-	399	-	-	-	-	-
Z1	Balance on December 31, 2022	857,670	7,317	55,712	3,485	52,164	( 3,364 )	972,984
	Appropriation of the 2022 earnings ( Note 21 )							
B1	Legal reserve appropriated	-	-	3,513	-	( 3,513 )	-	-
B17	Reversal of special reserve	-	-	-	( 121 )	121	-	-
B5	Cash dividends of ordinary share	-	-	-	-	( 38,595 )	-	( 38,595 )
D1	Net Income of 2023	-	-	-	-	49,346	-	49,346
D3	Other comprehensive income of 2023	-	-	-	-	( 129 )	1,714	1,585
D5	Total comprehensive income of 2023	-	-	-	-	49,127	1,714	50,931
Z1	Balance on December 31, 2023	<u>\$ 857,670</u>	<u>\$ 7,317</u>	<u>\$ 55,712</u>	<u>\$ 3,485</u>	<u>\$ 52,164</u>	<u>( \$ 3,364 )</u>	<u>\$ 985,320</u>

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

Evertex Fabrinology Limited  
Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(In Thousands of New Taiwan Dollars)

Code		2023	2022
	Cash flows from (used in) operating activities, indirect method		
A10000	Profit before Tax	\$ 56,119	\$ 49,060
A20010	Income Expense Item		
A20100	Depreciation Expense	46,036	48,310
A20200	Amortization expense	95	139
A20300	Expected credit losses (gain) / Provision (reversal of provision) for bad debt expense	( 147)	11
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	( 13,727)	41,112
A20900	Finance costs	135	59
A21200	Interest income	( 6,056)	( 1,114)
A21300	Dividend income	( 3,027)	( 6,973)
A22400	Share of (profit) and loss of subsidiary accounted for under the equity method	( 4,223)	( 3,665)
A22500	Loss (gain) on disposal of property, plan and equipment	( 1,094)	-
A23800	Loss (gain) on Impairment loss on non-financial assets	( 2,028)	804
A24100	Unrealized foreign exchange loss (gain)	4,351	484
A29900	Lease modification benefit	-	( 8)
A30000	Changes in operating assets and liabilities		
A31130	Decrease (increase) in note receivable	13,057	25,878
A31150	Decrease (increase) in accounts receivable	1,069	33,765
A31180	Decrease (increase) in other receivable	( 3)	179
A31200	Decrease (increase) in inventories	55,418	64,262
A31240	Decrease (increase) in other current assets	14,906	25,074
A31250	Decrease (increase) in net defined benefit assets	( 235)	( 438)
A32125	Increase (decrease) in contract liabilities	( 176)	1,862
A32130	Increase (decrease) in notes payable	( 6,441)	( 51,534)
A32140	Increase (decrease) in notes payable from related parties	1,212	( 1,002)
A32150	Increase (decrease) in accounts payable	( 3,329)	( 18,905)

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Code		2023	2022
A32160	Increase (decrease) in accounts payable from related parties	593	( 1,145 )
A32180	Increase (decrease) in other payable	( 1,408 )	( 10,699 )
A32230	Increase (decrease) in other current liabilities	( 3 )	( 22 )
A32240	Increase (decrease) in net defined benefit liability	<u>-</u>	( <u>596</u> )
A33000	Cash inflow (outflow) generated from operations	151,094	194,898
A33100	Interest received	485	207
A33300	Interest paid	( 135 )	( 59 )
A33500	Income taxes refund (paid)	( <u>15,536</u> )	( <u>13,790</u> )
AAAA	Net cash flows from (used in) operating activities	<u>135,908</u>	<u>181,256</u>
Cash flows from (used in) investing activities			
B00020	Disposal of financial assets at fair value through other comprehensive income	-	-
B00030	Refund of capital reduction of financial assets at fair value through other comprehensive income	( 82,325 )	( 30,000 )
B00100	Acquisition of financial assets at fair value through profit or loss	-	( 23,809 )
B00200	Disposal of financial assets at fair value through profit or loss	36,975	20,519
B02700	Acquisition of property, plant and equipment	( 30,527 )	( 15,226 )
B02800	Disposal of property, plant and equipment	1,094	-
B03700	Increase in refundable deposits	( 430 )	( 427 )
B03800	Decrease in Guarantee deposits paid	-	7
B04500	Acquisition of intangible assets	-	( 35 )
B06700	Increase in Other non-current Assets	( 7,053 )	( 3,172 )
B07100	Increase in prepayments for business facilities	( 3,492 )	( 11,749 )
B07500	Interest received	4,373	862
	Dividends received	3,027	6,973
B07600	Dividends received from subsidiary company	<u>3,299</u>	<u>4,500</u>

( Continued on next page )

(Continue from last page)

Code		2023	2022
BBBB	Net cash flows from (used in) investing activities	( <u>75,059</u> )	( <u>51,557</u> )
	Cash flows from (used in) financing activities		
C04020	Repayment of the principal portion of lease liabilities	( 3,629 )	( 3,954 )
C04500	Cash dividends paid	( 38,595 )	( 68,614 )
C09900	Exercising the right of imputation	<u>-</u>	<u>399</u>
CCCC	Net cash flows from (used in) financing activities	( <u>42,224</u> )	( <u>72,169</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	( <u>3,910</u> )	( <u>420</u> )
EEEE	Net increase (decrease) in cash and cash equivalents	14,715	57,110
E00100	Cash and cash equivalents at beginning of period	<u>183,262</u>	<u>126,152</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 197,977</u>	<u>\$ 183,262</u>

The attached notes form part of the entity's financial statements.

Chairman: CHUAN-FA YEH

President: ANTHONY POLIANG YEH

In-charge Accountant: Chao-Nan, Hsu

**Report No. 3 :** Lending of capital to others and endorsements and guarantees of the Company in 2023.

**Explanation:**

The board decided to endorse for subsidiary "Tong Fa Green Energy Co., Ltd." for NT\$50,000,000 in 2018. The balance is still the same by end of 2023. There is not any lending of capital issue, endorsements or guarantee in 2023.

**Report No. 4 :** Appropriation of 2023 employees' and directors' compensation.

**Explanation:**

- (1) The appropriation of 2023 employee' and directors' compensation had been approved by the Board of Directors.
- (2) The net income before tax and appropriation of employees' and directors' compensation of 2023 of the company is NT\$59,703 thousand. According to the resolution of the Boards of Directors, both the appropriated amounts of the employee' and directors' compensation for 2023 amounted to NT\$1,791 thousand and is in accordance with the Articles of the Company.

**Report No. 5**

Distribution of 2023 profits

**Explanation:**

On June 27, 2019, the shareholders' meeting resolved to amend the Company's articles of incorporation to authorize the board of directors to determine the distribution of earnings in cash at the end of each half-year. The Board of Directors approved the distribution of cash dividends of NT\$0.58 per share for the second half of 2023, totaling NT\$49,745 thousand, the remaining NT\$6,440 thousand was not distributed.

**Evertex Fabrinology Limited**  
**PROFIT DISTRIBUTION TABLE**  
**Year 2023**

Unit: NT\$ thousand

Items	Total
Beginning retained earnings	10,176
Add: net profit after tax	49,346
Less: Pension gain	129
Add: Gain on sale of marketable securities measured in other comprehensive income	0
Less: 10% legal reserve	4,922
Add: Special reserve	1,714



Items	Total
Distributable net profit	56,185
Distributable item:	
Dividend to shareholders—1ed half year	0
– 2st half year	(49,745)
Unappropriated retained earnings	6,440

## Report No. 6

Amendment to the Rule and Procedure for Board of Directors' Meetings.

### Explanation:

In response to the competent authority's supplementary content to the "Provisions on Procedures for Board Meetings of Publicly Offering Companies", the company revise some articles. Please refer to the page 31 (Attachment 1) of this Handbook.

## Acknowledgements

### Proposal 1: (Proposed by the Board of Directors)

Adoption of the 2023 Business Report and Financial Statements

### Explanation:

- (1) 2023 Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Keng - Shi Chang and Chung - Chen Chen of Deloitte & Touch. Also Business Report and Financial Statements, Profit Distribution Table have been approved by the Board and examined by the Audit Committees of Evertex Fabrinology Limited.
- (2) Impairment of assets: There is no impairment of assets of the company in 2023.

### Resolution:

## Provisional Motions

## Adjournment

# ATTACHMENT 1 : Table of Amendments to the Rules of Procedure for Board of Directors Meetings

Article	Current Provision	Revised Provision	Description
Article 11	<p>Upon the designated meeting time, if the Directors present do not constitute a majority of the Directors ,the chairperson may announce postponing the meeting. The postponement shall be limited to two times. If quorum is still not present after a second postponement, the chairperson shall re-convene the meeting according to the procedures set out in article 3, item 4 herein.</p> <p>(The following is omitted)</p>	<p>Upon the designated meeting time, if the Directors present do not constitute a majority of the Directors , the chairperson may announce postponing the meeting. The postponement shall be limited to two times <u>for that day</u>. If quorum is still not present after a second postponement, the chairperson shall re-convene the meeting according to the procedures set out in article 3, item 4 herein.</p> <p>(The following is omitted)</p>	<p>In order to avoid disputes caused by the undetermined extended meeting time of the board of directors, if the number of attendees is insufficient, the chairman may announce that the postponement of the meeting will be limited to that day.</p>
Article 12	<p>(Item 1 &amp; 2 are omitted) (New Articles)</p>	<p>(Item 1 &amp; 2 are omitted)</p> <p><u>During the board meeting, if the chairman is unable to preside over the meeting due to any reasons or fails to declare an adjournment of the meeting in accordance with item 2, the provisions of item 2 of Article 3 shall apply mutatis mutandis to the selection and appointment of his agent.</u></p>	<p>In order to prevent the chairman of the board of directors from being unable to preside over the meeting or failing to adjourn the meeting as required, affecting the operation of the board of directors, so item third provision was added.</p>
Article 19	<p>Item 1 is omitted</p> <p>The Articles of Rules of Procedure for Board of Directors’ Meetings were formulated on February 9, 2009. (middle is omitted) The 6th amendment was made on December 22, 2022.</p>	<p>Item 1 is omitted</p> <p>The Articles of Rules of Procedure for Board of Directors’ Meetings were formulated on February 9, 2009. (middle is omitted) The 6th amendment was made on December 22, 2022. <u>The 7th amendment was made on March 8, 2024.</u></p>	<p>Add revision date.</p>

# Appendix 1 : Articles of Incorporation

## Articles of Incorporation of Evertex Fabrinology Limited

### Chapter 1 General Provisions

Article 1 : The Company is duly incorporated under the provisions of the Company Act of the Republic of China, and shall be called : Evertex Fabrinology Limited.

Article 2 : The Company's businesses are as follows :

- 1、 C301010 Yarn spinning mills
- 2、 C302010 Knit fabric mills
- 3、 C305010 Printing dyeing and finishing mills
- 4、 C399990 Other textile products
- 5、 C801010 Basic industrial chemical manufacturing
- 6、 C801120 Manmade fiber manufacturing
- 7、 C802120 Industrial catalyst manufacturing
- 8、 C802200 Paints, Varnishes, Lacquers, Dyeing Mills and Dyestuff Manufacturing
- 9、 E801010 Building Maintenance and Upholstery
- 10、 F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products
- 11、 F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
- 12、 F111090 Wholesale of Building Materials
- 13、 F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products
- 14、 F204110 Retail sale of cloths, clothes, shoes, hat, umbrella and apparel, clothing accessories and other textile products
- 15、 F211010 Retail Sale of Building Materials
- 16、 F401010 International trade
- 17、 H701010 Residence and buildings lease construction and development
- 18、 H701020 Industrial factory buildings lease construction and development
- 19、 H701040 Specialized field construction and development
- 20、 H701060 New County and Community Construction and Investment
- 21、 JE01010 Rental and leasing business
- 22、 I503010 Landscape and Interior Designing
- 23、 ZZ99999 It is not allowed to operate the prohibited and limited business except the permitted one.

Article 3 : When the Company becomes a shareholder of limited liability in other companies, the total amount of its investments in such companies shall not exceed 40 percent of its paid-up capital and authorizes the Board of Directors to carry out relevant business.

Article 4 : The Company is located in Taipei City, may establish branches at home and abroad whenever necessary, in accordance with the resolutions of the Board of Directors.

Article 5 : (Delete)

## Chapter 2 Shares

Article 6 : The Company's total capital shall be NTD 1,018,800,000 divided into 101,880,000 shares of NT\$10 each, issued in batches.

Article 7 : The company authorizes the Board of Directors to issue resolutions within the rated capital, depending on actual needs.

Article 8 : The stock issued by the company shall be numbered, specify the following items, should be signed or stamped by the director representing the company, and be issued after being approved by the competent authority or its authorized issuing registration agency in accordance with the law. :

1. The company name.
2. Year, month, and date of establishment registration or change registration of issuance of new shares.
3. For par value shares, the total number of shares and the amount per share; for no par value shares, the total number of shares.
4. The number of shares issued this time.
5. The sponsor's share certificate should be marked with the name of the promoter's share certificate.
6. Special stock should be marked with the words of its special type.
7. Year, month and day of stock issuance.

The name of the shareholder shall be used for stocks, and if the owner is the same person, the same name shall be recorded; if the stock is owned by the government or a legal person, the name of the government or legal person shall be recorded, and no separate account name or only the name of the representative shall be recorded.

Shares issued by the Company are not required to be evidenced by share certificates, provided that they shall be recorded at the Securities Central Depository Enterprises.

The Company can issue special stock.

In the event of the Company merging with another company, matters relating to the merger need not be approved by way of a resolution of the special shareholders meeting.

Article 9 : Matters relating to the Company's shares shall be dealt with according to the provisions of "Regulations Governing Handling of Stock Affairs by Public Companies" and the relevant laws and regulations.

Article 10 : (Delete)

Article 11 : (Delete)

Article 12 : (Delete)

Article 13 : Registration of share transfer shall be closed within 60 days prior to General Shareholders' Meeting, or with 30 days prior to Extraordinary Shareholders' Meeting or within 5 days prior to the record date on which Company distributes the dividends or bonuses.

## Chapter 3 Shareholders' Meeting

Article 14 : There are annual and extraordinary general meetings :

1. The Board of Directors shall convene the annual meeting once a year within six months after the end of each fiscal year.
2. Extraordinary meetings may be convened at any time as needed. Extraordinary meetings shall be convened by the Board of Directors, if necessary, or at the written request of shareholders who continue to hold more than 3% of the total issued shares for more than one year.

Article 15 : Notices of General Shareholders' Meeting shall be in writing and delivered to the shareholders along with a public notice 30 days before the General Shareholders' Meeting and 15 days before the Extraordinary Shareholders' Meeting. The said notices shall specify the date, place and reasons for calling the shareholders' meeting.

When the company convenes a general meeting of shareholders, shareholders may exercise their voting rights in writing or electronically.

Article 15-1 : The Shareholders' Meetings can be held by means of visual communication network or other methods promulgated by the central competent authority. Due to natural disasters, incidents or other force majeure circumstances, the central competent authority may announce that within a certain period of time, the company may hold meetings by means of video conferencing or announcements, without specifying in the articles of association.

When the meeting of shareholders is held, if the meeting is held by video conference, the shareholders who participate in the meeting through video conference are deemed to be present in person.

In the preceding two paragraphs, if the securities regulatory authority provides otherwise for the conditions, operating procedures, and other matters to be complied with by companies offering shares to the public, those provisions shall prevail.

Article 16 : Shareholders may signature or seal by way of power of attorney appoint proxies to attend the said shareholders' meeting. Except for trust enterprises or share registration agencies approved by the securities management authorities, when one shareholder is entrusted by two or more shareholders, the voting right represented by the said shareholder shall not exceed 3% of the voting rights of total shares issued. Where it has so exceeded, the voting right in excess shall not be included.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company no later than 5 days prior to the Shareholders' Meeting date. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to revoke the previous proxy appointment.

After the proxy is delivered to the company, shareholders attend the shareholders' meeting or exercise their voting rights in writing or electronically, the company in written form for the cancellation of the entrustment, 2 days before the shareholders' meeting. In case of overdue revocation, the entrusted agent who attend and exercise the voting rights should be based on.

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- Article 17 : Unless otherwise stipulated by the Company Act and the Articles of Incorporation, shareholders' meeting shall be conducted in accordance with the Company's regulations for the Meeting Rules of Stockholders.
- Article 18 : A shareholder shall be entitled to one vote for each share held, except in the case of the paragraph 3 of Article 157 of the Company Act.  
But the shares are deemed non-voting shares under paragraph 2 of Article 179 of the Company Act. Less than one share will not be counted.
- Article 19 : Except as otherwise provided in the relevant laws, the resolution of the shareholders meeting shall be present on behalf of more than half of the total number of issued shares with the consent of more than half of the voting rights of the shareholders present. However, under the following circumstances, 2/3 of the total number of issued shares shall be present with the consent of more than half of the voting rights of the shareholders present :
1. Purchase or merge other domestic and foreign enterprises.
  2. Dissolve or liquidate or divide.
- Article 20 : Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, specifying the date and place of the meeting, number of shares represented by the shareholders (or proxies) present at the meeting, number of voting rights represented, the name of the chair, resolutions and the manner in which they are passed. The minutes, which shall be affixed with the signature or seal of the chair of the meeting, together with the attendance card and the powers of attorney shall be kept at the Company and shall be distributed to all shareholders within 20 days after the close of the meeting. Said meeting minutes may be produced and distributed through a public announcement or electronically. Method of resolution in the preceding paragraph, when voting on the resolutions of the shareholders' meeting, if all the shareholders present have no objection after consultation by the chairman, it should be recorded in the minutes of the meeting that " It was approved by the chairman after consultation with all shareholders present without objection". If there is any objection, the method of voting by ballot and the number of voting rights and weight ratios should be specified.

#### Chapter 4 Board of Directors

- Article 21 : The Company shall have 7 to 13 directors on the Board with the term of office of 3 years, and they can be re-elected, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Ownership Ratios at Public Companies". Of said number of the Company's directors, the number of independent directors shall not be fewer than two and shall not be less than one-fifth of the total number of directors. Directors (including independent directors) shall be elected through a candidate nomination system. The method and announcement of the acceptance of nominations for director candidates shall be handled in accordance with the Company Act and the Securities and Exchange Act. The

directors and independent directors shall be elected at the same time, but the numbers of elected candidates shall be counted separately.

In accordance with Article 181-2 of the Securities and Exchange Law, the company has set up independent directors since 2017.

The audit committee shall be established in accordance with Article 14(4) of the Securities and Exchange Act, which shall be composed of all independent directors.

The exercise of the functions and powers of the audit committee and its members and related matters shall be handled in accordance with the provisions of the relevant decrees of the Securities and Exchange Law.

Article 22 : The Board of Directors of the Company shall comprise the Directors. A Chairman shall be elected from among the Directors to represent the Company. Where the Chairman has taken leave or is unable to perform his duties for any reasons, his agent shall be handled in accordance with Article 208 of the Company Act.

Article 23 : The Board of Directors shall convene as chairman except for the first session of the Board of Directors in accordance with the provisions of the Company Act. A notice to convene a Board meeting shall be sent to all Directors via postal mail, email or fax. Unless otherwise stipulated by the Company Act, a quorum shall be present at the Board of Directors if it is attended by more than half of the Directors, and a resolution passed if approved by a majority of the Directors in attendance. When a Director is unable to personally attend the meeting of the Board of Directors, should issue proxy, listing the scope of authorization for the reason for the convening, he may entrust another Director to represent him in accordance with law. However, each person is limited to one entrustment, and the resolutions are executed with the consent of more than half of the directors present. When the Board of Directors, the directors who participate in the meeting through video conference are deemed to be present in person. If independent directors are dismissed for any reason (including resignation, dismissal, expiration of term of office, etc.), and the number of independent directors falls short of the required number of seats, it shall be by-election at the most recent in shareholders' meeting. When the vacancy of directors reaches 1/3 or all independent directors are dismissed, the Board of Directors shall convene a by-election of an interim shareholders meeting within 60 days, and its term of office shall be limited to the period of replenishment of the original term of office.

Article 24 : (Delete )

Article 25 : The duties and powers of the Board of Directors are as follows :

1. Approval of business policies and plans.
2. Establish or amend the internal control system, the procedures for handling major financial and business activities of acquiring or disposing of assets, engaging in derivative commodity transactions, lending funds to others, or endorsing or providing guarantees.
3. Annual financial report.
4. Proposal of important articles of association and contract.
5. Establishment and Dissolution of Branches ◦
6. The company's major lending funds to others, or endorsing or providing guarantees.

7. The company's major acquiring or disposing of assets, derivative commodity transactions.
8. Appointment and removal of financial, accounting or internal audit supervisors.
9. Proposal of the company's capital increase and decrease and the company's share repurchase plan.
10. Raising, issuing or private placement of securities with equity nature.
11. Proposal to distribute surplus or make up for loss.
12. Approval of the appointment, dismissal or remuneration of company certified accountants.
13. Involving directors' own interests.
14. Donations to related parties or major donations to non-related parties.
15. Decision on the convening date of the shareholders' meeting or extraordinary meeting.
16. Execute the resolutions of the shareholders' meeting.
17. Other functions and powers conferred by laws and regulations and the shareholders' meeting.

Article 25-1 : In order to improve the company's directors and managers' remuneration system, a remuneration committee is set up according to law.

Article 25-2 : All of the directors do their duties during their terms of office, the Company shall take out liability insurance for Directors with respect to their liabilities resulting to reduce and disperse the risk of damage to all directors, the company and shareholders. Board of directors is authorized to handle all matters related to the liability insurance.

#### Chapter 5 Supervisors (Delete)

Article 26 : (Delete)

Article 27 : (Delete)

Article 28 : (Delete)

#### Chapter 6 Managers

Article 29 : The Company set up one General Manager, adhering to the policy of the Board of Directors resolution, manage all the business of the company, shall be approved by a majority vote at a meeting attended by more than half of the directors.

Article 30 : The Company has appointed several managers, the appointment and dismissal of managers shall be nominated by the General Manager on Board of Directors, all of whom shall be approved by a majority vote at a meeting attended by more than half of the directors.

#### Chapter 7 Accounting

Article 31 : The Company's fiscal year starts from January 1 to December 31 each year.

Article 32 : The Company annual financial statements at the end of each fiscal year, the Board of Directors shall prepare and submit the following documents to the annual general shareholders' meeting for ratification by law.

1. Business report.
2. Financial statements.



3. Statement of surplus distribution and deficit compensation.

Article 33 : The Company may distribute earnings or make up losses after the end of each semi-annual fiscal year. If the distribution of earnings is made in cash, it shall be resolved by the Board of Directors in accordance with Article 228-1 and Article 240 of the Company Act and reported to the shareholders' meeting without being submitted to the shareholders' meeting for ratification; if the distribution of earnings is made by issuing new shares, it shall be handled in accordance with Article 240 of the Company Act.

Before the Company distributes earnings, no less than 3% of the profit is distributed as remuneration to employees and no more than 3% of the profit is distributed as remuneration to directors/supervisors. However, if the Company has accumulated losses (including adjustment of undistributed earnings), profit shall be set aside in advance to make up for losses.

The aforementioned remuneration to employees may be distributed in stock or cash, and may be paid to the employees of subordinate companies who meet certain requirements set by the Board of Directors. The aforementioned remuneration to directors/supervisors may be paid in cash only.

The first two items are attended by more than 2/3 of the Directors, and a resolution passed if approved by a majority of the Directors in attendance, and reported to the shareholders' meeting.

Remuneration paid to employees in the form of stock by the resolution of the Board of Directors referred to in the preceding paragraph, it may be made by issuing new shares or purchasing own shares on the same resolution of the Board of Directors.

Article 33-1 : The Company's dividend policy is based on the current and future investment environment, capital requirements, and capital budget, while considering the shareholders' interest, dividend balance, and the Company's long-term financial planning as the Company is in the business development stage. The Company shall distribute dividends and bonuses to shareholders at a rate of not less than 50% of its annual earnings after deducting income tax, making up for loss, and setting aside legal reserve, and special reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. The balance shall be set aside or reversed as a special reserve in accordance with the law. The annual dividends shall be paid in cash first, but stock dividends may also be distributed, of which no less than 10% of the total dividends shall be paid in cash.

Article 33-2 : When the directors and managers of the company perform their duties, the Company shall pay remuneration to directors and supervisors regardless of the Company's operating profit or loss. Its remuneration is authorized to the Board of Directors according to their individual contributions to the Company and the standards of peer industries. If the company has surplus, it shall distribute remuneration in accordance with Article 33.

#### Chapter 8 Supplementary Provisions

Article 34 : The Company of the organizational regulations and operating rules shall be formulated separately as resolved by the Board of Directors. °

Article 35 : Any matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 36 : The Articles of Incorporation were formulated on November 25, 1986

The 1st amendment was made on December 5, 1986.

The 2nd amendment was made on January 11, 1987.

The 3rd amendment was made on April 13, 1987.

The 4th amendment was made on March 15, 1988.

The 5th amendment was made on May 22, 1990.

The 6th amendment was made on March 22, 1991.

The 7th amendment was made on April 20, 1991.

The 8th amendment was made on April 22, 1992.

The 9th amendment was made on May 7, 1993.

The 10th amendment was made on April 28, 1994.

The 11th amendment was made on April 18, 1995.

The 12th amendment was made on May 30, 1997.

The 13th amendment was made on April 24, 1998.

The 14th amendment was made on April 22, 1999.

The 15th amendment was made on May 16, 2000.

The 16th amendment was made on June 15, 2001.

The 17th amendment was made on June 25, 2002.

The 18th amendment was made on June 23, 2005.

The 19th amendment was made on June 23, 2006.

The 20th amendment was made on June 17, 2010.

The 21th amendment was made on June 21, 2012.

The 22th amendment was made on June 25, 2013.

The 23th amendment was made on June 17, 2015.

The 24th amendment was made on June 29, 2016.

The 25th amendment was made on June 29, 2018.

The 26th amendment was made on June 27, 2019.

The 27th amendment was made on June 30, 2020.

The 28th amendment was made on July 29, 2021.

The 29th amendment was made on June 30, 2022.

## Appendix 2 : Meeting Rules of Stockholders

### Evertex Fabrinology Limited Meeting Rules of Stockholders

- Article 1 : To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, the company's rules are adopted pursuant to the Corporate Governance Best Practice Principles Article 5.  
The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
- Article 2 : Unless otherwise provided by law or regulation, the Company's Shareholders' Meetings shall be convened by the Board of Directors.  
Any change in method of holding the shareholders' meeting shall be approved by the board of directors, and it shall be made no later than before the notice of the shareholders' meeting is dispatched.  
The Company shall prepare electronic versions of a shareholders' meeting notice and proxy forms, and causes of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the MOPS no later than 30 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. The Company shall prepare electronic versions of a shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. In addition, the Company shall also have prepared a shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time no later than 15 days prior to the scheduled Shareholders' Meeting date. The Meeting Agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent engaged by the Company as well as being distributed on-site at the meeting place. The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. °  
The Company shall provide a Shareholder Handbook and meeting supplementary materials mentioned in the preceding paragraph on the day of the shareholders' meeting in the following ways:
1. When a physical shareholders meeting is held, it shall be distributed on the spot of the shareholders meeting.
  2. When a video-assisted shareholders' meeting is held, it shall be distributed on the spot of the shareholders meeting and sent the electronic version to the video-conferencing platform.
  3. When a video conference of shareholders meeting is held, the electronic file shall be sent to the video-conferencing platform.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors, amendments to the Articles of Incorporation, dissolution, merger, division or paragraph 1 of Article 185 the Company ACT, Article 26 (1) and Article 43(6) of the Securities and Exchange Law, Article 56(1) and Article 60(2) of the Guidelines for the Offering and Issuance of Marketable Securities by the issuer shall be listed in the cause of summoning and shall not be raised by temporary motion.
- Shareholders who hold more than 1% of the total number of issued shares may submit a motion of the shareholders'. Shareholders who hold more than 1% of the total number of issued shares may submit a motion of the shareholders'. However, it is limited to one item, and if there is more than one proposal, it will not be included in the bill. In addition, when the circumstances of any

subparagraph of paragraph 4 of Article 172-1 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the Agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of receiving such proposals (whether written or in electronic form), and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the Annual Shareholders' Meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 3 : For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the power authorized to the proxy.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company no later than 5 days prior to the Shareholders' Meeting date. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to revoke the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or by way of electronic transmission, a written notice of proxy rescission shall be submitted to the Company no later than 2 days prior to the meeting date. If the rescission notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

After the proxy is delivered to the company, shareholders who wish to attend the shareholders' meeting by video shall notify the company in written form for the cancellation of the entrustment, 2 days before the shareholders' meeting. In case of overdue revocation, the entrusted agent who attend and exercise the voting rights should be based on.

Article 4 : The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

When the shareholders meeting is held by video conference, it shall not be limited on the venue of the preceding paragraph.

Article 5 : The company shall specify in the meeting notice the acceptance shareholders, solicitors, and entrusted agents to the time and the place, other matters that should be attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes before the meeting commences. The place at which attendance registrations are accepted shall be clearly indicated and a sufficient number of suitable personnel assigned to handle the registrations. For the video conference, registration should be accepted on the shareholders' meeting platform 30 minutes before the start of the meeting.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance.

The Company shall not impose arbitrary requirements on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.

For the shareholders who wish to attend the video conference shall register 2 days before

the shareholders' meeting.

The company shall upload the provide our shareholders the procedure manual, annual report and meeting supplementary materials to the video conference platform 30 minutes before the shareholders' meeting until the end of the meeting.

Article 6 : When the shareholders' meeting is held by video conference, the following matters shall be stated in the notice of convening the shareholders' meeting:

1. Shareholders' participation in video conferences and methods for exercising their rights.
2. Due to natural disasters, incidents or other force majeure circumstances, the handling of obstacles to the video conference platform or participating in video conferences should include at least the following:
  - (1) The obstacles cannot be ruled out as to the meeting needs to be adjourned or resumed, and if the meeting needs to be postponed or resumed.
  - (2) Shareholders who have not registered to participate in the original shareholders meeting by video conferencing shall not participate in the postponed or resumed of the meeting.
  - (3) To hold a video-assisted shareholders meeting, if the video conference cannot be resumed, after deducting the number of shares attending the shareholders meeting by video, the total number of shares attending the shareholders meeting reaches the statutory quota for the shareholders meeting, and the shareholders meeting should resume, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - (4) If all the motions have been declared results, but no provisional motion has been made, the handling method.
3. To hold a video-conference shareholders meeting and to specify appropriate alternatives for shareholders who would have difficulty participating in a video-conference.

Article 7 : If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the directors shall be appointed to act as chair.

Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair.

When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

For a stockholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting; if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

The Company may appoint lawyers, accountants or related personnel to attend the stockholders' meeting.

Article 8 : The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

If the shareholders' meeting is held by video conference, the company shall record and preserve the shareholders' registration, questioning, voting, and company vote counting results, etc., and make continuous and uninterrupted audio and video recording of the entire video conference. The materials, audio and video recordings which mentioned above shall be properly preserved by the company during the period, the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for preservation.

If the shareholders' meeting is held by video conference, the company should record the background operation interface of the video conference platform.

Article 9 : Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards and video conference platform handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the time scheduled for the meeting, as well as announce information, such as the number of shares without voting rights and shares present. In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chair may announce an adjournment of the meeting. However, there may not be more than two adjournments in total and the total time accumulated in the adjournment(s) shall not exceed one hour. If the quorum is not met after two adjournments and the shareholders present still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. If the shareholders' meeting is held by video conference, the Company shall also announce the adjournment on the video conference platform of the shareholders' meeting.

If the quorum is not met after two adjournments as referred to in the preceding paragraph, but the shareholders present represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act, all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month. If the shareholders' meeting is convened by video conference, shareholders who wish to attend the meeting by video shall reregister with the Company in accordance with Article 5.

Prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 : If a shareholders' meeting is convened by the Board of Director, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extraordinary motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party having the convening right that is not the Board of Directors.

The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the Chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by a majority of the votes represented by the attending shareholders and continue the meeting.

The Chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the Chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chair may announce the discussion closed and shall also arrange ample time for a vote.

Article 11 : Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the Chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the Chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the Chair and the shareholder that has the floor; the Chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the Chair may respond in person or direct relevant personnel to respond.

If a shareholders' meeting is convened by video conference, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the meeting and before the meeting is adjourned, and the number of questions

shall not exceed two for each motion, and each time shall be limited to 200 words, without applying the 1 to 5 of this Article.

If the previous questions do not violate the regulations or are within the scope of the motion, it is appropriate to disclose the questions on the video conference platform of the shareholders' meeting for public information.

Article 12 : Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding two paragraphs shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a stock agency approved by the competent authority for securities, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of voting shares, otherwise, the portion of excessive voting rights shall not be counted.

Article 13 : A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under paragraph 2 of Article 179 of the Company Act. When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing.

When voting rights are exercised in writing or by way of electronic transmission, the method for exercising the voting rights shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights in writing or by way of electronic transmission will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. Therefore, the company should avoid filing interim motions and amendments to original motions

A shareholder intending to exercise voting rights in writing or by way of electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company no later than 2 days prior to the scheduled shareholders' meeting date. When duplicate declarations of intent are delivered, the one received earliest by the Company shall prevail, except when a declaration is made to revoke the earlier declaration of intention.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend or video the shareholders' meeting, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 days prior to the date of the shareholders' meeting. If the cancellation is overdue, the voting rights exercised in writing or electronically shall prevail. Where the voting rights are exercised in writing or electronically, and a proxy is entrusted to attend the shareholders' meeting, the voting rights exercised by the entrusted proxy shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall announce the total number of voting rights represented by the attending shareholders, followed by a poll of



the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the Chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected and no further voting shall be required.

The scrutiny and counting personnel for voting on proposals shall be designated by the chairman, but the scrutineers should have the status of shareholders.

Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the shareholders' meeting is convened by video conference, the shareholders participating by video shall vote on the motions and the election motions through the video conference platform after the chairman announces the opening of the meeting and shall complete the voting before the chairman announces the end of the voting, and any delay shall be deemed as abstention.

If a shareholders' meeting is convened by video conference, except for special reasons as directed by the chairman, the vote shall be counted, and the voting and election results announced as a one-time event after the chairman announces the close of voting.

When the Company convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 5 and wish to attend the physical shareholders' meeting in person shall deregister in the same manner as they have registered two days prior to the shareholders' meeting; if they deregister after that time, they may attend the shareholders' meeting by video only.

If a shareholder exercises his or her voting rights in writing or electronically and does not revoke his or her intention to attend the shareholders' meeting by video, he or she may not exercise his or her voting rights on the original motion or propose amendments to the original motion or exercise his or her voting rights on the amendments to the original motion, except for a temporary motion.

**Article 14 :** The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

**Article 15 :** Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form. The distribution of the minutes of the preceding paragraph, the company is able to enter in MOPS announcement.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weight of the votes), and the number of weighted votes each candidate received in case of a Directors' elections, and shall be retained for the duration of the existence of the Company.

If a shareholders' meeting is held by video conference, the minutes of the meeting shall include, in addition to the matters required to be recorded in the preceding paragraph, the starting and ending time of the shareholders' meeting, the manner in which the meeting is held, the names of

the chairman and the minutes, and the manner and circumstances in which the video conference platform or video participation is impaired due to natural disasters, events or other force majeure circumstances.

In addition to the aforementioned provisions, the Company shall also set forth in the minutes of the meeting alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by video means.

**Article 16 :** On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and the number of shares attended by correspondence or electronically, and shall expressly disclose the same at the place of the shareholders' meeting, when holding a shareholders' meeting through video conferencing, the Company shall upload the aforementioned information to the video conferencing platform for the shareholders' meeting at least 30 minutes prior to the time the meeting commences and continue to disclose it until the meeting ends.

When holding a shareholders' meeting through video conferencing, the Company shall disclose the total number of shares in attendance on the video conferencing platform from the time the meeting is commenced by the chair. The same applies to the statistics on the total number of shares in attendance and number of votes during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under TWSE regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 17 :** When a meeting is in progress, the Chair may announce a break based on time considerations. If a force majeure event occurs, the Chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to postpone or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

**Article 18 :** Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The Chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the Chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the Chair's correction, obstructing the proceedings and refusing to heed calls to stop, the Chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 19 :** When holding the shareholders' meeting through video conferencing, the Company shall disclose the results of voting for each proposal and the election immediately after voting ends in accordance with the provisions and continue to disclose such information for at least 15 minutes after the meeting is adjourned.

**Article 20 :** When the Company holds a shareholders' meeting through video conferencing, the chair and the person recording the meeting minutes shall be in the same domestic location. The chair shall announce the address of such location at the meeting.

**Article 21 :** When holding the shareholders' meeting through video conferencing, the Company may provide connection test before the meeting, and provide relevant services immediately before and during the meeting to help dealing with the technical communication problems.

When the Company holds a shareholders' meeting through video conferencing, the chair shall announce meeting commenced and that other than the circumstances stipulated in accordance

with the provisions in Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies that do not require postponing or reconvening the meeting, in the event of a natural disaster, unforeseen event or any other force majeure that prevents attendance on the video conferencing platform through video conferencing for at least 30 minutes before the meeting is adjourned by the chair, the Company shall convene the meeting within 5 days, or to decide on the date to reconvene the meeting, and the provision in Article 182 of the Company Act does not apply.

In the event that the meeting shall be postponed or reconvened as circumstances described in the preceding paragraph occurred, shareholders who did not register to attend the original shareholders' meeting by video conferencing may not attend the postponed or reconvened meeting.

In the event that the Company shall postpone or reconvene the meeting in accordance with Paragraph 2, for shareholders who registered to attend the original shareholders' meeting by video conferencing and whose attendance registration was accepted but did not attend the postponed or reconvened meeting, their number of shares in attendance, exercised votes and number of votes they received shall be counted towards the total number of shares in attendance, exercised votes and number of votes at the postponed or reconvened meeting.

In the event that the Company postponed or reconvened the meeting in accordance with the provisions in Paragraph 2, the Company does not need to re-discuss or re-resolve the proposals with completed votes casting and counting and announced results of the voting, or elected list of directors and supervisors.

When the Company holds the shareholders' meeting with assistance of video conferencing, in the event that the meeting cannot be reconvened as circumstances described in Paragraph 2 occurred, after deducting the number of shares attended to the shareholders' meeting through video conferencing, if the total number of shares in attendance exceeds the legal amount of meeting participants, the shareholders' meeting shall continue without the need to postpone or reconvene the meeting in accordance with Paragraph 2.

In the event that the meeting shall be continued as circumstances described in the preceding paragraph occurred, for shareholders attending the shareholders' meeting by video conferencing, their number of shares in attendance shall be counted towards the total number of shares in attendance; however, they have waived his/her rights with respect to the all proposals of that meeting.

In the event that the Company postponed or reconvened the meeting in accordance with the provisions in Paragraph 2, in accordance with the provisions in Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall hold shareholders' meeting at the original date and handle the relevant predecessor activities according to the provisions in such article.

The Company shall hold the postponed or reconvened shareholders' meeting in accordance with the provisions in Paragraph 2 at the dates within the period specified in the later paragraph of Article 12 and Article 13, Paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 44- 5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 22 : When holding a shareholders' meeting through video conferencing, the Company shall provide adequate alternative measures for shareholders having difficulties attending the shareholders' meeting through video conferencing.

Article 23 : These Rules and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

## Appendix 3 : Description of Shareholders

1. According to Article 172-1 of the Company Act, a shareholder who holds more than 1% of the total issued and outstanding shares may submit one proposal in writing to the Company to be discussed at the shareholders' meeting; the proposal may only address one matter, and may not contain more than 300 Chinese characters.
2. Shareholder proposals must be submitted during the period from April 23, 2024 to May 2, 2024. The Company has not received any written submission of shareholder proposals during the period of the submitted Shareholder proposals.

## Appendix 4 : Situation Table of Directors

Book closure date: Apr 27, 2024

Position	Name	Date elected	Shareholding while elected		Current shareholding		Remarks
			Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	
Chairman	CHUAN-FA YEH	Jun.27 2023	1,550,424	1.97	1,450,424	1.69	
Independent Director	FU-NAN CHOU	Jun.27 2023	0	0	0	0	
Independent Director	WU-ZHONG LIAO	Jun.27 2023	0	0	0	0	
Independent Director	Sin-Yi Huang	Jun.27 2023	0	0	0	0	
Independent Director	Cóng-Wén Shi	Jun.27 2023	0	0	0	0	
Director	CHING-TSE YEH	Jun.27 2023	1,892,618	2.21	1,892,618	2.21	
Director	KOI-HUI YEH	Jun.27 2023	258,723	0.30	258,723	0.3	
Director	YAO-CHOU YANG	Jun.27 2023	2,775,013	3.24	2,775,013	3.24	
Director	ANTHONY POLIANG YEH	Jun.27 2023	4,120,832	4.80	4,012,832	4.68	
Director	SOU-TSUN YEH	Jun.27 2023	1,244,258	1.45	1,244,258	1.45	
Director	RUNG-SHIN SHU	Jun.27 2023	1,925,108	2.24	1,925,108	2.24	

**Note 1:** Total Issued shares: 85,767,000 shares on Apr/27/2024 (book closure date).

**Note 2:** In accordance with the article 26 of the SEA and "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the minimum accumulated shares of all directors shall be of 6,861,360 shares. The Corporation has established an Audit Committee, so the minimum shares required to be held by the supervisors are not applicable.