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UNIVERSAL INC.

2024 Annual Report

Printed on April 30, 2025

Notice to readers

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

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2. Headquarters and Plant

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Xiamen Plant : No.77, Hong Tang Road, Tong An District, Xiamen, Fujian, China

3. Stock Transfer Agent

Transfer Agency Department, CTBC Bank Co., Ltd.

Address : 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan

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4. Financial Auditors

Auditors : Chu, Szu-Lan & Chang, Chun-yi

Accounting Firm : Deloitte & Touche Tohmatsu Limited

Address : 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City, Taiwan

Website : <https://www2.deloitte.com.tw>

Tel : (02) 2725-9988

5. Overseas Trade Places for Listed Negotiable Securities : None.

6. Company Website : <http://www.uk.com.tw>

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I . Letter to Shareholders

Dear Shareholders :

1. Business plan implementation results :

The total consolidated net sales revenue in 2024 was NT\$317,389 thousand, decrease 21.78% compared with 2023. The sales of various product in 2024 as follows: the sales revenue of nonwovens was NT\$280,558 thousand, accounted for 88.4% of the total net sales revenue, the sales revenue of converted masks was NT\$27,482 thousand, accounted for 8.66% of the total net sales revenue, and other sales revenue was NT\$9,349 thousand, accounted for 2.94% of the total net sales revenue; the consolidated sales volume of non-woven fabrics in 2024 was 4,642.7 tons, decrease 12.67% compared with 2023.

When the new coronavirus (Covid-19) outbreak in 2020, demand for raw materials and finished products of non-woven fabrics, masks and protective clothing are strong caused the peers expansion of the equipment of Spunbond, composite, Meltblown non-woven fabrics, mask, etc.. As peers completed the expansion of non-woven fabrics and mask production capacity, as well as reduced demand after the epidemic, the market was in oversupply and fierce market competition, resulting in a decrease in the Company's net sales revenue in 2024 compared to 2023.

The consolidated net loss after-tax in 2024 was NT\$66,970 thousand, and net loss attributable to owner of the company was NT\$51,542 thousand, and the loss per share was NT\$0.6. Earnings per share decreased by NT\$0.81 compared with 2023, mainly due to impairment losses on real estate, plant and equipment.

The consolidated production and sales status in 2024 is hereby explained as below :

- (1) Consolidated production volume : The production volume of non-woven fabrics and the increase (decrease) situation are listed as the following table :

Product Item	Unit	2024	2023	Increase (Decrease)	Growth rate (%)
Spunbond & Composite Nonwoven	Ton	4,385.0	5,208.4	(823.4)	(15.81)
Meltblown Nonwoven	Ton	28.3	56.0	(27.7)	(49.46)
Nonwoven Total	Ton	4,413.3	5,264.4	(851.1)	(16.17)
Material Processing	Ton	3.3	10.6	(7.3)	(68.87)

Note 1: Material converting includes laminating fabrics, activated carbon composites, high-efficiency filter media and laminating filter media, etc. Since the aforementioned products are produced by self-produced Spunbond and composite non-woven fabrics, Meltblown non-woven fabrics and other non-woven fabrics or made by laminating with purchased materials, etc., the total production volume of non-woven fabrics is not double-counted.

- (2) Consolidated sales volume and sales revenue :

Unit of sale volume : nonwoven fabric : Ton ; sale value : NT \$ in thousand

Product Type	Unit	2024		2023		Increase (Decrease)		Growth rate (%)	
		Volume	Sales revenue	Volume	Sales revenue	Volume	Sales revenue	Volume	Sales revenue
Spunbond & Composite Nonwoven	Ton	4,622.1	276,680	5,271.9	338,731	(649.8)	(62,051)	(12.33)	(18.32)
Meltblown Nonwoven	Ton	20.5	3,828	35.0	7,783	(14.5)	(3,955)	(41.43)	(50.82)
Material processing	Ton	0.1	50	9.3	1,819	(9.2)	(1,769)	(98.92)	(97.25)
Sub-total of Nonwoven	Ton	4,642.7	280,558	5,316.2	348,333	(673.5)	(67,775)	(12.67)	(19.46)
Converted Products			27,482		44,455		(16,973)		(38.18)
Others			9,349		12,975		(3,626)		(27.95)
Total			317,389		405,763		(88,374)		(21.78)

Note 1: Material processing includes laminating fabric, activated carbon composites, high-efficiency filter media and laminating filter media, etc.

Note 2: Processed products masks; Others include raw materials, recycle PP, B Grade fabrics, international trade, high-efficiency air filter, etc.

- 1.1 Budget execution situation : Not applicable, because the company has not disclosed its financial forecast for 2024.

1.2 Overview of consolidated financial income and expenditure and profitability analysis :

1.2.1 Consolidated Financial Income and Expenditure

The comparison and analysis of the company's consolidated revenue, surplus and expenditure in 2024 and 2023as below :

Unit : NT\$ in thousand

Item	2024	2023	Increase (Decrease)	Increase (Decrease) %
Net sales	317,389	405,763	(88,374)	(21.78)
Gross loss	(36,700)	(375)	(36,325)	9,686.67
Loss from operations	(79,949)	(48,460)	(31,489)	64.98
Non-operating Income and Expenses				
Interest income	36,295	52,428	(16,133)	(30.77)
Other income	2,900	3,662	(762)	(20.81)
Other gains and losses	(25,822)	13,164	(38,986)	(296.16)
Finance cost	(19)	(28)	9	(32.14)
Total non-operating income and expenses	13,354	69,226	(55,872)	(80.71)
Net (loss) profit before income tax	(66,595)	20,766	(87,361)	(420.69)
Net (loss) profit after income tax	(66,970)	12,739	(79,709)	(625.71)
Net (loss) profit after income tax attributable to :				
Owner of the Company	(51,542)	17,755	(69,297)	(390.30)
Noncontrolling interests	(15,428)	(5,016)	(10,412)	207.58

Note:1. Other income includes the total amount of dividend income, rental income and other income.

2. Other gains and losses: including net gains (losses) from foreign currency exchange, gains (losses) on disposal of property, plant and equipment, net gains (losses) on disposal of financial assets, net gains (losses) on financial assets at fair value through Profit or Loss, Impairment losses on property, plant and equipment and other expenses.

3. Financial costs are interest on bank loans and lease liabilities.

1.2.2 Consolidated Profitability Analysis :

Analytical item	Year	2024	2023
Return on assets (%)		(2.30%)	0.43%
Return on equity (%)		(2.38%)	0.44%
Capital ratio (%)	Loss from operations	(9.37%)	(5.68%)
	Net (loss) profit before income tax	(7.81%)	2.44%
Net (loss) profit margin (%)		(21.10%)	3.14%
(Loss) earning per share (NT\$) (Note1)		(0.60)	0.21

Note 1: Calculated based on the weighted average number of shares outstanding. (The number of shares issued at the end of 2024 and 2023 were 85,281,198 shares each with a par value of NT\$10 per share)

1.3 Research and development status :

1.3.1 Main research results :

The company has been making continuous efforts in research and development.

The main research results are summarized as follows:

- (1). Research and development of general medical masks and colored medical masks, customized masks, 3D masks, and high-end masks.
- (2). Research and development of Meltblown non-woven fabrics and high-efficiency filter media.
- (3). Research and development of laminating filter media, air filter and HEPA air filter.
- (4). Research and development of activated carbon composite non-woven fabric.
- (5). Improved filter efficiency of melt-blown non-woven fabric.
- (6). Research and development of coarse denier non-woven fabrics.
- (7). Research and development of non-woven fabrics for skin care centered hydrophilic nonwoven fabrics.
- (8). Research and development of soft, silk soft and ultra-soft non-woven fabrics.
- (9). Research and development of SS hydrophilic soft non-woven fabric for composite film on diapers.
- (10). Research and development of SMMS permanent hydrophilic nonwoven fabric for the usage of diaper.
- (11). Research and development of impact penetration SMMS composite non-woven fabrics for medical use.
- (12). Development of SMS composite non-woven fabrics.
- (13). Research and development of Spunbond, Meltblown and composite elastic non-woven fabrics.
- (14). Research and development of antistatic non-woven fabrics with online spray treatment.
- (15). Research and development of composite material lamination.
- (16). Research on post-treatment process of SMS composite nonwoven fabric.
- (17). Research on post-treatment process of SMMS composite non-woven fabric.
- (18). Improvement of SMMS Alcohol Repellency, anti-static, anti-blood treatment for medical use.

2.Summary of 2025 Business Plan

2.1 Annual operating policy :

2.1.1 Annual business development strategy

- (1). Actively promote sales to win orders and expect all non-woven

machines in full capacity production.

- (2). Actively develop new products and markets of Spunbond and composite non-woven machines. Increase market share rate for supplying hygienic and medical products and industrial products. Increase the utilization rate of production capacity.
- (3). Actively sell masks, Meltblown non-woven fabrics, high-efficiency filter media, laminating filter media, air filter media and other products.
- (4). Pay attention to the long-term cooperation and development relationship between suppliers and customers.
- (5). Continuously improve the efficiency of the management team.
- (6). Look for new suppliers of raw materials to ensure sufficient supply of raw materials and reduce raw material costs.

2.1.2 Technology research and development :

- (1). Research and development of high-efficiency filter media, laminating filter media and air filter media.
- (2). Research and development of various masks.
- (3). Research and development of soft, silk soft, ultra soft, alcohol repellency and anti-static, high-hydrostatic head non-woven fabrics for usage of hygiene and medical.
- (4). Research and development of non-woven fabrics for skin care centered hydrophilic nonwoven fabrics.
- (5). Research and development of bi-component Sound-absorbing Non-woven fabrics.
- (6). Research and development of composite material lamination and high value added new products.
- (7). Improvement of the yield rate of production to reduce costs and improve competitiveness.
- (8). Recycled ear materials and PP to reduce the production cost.

2.1.3 Marketing extension :

- (1). Expand the market of SMMS and SMS composite non-woven fabrics.
- (2). Expand the market of Meltblown non-woven fabrics.
- (3). Expand the market of mask.
- (4). Expand the market of high-efficiency filter media, laminating filter media, and air filter media.
- (5). Expand the market of Spunbond non-woven fabrics.
- (6). Expand the market of laminating non-woven fabrics.
- (7). Expand the market of Sound-absorbing Non-woven fabrics.
- (8). Expand the market in Taiwan, China, Asia, Europe, America and Japan.

2.2 Expected sales volume and basis :

2.2.1 Expected Sales Volume :

<u>Product Item</u>	<u>Expected Sale Volume</u>
Non-woven Fabrics (Including material processing)	6,401.5 Tons

2.2.2 Based on :

Non-woven fabrics (including material processing): The machines of SMMS, SMS, Spunbond, Meltblown in our company produce high-quality non-woven fabrics, which are mainly used in application of hygiene, medical and industrial and so on. The annual production capacity of 11 machines is about 33,852 tons. Although the market change rapidly and fierce competition, the company will promote and get orders actively and expect to get 6,401.5 sales volume tons in 2025.

(Note: Material processing includes laminating fabrics, activated carbon composites, high-efficiency filter media and laminating filter media and so on, because the above-mentioned products are made of self-produced Spunbond and composite non-woven fabrics, Melt-blown non-woven fabrics and other non-woven fabrics, or are made of material processing such as laminating with purchased materials.)

2.3 Important Strategies of production and sale :

2.3.1 The goal is the balance of production and sales.

2.3.2 Strengthen orders to increase capacity utilization, and pay attention to quality, cost, and delivery control, and improve yield rate to reduce production costs.

3. Company future development strategy

The company's long-term development strategy is described as follows :

3.1 Business strategy

3.1.1 In addition to: research and improve the current production technology of spunbonded, SMMS composite and meltblown non-woven fabrics, wait for the opportunity to develop and invest in other types of non-woven fabrics and downstream converted products of non-woven fabrics, expand the company's business model to become a world-class manufacturer of non-woven fabrics.

3.1.2 Cooperate with leading nonwoven fabric manufacturers in advanced countries, seek for international cooperation program, learn from international technology and experience, improve the company's management level and achieve the company's business goal of internationalization and diversification.

3.1.3 Implement all computerized management operations to meet the ever-changing environmental challenges

3.2 Technology research and development :

3.2.1 Research and development of meltblown nonwoven fabrics, high-efficiency filter media, laminating filter materials, and air filter media.

3.2.2 Research and development of various masks.

3.2.3 Research and development of soft, silk soft, ultra soft non-woven fabrics.

3.2.4 Research and development of skin care centered hydrophilic nonwoven fabrics.

3.2.5 Research and development of elastic non-woven fabrics.

3.2.6 Research and development of sound-absorbing non-woven fabrics.

3.2.7 Research and development of hydrophilic non-woven fabrics.

3.2.8 Research and development of high hydrostatic head non-woven fabrics.

3.2.9 Research and development of high-performance alcohol repellency non-woven fabrics.

3.2.10 Research and development of high-performance antistatic non-woven fabrics.

3.2.11 Research and development of composite material lamination, new product development of non-woven fabric lamination with other materials for Usage of hygiene and medical.

3.2.12 Research and development of new high value added products.

3.2.13 Research Influence on quality and properties caused by basis weight combination of composite nonwoven. Find out the most suitable basis weight combination of composite nonwoven for customers and reduce costs.

3.3 Marketing Expansion :

3.3.1 Increase overseas marketing channels.

3.3.2 Master new products in industry to expand new markets.

4. Affected by the external competitive environment, regulatory environment and overall business environment

4.1 Influenced by the external competition :

4.1.1 In the long term, the global demand for non-woven fabrics grows steadily year by year. The global nonwovens market is oversupplied, resulting in fierce competition in the market because foreign peers expand continuously.

4.1.2 Oil prices fluctuate wildly caused the price of polypropylene (P.P.), which is the main raw material used by the company, also fluctuated greatly. The production cost also fluctuates. The selling price of the product is affected

by market competition factors. If the cost rises, it will be difficult to pass it on.

4.1.3 Peers of nonwoven industry expand continuously caused over supply in the non-woven fabric market. The company must actively promote sale, control costs, and develop new products to gain orders.

4.2 The impact of the regulatory environment: no major impact.

4.3 Impact on the overall business :

4.3.1 The exchange rate of the NTD to the USD fluctuates wildly. If the NTD appreciates, it will affect oversea orders and competitiveness.

4.3.2 If the yen and the euro depreciate sharply, will lose the competitiveness for the exports to market of Japan and the European.

4.3.3 The oil prices fluctuate sharply caused the price of P.P. fluctuate wildly. The price fluctuations of various raw materials caused large fluctuations in production costs, which affect product pricing and customer control.

4.3.4 The tariff protection of ASEAN has a great impact on the sales of manufacturers from non-member countries.

4.3.5 The China's market is in oversupply and fierce market competition, the market is competitive with low prices, and it is difficult to make a profit from orders.

After the above report is completed, I still hope all shareholders can continue to provide valuable suggestions and advice to make the company can continue to grow steadily.

With best wishes

Good Health and Success for all.

Chairman : Huang, Mei-Hui

II. Corporate Governance Report

1. Directors, General Manager, Deputy General Managers, Senior Managers and Information of the head of the branch

1.1 Directors :

Directors' information (1)

April. 22, 2025

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term	First Date elected (Note 3)	Shares held upon election		Shares currently held		Shares held by spouse or minor children		Shares held in the name of other persons		Main working (education) experience (Note 4)	Current positions in the Company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship			Remarks (Note 5)
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relation	
Chairman	R.O.C.	Universal Investment Co. Ltd. Representative Huang, Mei-Hui	Female 61~70	June 27, 2023	3	June 25, 1996	24,679,800	28.94%	24,679,800	28.94%	89,033	0.10%	—	—	Master of Information Management, Eastern Michigan University, USA	General Manager, Universal Incorporation Chairman, Hong Kong Everbig Int'l Investment Ltd. (Universal Incorporation representative) Chairman & General Manager, Xiamen Universal Incorporation (Hong Kong Everbig Int'l Investment Ltd. representative) Director, Universal Investment Co., Limited (Fortune Industrial and Commercial Development Foundation representative) Supervisor, Everspring Enterprises Inc. Director, Fortune Industrial and Commercial Development Foundation Director, Universal Culture and Education Foundation	Director	Lam, Minh	Relative within the second degree of kinship	Note 5
Director	USA	Universal Investment Co. Ltd. Representative Lam, Minh	Male 61~70	June 27, 2023	3	June 15, 2011	24,679,800	28.94%	24,679,800	28.94%	32,817	0.04%	—	—	Master of Industrial Engineering, Eastern Michigan University, USA	Director, Hong Kong Everbig Int'l Investment Ltd. (Universal Investment Co., Limited representative) Director, Xiamen Universal Incorporation (Hong Kong Everbig Int'l Investment Ltd. representative) Supervisor, Universal Investment Co., Limited Director & General Manager, Everspring Enterprises INC. (Fortune Industrial and Commercial Development Foundation representative)	Chairman & General Manager	Huang, Mei-Hui	Relative within the second degree of kinship	None

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term	First Date elected (Note 3)	Shares held upon election		Shares currently held		Shares held by spouse or minor children		Shares held in the name of other persons		Main working (education) experience (Note 4)	Current positions in the Company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship			Remarks (Note 5)
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relation	
Director	R.O.C.	Universal Investment Co. Ltd. Representative Kao, Ching-Hai	Male 71~80	June 27, 2023	3	June 25, 1996	24,679,800	28.94%	24,679,800	28.94%	—	—	—	—	Master of Business Administration, National Chengchi University Deputy Vice general manager, Universal Incorporation	Vice General Manager, Universal Incorporation Supervisor, Universal Investment Co., Limited Director, Fortune Industrial and Commercial Development Foundation	None	None	None	Note 3
Independent Director	R.O.C.	Chang, Jin-Lian	Female 61~70	June 27, 2023	3	June 27, 2017	—	—	—	—	—	—	—	Accounting, National Taipei University of Business Accounting Dept., Nan Ya Plastics Corporation Accounting auditor, Formosa Petrochemical Corporation	Member, Remuneration Committee & Audit Committee, Universal Incorporation	None	None	None	None	
Independent Director	R.O.C.	Wu, Cheng-Ming	Male 61~70	June 27, 2023	3	June 27, 2017	4	—	4	—	—	—	—	Department of Nuclear Engineering, National Tsing Hua University Nuclear Engineering Project Manager, CTCI Smart Engineering Corporation Research Assistant, College of Nuclear science and technology development center, National Tsing Hua University	Member, Remuneration Committee & Audit Committee, Universal Incorporation	None	None	None	None	
Independent Director	R.O.C.	Chang, Ming-Lun	Female 61~70	June 27, 2023	3	June 15, 2020	—	—	—	—	—	—	—	Accountancy, Soochow University Asia Information Officer, Expeditors Taiwan Co., Ltd.	Member, Remuneration Committee & Audit Committee, Universal Incorporation	None	None	None	None	
Independent Director	R.O.C.	Lu, Fei-Huang	Male 61~70	June 27, 2023	3	June 20, 2014	—	—	—	—	—	—	—	Financial and Economics Law Group of	Member, Audit Committee, Universal Incorporation	None	None	None	Note 3	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term	First Date elected (Note 3)	Shares held upon election		Shares currently held		Shares held by spouse or minor children		Shares held in the name of other persons		Main working (education) experience (Note 4)	Current positions in the Company or other companies	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship			Remarks (Note 5)
							Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage			Title	Name	Relation	
															Department of Law, National Chengchi University Sale & Principal, Fei-Huang clothing department store Supervisor, Universal Incorporation	Principal, Fei-Huang clothing department store				

Note 1 For legal person shareholders, the name of the legal person shareholder and representative should be listed separately (if it is a representative of a legal person shareholder, the name of the legal person shareholder should be indicated), and should be filled in table 1 as below.

Note 2: Please use actual age, listed in a range, like age 41–50 or age 51–60.

Note 3: Fill in the first time the person served as director or supervisor, please provide explanation for any gaps within the terms of the office. **Director, Kao, Ching-Hai interrupted the period from June.15, 2011 to June 14, 2020 ; Independent Director, Lu, Fei-Huang served as Supervisor from June.20,2014 to June 19, 2017.**

Note 4: If any of the current and past experiences involve part of the auditing CPA firms or any of the Company affiliates, please provide details for the person's title and responsibilities

Note 5: When the president and general manager, or the same level (the executive management), are the same person, or a spouse or relative, there should be a clear explanation on the reason, rationale, necessity, countermeasures and other relevant information. (For example, increase the number of independent directors and ensure that more than half of the directors do not concurrently serve as employees or managers.)

Explanation :

1. Reasons, rationality, and necessity for president Huang, Mei-hui to concurrently serve as general manager

(1) President Huang has been in the company for about 34 years and has served as the company's general manager for about 23 years. She is very familiar with the production, sales, and management of non-woven fabrics. The company must rely on her experience in this area to enable the company to develop steadily and grow.

(2) President Huang, Mei-hui is the representative of Universal Investment Co. Ltd., which holds 28.94% of the shares of the company and is the largest shareholder of the company. In addition, Huang, Mei-hui herself also holds 5.30% of the shares.

From the above, it is reasonable and necessary for Huang, Mei-hui to serve as the president and general manager. She is responsible for the company's operation and management to pursue the company's growth and create benefits for shareholders.

2. Countermeasures

(1) The company has 7 directors, currently only Huang, Mei-hui and Kao, Ching Hai are concurrently managers, so more than half of the company's directors do not concurrently serve as employees or managers.

(2) The seats of independent directors shall be established according to government regulations.

Table1: Major Shareholders of Institutional Shareholders

April 30, 2025

Names of institutional shareholders (Note 1)	Major shareholders of institutional shareholders (Note 2)
Universal Investment Co. Ltd.	Fortune Industrial and Commercial Development Foundation 36.64%
	Everspring Enterprises Inc. 22.02%
	Huang, Mei-Hui 6.96%
	Huang, Kun-Ling 6.96%
	Huang, Shu-Huli 4.67%
	Huang, You-Cing 4.12%
	Huang, Ze-Yang 3.84%
	Universal Incorporation 3.09%
	Huang, Hong-Chun-Chun 3.03%
	Yang, Rong-Di 2.75%

Note 1: If directors and supervisors are representatives of legal person shareholders, the name of the legal person's shareholders should be filled in.

Note 2: Fill in the name of the major shareholder of the legal person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio. If the major shareholder is a legal person, fill in the following table 2.

Note 3: If the legal person shareholder is not a company organization, the name and shareholding ratio of the shareholder should be disclosed, the name of the investor or donor (refer to the announcement of the Judiciary) and the ratio of capital contribution or donation, and if the donor has passed away, add "dead".

Table 2: Major Shareholders of Institutional Shareholders of Table 1

April 30, 2025

Names of institutional shareholders (Note 1)	Major shareholders of institutional shareholders (Note 2)
Fortune Industrial and Commercial Development Foundation	Founded by Huang, Zhe-Zhen (Dead)
Everspring Enterprises Inc.	Fortune Industrial and Commercial Development Foundation 44.10%
	Universal Investment Co. Ltd 34.87%
	Universal Incorporation 11.30%
	Huang, Kun-Rong 8.00%
	Huang, Mei-Hui 0.26%
	Huang, Ying-Lian 0.25%
	Huang, Hong-Chun-Chun 0.25%
	Huang, You-Cing 0.25%
	Huang, Kun-Ming 0.25%
	Huang, Kun-Ling 0.23%
Huang, Shu-Hui 0.23%	
Universal Incorporation	List of Major shareholders on page 52.

Note 1: If the major shareholder in Table 1 above is a legal person, the name of the legal person should be written.

Note 2: Fill in the name of the major shareholder of the legal person shareholder (whose shareholding ratio accounts for the top ten) and its shareholding ratio.

Note 3: If the legal person shareholder is not a company organization, the name and shareholding ratio of the shareholder should be disclosed, the name of the investor or donor (refer to the announcement of the Judiciary) and the ratio of capital contribution or donation, and if the donor has passed away, add "dead".

Directors' information (2)

1. Exposure of Professional position of directors and independent information of independent directors

Name \ Condition	Professional position and Experience (Note1)	Independent Situation (Note2)	Seats of independent directors in other companies
Huang, Mei-Hui Chairman, (Universal Investment Co. Ltd. Representative)	Master of Information Management, Eastern Michigan University, USA Served in Universal Incorporation for about 34years, served as general manager for about 23 years	—	None
Lam, Minh Director, (Universal Investment Co. Ltd. Representative)	Master of Industrial Engineering, Eastern Michigan University, USA Supervisor, Universal Investment Co. Ltd.	—	None
Kao, Ching-Hai Director (Universal Investment Co. Ltd. Representative)	Master of Business Administration, National Chengchi University Vice General Manager, Universal Incorporation	—	None
Chang, Jin-Lian Independent Director	Graduated from Accounting, National Taipei University of Business Accounting Dept., Nan Ya Plastics Corporation · Accounting auditor, Formosa Petrochemical Corporation Member, Audit Committee, Universal Incorporation Not subject to Article 30 of the Company Act	1. Including but not limited to whether the person, spouse, and relatives within the second degree are the directors, supervisors, and employees of the company or its affiliated companies: None. 2. The number and proportion of the company's shares held by the person, spouse, and relatives within the second degree (or using another person's name): None. 3. Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company: None. 4. Amount of remuneration obtained for providing business, legal, financial, accounting and other services of the company or related enterprises in the last 2 years: None.	None
Wu, Cheng-Ming Independent Director	Graduated from Department of Nuclear Engineering, National Tsing Hua University Nuclear Engineering Project Manager, CTCI Smart Engineering Corporation Research Assistant, Nuclear Science and Technology Development Center, National Tsing Hua University Member, Audit Committee, Universal Incorporation Not subject to Article 30 of the Company Act	1. Including but not limited to whether the person, spouse, and relatives within the second degree are the directors, supervisors, and employees of the company or its affiliated companies: None. 2. The number and proportion of the company's shares held by the person, spouse, and relatives within the second degree (or using another person's name): 4 shares, Proportion 0%. 3. Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company: None. 4. Amount of remuneration obtained for providing business, legal, financial, accounting and other services of the company or related enterprises in the last 2 years: None.	None
Chang, Ming-Lun Independent Director	Graduated from Accountancy, Soochow University Asia Information Officer, Expeditors Taiwan Co., Ltd. Member, Audit Committee, Universal Incorporation Not subject to Article 30 of the Company Act	1. Including but not limited to whether the person, spouse, and relatives within the second degree are the directors, supervisors, and employees of the company or its affiliated companies: None. 2. The number and proportion of the company's shares held by the person, spouse, and relatives within the second degree (or using another person's name): None. 3. Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company: None. 4. Amount of remuneration obtained for providing business, legal, financial, accounting and other services of the company or related enterprises in the last 2 years: None.	None

Name / Condition	Professional position and Experience (Note1)	Independent Situation (Note2)	Seats of independent directors in other companies
Lu, Fei-Huang Independent Director	Graduated from Financial and Economics Law Group of Department of Law, National Chengchi University Sale & Principal, Fei-Huang clothing department store Supervisor, Universal Incorporation Member, Audit Committee, Universal Incorporation Not subject to Article 30 of the Company Act	1. Including but not limited to whether the person, spouse, and relatives within the second degree are the directors, supervisors, and employees of the company or its affiliated companies: None. 2. The number and proportion of the company's shares held by the person, spouse, and relatives within the second degree (or using another person's name): None. 3. Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company: None. 4. Amount of remuneration obtained for providing business, legal, financial, accounting and other services of the company or related enterprises in the last 2 years: NT\$6,000.	None

2 Diversity and independence of the board of directors:

- (1) Diversification of the board of directors: Describe the diversity policy, goals and achievements of the board of directors. Diversity policies include but are not limited to director selection criteria, professional qualifications and experience that the board of directors should have, gender, age, nationality, and cultural composition or ratio, and describe the company's specific goals and their achievement in relation to the previously disclosed policies.

The 7 members of the company's board of directors are all native citizens except Lam, Minh, who account for 85.7%; the age distribution of directors includes 6 directors aged 61-70, and 1 director aged 71-80. In addition to the above, the company also pays attention to gender equality in the composition of the board of directors. The current board members include 3 female members (2 of which are independent directors), and the proportion of female directors is 43%. In the future, the diversification policy will be updated in a timely manner depending on the operation, operation type and development needs of the board of directors, including but not limited to the two major aspects of standards such as basic conditions and values, professional knowledge and skills, so as to ensure that members of the board of directors should generally have the ability to perform their duties. Necessary knowledge, skills and accomplishments.

- (2) Independence of the board of directors: state the number and proportion of independent directors, explain the independence of the board of directors, and attach reasons to explain whether there are no circumstances stipulated in items 3 and 4 of Article 26-3 of the Securities Exchange Act, including the statement circumstances where the directors, supervisors, or directors and supervisors have spouses and relatives within the second degree of kinship.

The company has 7 directors, and the composition structure is 4 independent directors accounting for 57% of the directors; 2 directors with employee status

accounting for 29% of the directors. There are only 2 directors with spouses and relatives within the second degree of relatives, accounting for 29% of the directors. It is confirmed that more than half of the directors do not have spouses and relatives within the second degree of relatives, so there are no circumstances stipulated in items 3 and 4 of Article 26-3 of the Securities Exchange Act. The Board of Director is committed to assessing the independence of directors on an ongoing basis, taking into account all relevant factors, including: the ability of the relevant director to consistently ask constructive questions for management and other directors, express views independently of management or other directors, and the appropriateness of words and deeds on and off the board. The conduct of the company's directors, where appropriate, meets expectations and demonstrates the above characteristics.

After considering all the circumstances stated in this section, the Company considers all independent directors to be independent of the Company.

- Note 1: Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, they should state their accounting or financial background and work experience. In addition, explain whether there is no circumstance under Article 30 of the Company Law.
- Note 2: Independent directors should state the conditions of independence, including but not limited to whether the person, spouse, and relatives within the second degree serve as directors, supervisors, or employees of the company or its affiliated companies; the number and proportion of the company's shares held by relatives (or in the name of others); Whether you are a director, supervisor or employee of a company that has a specific relationship with the company (refer to Article 3, Item 1, Item 5-8, Article 3 of the Regulations on the Establishment of Independent Directors of Public Offering Companies and Matters to Be Followed); the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last two years.

1.2 General Manager, Deputy General Manager, Senior Manager, and Supervisors of Departments and Branch Agencies :
Information on General Manager, Deputy General Manager, Senior Manager, and Supervisors of Departments and Branch Agencies

April 30, 2025

Title (Note 1)	Nationality	Name	Gender	Election date	Hold shares		Shares held by spouse or minor children		Shares held in the name of other persons		Main working (education) experience (Note 2)	Current positions in the Company	Any manager who is a spouse or relative within the second degree of kinship			Remark (Note 3)
					Shares	Shareholding ratio	Shares	shareholding ratio	Shares	shareholding ratio			Title	Name	Relation	
General Manager	R.O.C.	Huang, Mei-Hui	Female	Aug. 1, 2002	4,520,176	5.30%	89,033	0.10%	—	—	Master of Information Management, Eastern Michigan University, USA Sale Manager, Universal Incorporation	Chairman, Hong Kong Everbig Int'l Investment Ltd. (Universal Incorporation representative) Chairman & General Manager, Xiamen Universal Incorporation (Hong Kong Everbig Int'l Investment Ltd. representative) Director, Universal Investment Co., Limited. (Fortune Industrial and Commercial Development Foundation representative) Supervisor, Everspring Enterprises Inc. Director, Fortune Industrial and Commercial Development Foundation Director, Universal Culture and Education Foundation	None	None	None	Note 3
Vice General Manager	R.O.C.	Kao, Ching- Hai	Male	July 26, 1991	246	0.00%	—	—	—	—	Master of Business Administration, National Chengchi University Vice General Manager, Universal Incorporation	Supervisor, Universal Investment Co., Limited. Director, Fortune Industrial and Commercial Development Foundation	None	None	None	None
Senior Manager	R.O.C.	Chou, Shou-Lu	Male	Jan 23, 2025	—	—	—	—	—	—	Master of Electronic Engineering, National Taipei Institute of Technology. Information Manager, Pan Overseas Electronic Co., Ltd Senior Manager, Universal Incorporation	Director, Universal Culture and Education Foundation	None	None	None	None
Audit Supervisor	R.O.C.	Lin, Hsiao-Fen	Female	June 21, 1999	—	—	—	—	—	—	Dept. of Business Administration, Soochow University Audit Supervisor, Universal Incorporation	None	None	None	None	None
Accounting Manager	R.O.C.	Liao, Shu-Chi	Female	Mar. 1, 2003	—	—	—	—	—	—	Accounting, Ling Tung University Accounting Manager, Universal Incorporation	None	None	None	None	None

Note 1: General Manager, Deputy General Manager, Senior Managers, Supervisors of Departments and Branch Agencies and persons who hold positions equivalent to General Manager, Deputy General Manager, or Senior Managers shall be disclosed.

Note 2: Experience related to holding the current position, such as having worked in a verification and certification accounting firm or an affiliated enterprise during the preceding disclosure period, the title and position in charge should be stated.

Note 3: When the general manager or person of equivalent position (top manager) and the president are the same person, spouse or first-degree relative, the reason, rationality, necessity and countermeasures should be disclosed (such as increasing the number of independent directors, and should have more than half of the directors do not concurrently serve as employees or managers, etc.) related information.

Please refer to the reason, rationality, necessity and countermeasures for the chairman and general manager are same person in note 5 on page 11.

2. Remuneration for Directors, General Manager and Deputy General Manager of the recent year

2.1 Remuneration for Directors, General Manager and Deputy General Manager

(1) Remuneration paid to directors and independent directors

Unit: NT\$

Title	Name	Director's remuneration								Sum of A to D and Proportion of net income after tax after summing 4 items A, B, C, and D (Note 10)		Employee remuneration for other activities								Sum of A to D and Proportion of net income after tax after summing 7 items A, B, C, D, E, F, and G (Note 10)		Whether the person receives remuneration from other non-subsidiary companies or parent company that The Company has invested in (Note 11)				
		Remuneration (A) (Note 2)		Retirement pension (B)		Director's remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Salaries, bonuses and special expenses (E) (Note 5)		Retirement pension (F)		Employee's remuneration (G) (Note 6)										
		The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	The Company	All companies listed in this financial report (Note 7)	Cash amount	Shares Sum	Cash amount	Shares Sum		The Company	All companies listed in this financial report		
Chairman	Universal Investment Co., Ltd. representative Huang, Mei-Hui	-	-	-	-	-	-	18,000	18,000	18,000	18,000	1,831,279	1,831,279	-	-	-	-	-	-	-	-	1,849,279	1,849,279	-3.58%	-3.58%	Note
Director	Universal Investment Co., Ltd. representative Lam, Minh	-	-	-	-	-	-	18,000	18,000	18,000	18,000	-	-	-	-	-	-	-	-	-	-	18,000	18,000	-0.04%	-0.04%	Note
Director	Universal Investment Co., Ltd. representative Kao, Ching-Hai	-	-	-	-	-	-	18,000	18,000	18,000	18,000	1,423,956	1,423,956	69,552	69,552	-	-	-	-	-	-	1,511,508	1,511,508	-2.34%	-2.93%	Note
Independent Director	Chang, Jin-Lian	20,000	20,000	-	-	-	-	18,000	18,000	38,000	38,000	-	-	-	-	-	-	-	-	-	-	38,000	38,000	-0.07%	-0.07%	Note
Independent Director	Wu, Cheng-Ming	20,000	20,000	-	-	-	-	18,000	18,000	38,000	38,000	-	-	-	-	-	-	-	-	-	-	38,000	38,000	-0.07%	-0.07%	Note
Independent Director	Chang, Ming-Lun	20,000	20,000	-	-	-	-	18,000	18,000	38,000	38,000	-	-	-	-	-	-	-	-	-	-	38,000	38,000	-0.07%	-0.07%	Note
Independent Director	Lu, Fei-Huang	-	-	-	-	-	-	18,000	18,000	18,000	18,000	-	-	-	-	-	-	-	-	-	-	18,000	18,000	-0.04%	-0.04%	Note

1. Please describe the independent director's remuneration payment policy, system, standards and structure, and describe the relationship with the amount of remuneration based on the responsibilities, risks, investment time and other factors:
1.1 Remuneration (A) is NT\$20,000 per person per year for serving on the Remuneration Committee.
1.2 Director's remuneration (C) has not been provided due to net loss before tax in 2024.
1.3 Business execution expenses (D) are the traveling expenses for directors to attend the board meeting, and the traveling expenses for each attendance are NT\$3,000 per person.
2. In addition to the above table, remuneration of directors provide service to the Company (Remuneration received by the parent company/consultants of all companies in the financial report/reinvested enterprises that are not employees, etc.):
Lawyer's travel expenses t NT\$3,000.

Notes: Director's remuneration (C) and employee remuneration (G) has not been provided due to net loss before tax in 2024.

- Note 1: The names of directors shall be listed separately (for institutional shareholders, the names of institutional shareholders and representatives shall be listed separately), and the payments shall be disclosed collectively. Directors who also serve as General Manager or Deputy General Manager are already listed in the table and the table below (2).
- Note 2: Remuneration of directors of the recent year (including salaries, job remuneration, severance, bonuses, and performance fees).
- Note 3: Remuneration paid to directors of the recent year upon the approval of the Board of Directors.
- Note 4: Business expenses paid out to directors in the recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to said driver. However, such remuneration shall not be included.
- Note 5: Remuneration for directors concurrently holding positions in the Company (for positions that include the General Manager, Deputy General Manager, other managers, or employees) shall include salaries, job remuneration, severance, bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, vehicles, and provision of physical items and services. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to said driver. However, such remuneration shall not be included. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase subscription shares, etc., should also be included in remuneration.
- Note 6: For directors concurrently holding positions in the Company of the recent year (including the General Manager, Deputy Manager, other managers, or employees) and receiving the remuneration (including stock and cash), distribution of the recent year remuneration of Employees upon the approval of the Board of Directors shall be disclosed. If such remuneration cannot be estimated, distribution of the remuneration of the recent year shall be based on the proportion of the remuneration distributed last year and filled in attached file (4).
- Note 7: Total remuneration in various items paid out to the Company's directors by all companies (including The Company) listed in the consolidated statement shall be disclosed.
- Note 8: For the total remuneration in various items paid out to the Company's directors, the name of each director shall be disclosed in the corresponding range of the remuneration.
- Note 9: Total remuneration in various items paid to every director of The Company by all companies (including The Company) listed in the consolidated statement shall be disclosed. The name of the director shall also be disclosed in the proper remuneration range.
- Note 10: Net income after tax refers to the net income after tax of individual or individual financial reports in the most recent year.
- Note 11: a. This column should clearly indicate the amount of remuneration received by the directors of the company from the reinvested business outside the subsidiary or the parent company (if there is no one, please fill in "None").
- b. If the directors of the company receive relevant remunerations from the investment from other non-subsidiary or parent company, the remuneration received by the company directors from the investment from other non-subsidiary or parent company, shall be included in column I of the remuneration scale table, and The name of the column is changed to "Parent Company and All Invested Enterprises".
- c. Refer to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the company as directors, supervisors or managers of other non-subsidiary or parent company that The Company has invested in..
- * The remuneration disclosed in the table is different from the income stipulated in the Income Tax Act. The purpose of the table is for the disclosure information instead of taxation.

(2) Remuneration for the General Manager and Vice General Manager

Unit: NT\$

Title	Name	Salary (A) (Note 2)		severance / retirement pension (B)		Bonuses and special expenses etc. (C) (Note 3)		Employee's remuneration (D) (Note 4)				Sum of A to D and Proportion of net income after tax after summing 4 items of A, B, C, and D (%) (Note 8)		Whether the person receives remuneration from other non-subsidiary companies or parent company that The Company has invested in (Note 9)
		The Company	All companies listed in this financial report (Note 5)	The Company	All companies listed in this financial report (Note 5)	The Company	All companies listed in this financial report (Note 5)	The Company		All companies listed in this financial report (Note 5)		The Company	All companies listed in this financial report	
								Cash Sum	Shares Sum	Cash Sum	Shares Sum			
General Manager	Huang, Mei-Hui	1,537,000	1,537,000	—	—	294,279	294,279	—	—	—	—	1,831,279 -3.55%	1,831,279 -3.55%	None
Vice General Manager	Kao, Ching-Hai	1,171,120	1,171,120	69,552	69,552	252,836	252,836	—	—	—	—	1,493,508 -2.90%	1,493,508 -2.90%	None

*Regardless of title, those whose positions are equivalent to general manager or deputy general manager (for example: president, chief executive officer, director...etc.) should be disclosed.

Note: The employee remuneration amount (D) has not been provided due to net loss before tax in 2024.

Note 1: The names of general manager and deputy general manager shall be listed separately, and the payments shall be disclosed collectively. Directors who also serve as General Manager or Deputy General Manager are already listed in the table and the table below (1).

Note 2: The salaries, job remuneration, severance of general manager and deputy general manager of the recent year.

Note 3: The bonuses, performance fees, transport, special expenses salaries, various allowances, dormitory, car allocation and others of general manager and deputy general manager of the recent year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to said driver. However, such remuneration shall not be included. In addition, the salary expenses recognized according to IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase subscription shares, etc., should also be included in remuneration.

Note 4: Approved by the board of directors in the most recent year to distribute the amount of employee remuneration for the general manager and deputy general manager (including stock and cash), If such remuneration cannot be estimated, the remuneration to be distributed in current year shall be based on the proportion of the remuneration distributed last year and filled in table (4).

Note 5: Total remuneration in various items paid out to the Company's general manager and deputy general manager by all companies (including The Company) listed in the consolidated statement shall be disclosed.

Note 6: For the total remuneration in various items paid out to the Company's general manager and deputy general manager, the name of each general manager and deputy general manager shall be disclosed in the corresponding range of the remuneration.

Note 7: Total remuneration in various items paid out to the Company's general manager and deputy general manager by all companies (including The Company) listed in the consolidated statement shall be disclosed, the name of each general manager and deputy general manager shall be disclosed in the corresponding range of the remuneration.

Note 8: Net income after tax refers to the net income after tax of the recent year; those who have adopted the International Financial Reporting Standards, Net income after tax is the net income after tax of the most recent annual individual or separate financial report.

Note 9: a. the remuneration the Company's general manager and deputy general manager receives from other non-subsidiary companies or parent company that The Company has invested in shall be disclosed in this column.

b. If the general manager and deputy general manager receives remuneration from other non-subsidiary company or parent company, said remuneration shall be included in Column E in the remuneration range table. The name of the column shall also be changed to "Parent Company and All Invested Enterprises".

c. Remuneration in this case shall refer to remuneration, fees (including remuneration as a company employee, director, or supervisor), business expenses, and other related payments received by the general manager and deputy general manager of The Company for being a director, supervisor, or managerial officer of other non-subsidiary companies or parent company that The Company has invested in.

* The remuneration disclosed in the table is different from the income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information instead of taxation.

(3) The remuneration of the top five highest paid executives of listed companies

Unit: NT\$

Title	Name	Salary (A) (Note 2)		severance / retirement pension (B)		Bonuses and special Expenses etc. (C) (Note 3)		Amount of employee remuneration (D) (Note 4)				Sum of A to D and Proportion of net income after tax after summing 4 items of A, B, C, and D (%) (Note 6)		Whether the person receives remuneration from other non-subsidiary companies or parent company that The Company has invested in (Note 7)
		The company	All companies listed in this financial report (Note 5)	The company	All companies listed in this financial report (Note 5)	The company	All companies listed in this financial report (Note 5)	The company		All companies listed in this financial report (Note 5)		The company	All companies listed in this financial report	
								Cash Sum	Shares Sum	Cash Sum	Shares Sum			
General Manager	Huang, Mei-Hui	1,537,000	1,537,000	—	—	294,279	294,279	—	—	—	—	1,831,279 -3.55%	1,831,279 -3.55%	None
Vice General Manager	Kao, Ching-Hai	1,171,120	1,171,120	69,552	69,552	252,836	252,836	—	—	—	—	1,493,508 -2.90%	1,493,508 -2.90%	None
Accounting Manager	Liao, Shu-Chi	666,000	666,000	39,888	39,888	155,055	155,055	—	—	—	—	860,943 -1.67%	860,943 -1.67%	None

Note 1: The top five highest paid managers who are company managers, Criteria for identifying managers according to the former Securities and Futures Commission of the Ministry of Finance for "Manager's" regulations by the Ministry of Finance document number 0920001301 on March 27, 2003. As for the calculation and determination principles of "top five highest remuneration", it is based on the total amount of salaries, retirement pensions, bonuses and special expenses received by the company managers from all companies in the consolidated financial report, as well as the amount of employee remuneration (the total of the four items of A+B+C+D), and the top five highest rewards will be determined after sorting. If the director concurrently serves as the former supervisor, this form and the above form (1) should be filled out.

Note 2: The salaries, job remuneration, severance of the top five highest paid manager of the recent year.

Note 3: The bonuses, performance fees, transport, special expenses salaries, various allowances, dormitory, car allocation and others of the top five highest paid manager of the recent year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to said driver. However, such remuneration shall not be included. In addition, the salary expenses recognized according to IFRS 2 "Share-Based Payment", including the acquisition of employee stock option certificates,

Note 4: Approved by the board of directors in the most recent year to distribute the amount of employee remuneration for the top five highest paid manager (including stock and cash), If such remuneration cannot be estimated, the remuneration to be distributed in current year shall be based on the proportion of the remuneration distributed last year and filled in table (4).

Note 5: Total remuneration in various items paid out to the Company's the top five highest paid manager by all companies (including The Company) listed in the consolidated statement shall be disclosed.

Note 6: Net income after tax is the net income after tax of the most recent annual individual or separate financial report.

Note 7: a. The remuneration the Company's the top five highest paid manager receives from other non-subsidiary companies or parent company that The Company has invested in shall be disclosed in this column.

b. Remuneration refers to the remuneration, remuneration (including the remuneration of employees, directors and supervisors) and business execution received by the top five top remuneration executives of the company as director, supervisor, or managerial officer of other non-subsidiary companies or parent company that The Company has invested in..

* The remuneration disclosed in the table is different from the income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information instead of taxation.

(4) The name of the manager who distributes employee remuneration
and the distribution situation

April 30, 2025

Unit: NT\$

	Title (Note 1)	Name (Note 1)	Shares Sum	Cash Sum	Total	Percentage (%) of total amount to net profit after tax
Managerial Officer	General Manager	Huang, Mei-Hui	—	—	—	—%
	Vice General Manager	Kao, Ching-Hai				
	Accounting Manager	Liao, Shu-Chi				

Note 1: Individual names and titles should be disclosed, but disclose status of profit distribution by Summary method.

Note 2: For managers receiving remuneration (including stock and cash), distribution of the employee's remuneration of the recent year upon the approval of the Board of Directors shall be disclosed. If such remuneration cannot be estimated, the remuneration to be distributed in current year shall be based on the proportion of the remuneration distributed last year. If IFRS is adopted, Net income after tax is the net income after tax of the most recent annual individual or separate financial report.

Note 3: The application range of managerial officer, according to the Ministry of Finance document number 0920001301 on March 27, 2003, and the range as below.

- (1) General manager and equivalent
- (2) Deputy general manager and equivalent
- (3) Senior manager and equivalent
- (4) Head of financial department
- (5) Head of accounting Department
- (6) Other persons who have the right to manage affairs and sign for the company

Note 4: If the directors, general manager and deputy general manager receive employee remuneration (including stock and cash), In addition to fill in table (1)&(2)&(3), this form should also be filled in.

2.2 Comparing and explaining the ratio of the total amount of remuneration paid to the company's directors, general managers and vice general managers etc. in the last two years by the company and all companies in the consolidated statement to the after-tax net profit of individual or individual financial reports, and explaining the policy, standard and composition, procedures for determining remuneration and is related between business performance and future risk :

Unit: NT\$ thousand

Title	The company				All companies listed in the consolidated financial report			
	2024		2023		2024		2023	
	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax	Total amount	Percentage of the net profit after tax
Director 's remuneration	186	-0.36%	485	2.73%	186	-0.36%	485	2.73%
General Manager and Vice General Manager 's remuneration	3,325	-6.45%	3,530	19.88%	3,325	-6.45%	3,530	19.88%
Total	3,511	-6.81%	4,015	22.61%	3,511	-6.81%	4,015	22.61%

Explanation :

1. The net (loss) profit after tax of individual financial report in 2024 and 2023 was (NT\$51,542) thousand and NT\$17,755 thousand.
2. The total remuneration of the company's directors decreased in 2024 compared with 2023, director's remuneration has not been provided due to net loss before tax in 2024, and the total remuneration of the general manager and vice general manager decreased compared with 2023, the employee remuneration has not been provided due to net loss before tax before tax in 2024. There are **two directors concurrently served as general manager and vice general manager among** the directors in 2024 and 2023.
3. The directors of the company who pay salaries are concurrently managerial officer or employees. The remuneration of managerial officer and employees is handled according to the relevant personnel regulations of the company, explanation as below :
 - (1) According to Article 29 of the Company Law, the appointment, dismissal and remuneration of managerial officer shall be made by the board of directors with the attendance of more than half of the directors and the resolution of more than half of the directors present.
 - (2) According to Article 24 of the Company Policy: The company has a number of managerial officer, whose appointment, dismissal and remuneration shall be handled in accordance with the provisions of Article 29 of the Company Law.
 - (3) According to the Ministry of Finance document number 0920001301 on March 27, 2003, the application range of managerial officer is extended to senior manager and equivalent, head of financial department, and head of accounting department, Therefore, the appointment, dismissal, and remuneration of the company's senior manager above and equivalent, head of financial department, and head of accounting department shall be resolved by the board of directors.
 - (4) The remuneration of managerial officer shall be handled in accordance with the relevant personnel regulations of the company, and shall be approved by the Chairman, and the same way when adjustment.

3. Implementation of Corporate Governance

3.1 Implementation of the Board of Directors

(1) Information on implementation of the Board of Directors

There were 6 (A) meetings of the board of directors in the most recent year, and the attendance of the directors is as follows :

Title	Name (Note 1)	Actual Attendance B	Delegated presence	Actual Attendance Rate (%) 【B/A】 (Note 2)	Remark
Chairman	Universal Investment Co., Ltd. Representative Huang, Mei-Hui	6	0	100	
Director	Universal Investment Co., Ltd. representative Lam, Minh	6	0	100	
Director	Universal Investment Co., Ltd. representative Kao, Ching-Hai	6	0	100	
Independent Director	Wu, Cheng- Ming	6	0	100	
Independent Director	Chang, Jin-Lian	6	0	100	
Independent Director	Chang, Ming-Lun	6	0	100	
Independent Director	Lu, Fei-Huang	6	0	100	

Other items that shall be recorded :

1.If the operation of the board of directors has one of the following status should be declared in writing, the date of the board meeting, period, content of proposal, opinions of all independent directors, and the company's handling of such opinions shall be stated.

1.1 For matters specified in Article 14-3 of Taiwan's Securities and Exchange Act

The date of the Board of Director	Period	Content of proposal	All Independent Directors' Opinions	The Company's Handling of Independent Directors' Opinions
Feb. 02, 2024	21th session 5 th meeting	1. The case for changing visa accountant.	Approved (no objection or reservations opinion)	Not applicable
Mar. 15, 2024	21th session 6 th meeting	1.The 2024's accounting audit public expenses case.	Approved (no objection or reservations opinion)	Not applicable
Nov. 08, 2024	21th session 10 th meeting	1. Amendment to the Company's articles of internal control system and internal audit implementation rules.	Approved (no objection or reservations opinion)	Not applicable

1.2 In addition to the aforementioned matters, other resolutions of the board of directors that have been objected or reserved by independent directors and have records or written statement : None

2.The implementation of directors' recusal of interest-related proposals, the name of the director, the content of the proposal, the reasons for avoiding the interests of the directors, and the status of participation in voting should be stated : Please refer to Attached Table 1.

3.Listed OTC companies shall disclose information such as the evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self (or peer) evaluation, and fill in Attachment 2 (2) Implementation status of board evaluation.

4.The current and most recent year's goal of strengthening the functions of the board of directors (such as the establishment of an audit committee, the improvement of information transparency, etc.) and the evaluation of its implementation :

4.1 The company established an audit committee (composed of independent directors) on June 15, 2020

4.2 In terms of improving information transparency: the company announces and declares all items that should be reported at the public information observation station according to the regulations of the securities regulatory authority, and relevant information can also be found on the company's website.

Note1: The directors and supervisors are legal persons, the name of the legal person shareholder and representative should be disclosed.

Note2: 1. For directors and supervisors who resign before the end of the year, the resignation date should be indicated in the remarks column, and the actual (list) attendance rate (%) is calculated based on the number of board meetings and the actual number of attendance (list) during his tenure.

2. Before the end of the year, if there is a re-election of directors and supervisors, both the new and old directors and supervisors should be listed, and the directors and supervisors should be the former, new or re-elected and the date of re-election in the remarks column. The actual attendance (list) rate (%) is calculated based on the number of board meetings and the number of actual attendance (list) during his tenure.

Attachment 1

Execution of directors' recusal of interest related proposals

The date of the Board of Directors meeting	Period	Name of Directors	Content of proposal	Benefit avoidance reasons	Participate in voting
Feb. 02, 2024	21th session 5 th meeting	Huang, Mei-Hui Kao, Ching Hai	Review the company's year-end bonus for managers and bonus for untaken annual leave proposal in 2023.	Directors and managers, Huang Mei-Hui and Kao, Ching Hai avoided interests.	Chairman Huang, Mei-Hui and director Kao, Ching Hai had withdrawn from the voting on this case, and the independent director Chang Jin-Lian presided over the consultation and the remaining directors present agreed to approve it without objection.
Aug. 09, 2024	21th session 9 th meeting	Huang, Mei-Hui Kao, Ching Hai	Review the 2023's annual employee remuneration distribution plan for the company's managers.	Directors and managers, Huang Mei-Hui and Kao, Ching Hai avoided interests.	Chairman Huang, Mei-Hui and director Kao, Ching Hai had withdrawn from the voting on this case, and the independent director Chang Jin-Lian presided over the consultation and the remaining directors present agreed to approve it without objection.

Attachment 2

(2) Implementation of Performance Evaluation of Board of Directors

Evaluation cycle (Note1)	Evaluation period (Note2)	Evaluation Scope (Note3)	Evaluation Method (Note4)	Evaluation content (Note5)
Once a year	Jan. 1 st , 2024 to Dec. 31 st , 2024	Board of Directors	Internal self-evaluation of Board of Directors	<ol style="list-style-type: none"> 1. Participation in the operation of the company. 2. Improvement of the quality of the board of directors' decision making. 3. Composition and structure of the board of directors. 4. Election and continuing education of the directors. 5. Internal control.
Once a year	Jan. 1 st , 2024 to Dec. 31 st , 2024	Individual Directors	Self-evaluation of Board of Directors members	<ol style="list-style-type: none"> 1. Mastery of company goals and tasks. 2. Awareness of the duties of a director. 3. Participation in the operation of the company. 4. Management of internal relationship and communication. 5. the director's professionalism and continuing education. 6. Internal control.

Evaluation cycle (Note1)	Evaluation Period (Note2)	Evaluation Scope (Note3)	Evaluation Method (Note4)	Evaluation content (Note5)
Once a year	Jan. 1 st , 2024 to Dec. 31 st , 2024	Audit Committee	Internal Self-evaluation of Audit Committee	<ol style="list-style-type: none"> 1. Degree of involvement in company operations. 2. Perception of functional committee responsibilities. 3. Improve the decision-making quality of functional committees. 4. Composition of functional committees and selection of members. 5. Internal control.
Once a year	Jan. 1 st , 2024 to Dec. 31 st , 2024	Remuneration Committee	Internal Self-evaluation of Remuneration Committee	<ol style="list-style-type: none"> 1. Degree of involvement in company operations. 2. Perception of functional committee responsibilities. 3. Improve the decision-making quality of functional committees. 4. Composition of functional committees and selection of members. 5. Internal control. (Not applicable)

Note 1: Fill in the implementation cycle of the board of directors' evaluation, for example: once a year.

Note 2: Fill in the period covered by the evaluation of the board of directors, for example: evaluate the performance of the board of directors from January 1, 2019 to December 31, 2019.

Note 3: The range of evaluation includes the performance evaluation of the board of directors, individual director members and functional committees.

Note 4: Evaluation methods include internal self-evaluation by the board of directors, self-evaluation by directors, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

Note 5: The evaluation content includes at least the following items according to the range of

1. Performance Evaluation of Board of Directors: Including of participation in the operation of the company, improvement of the quality of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors, internal control.
2. Performance Evaluation individual directors: Including of alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication, the director's professionalism and continuing education; and internal control.
3. Performance Evaluation of Functional Committee: participation in the operation of the company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, functional committee composition and member Appointment and Internal control, etc.

3.2. Implementation of Audit Committee

There were 4 (A) meetings were held by the Audit Committee in the recent year and the attendance of independent directors is as follows:

Title	Name	Actual Attendance B	Delegated presence	Actual Attendance Rate (%) 【B/A】 (Note)	Remark
Independent Director	Wu, Cheng-Ming	4	0	100	
Independent Director	Chang, Jin-Lian	4	0	100	
Independent Director	Chang, Ming-Lun	4	0	100	
Independent Director	Lu, Fei-Huang	4	0	100	

Other items that shall be recorded:

1. In case of any of the following situations in the operation of the audit committee, the audit committee meeting date, period, content of proposals, independent directors' objections, results of audit committee resolutions, and the company's handling of the opinions of the audit committee.

1.1 Listing Article 14-5 of the Securities and Exchange Act.

Audit Committee meeting date	Period	Content of proposals	Independent Directors' Objections	Results of Audit Committee resolutions	The company's Handling of the Audit Committee's opinion
Mar. 14, 2024	2th session 3 th meeting	1.The company's 2023 business report and financial report (including individual and consolidated financial report) are submitted for deliberation.	No objection or modified opinion	Approval	Not applicable
		2.The 2023's company's earnings distribution proposal.	No objection or modified opinion	Approval	Not applicable
		3.The 2023's cash dividend distribution proposal.	No objection or modified opinion	Approval	Not applicable
		4.The results of the self-assessment report of the company's internal control system in 2023.	No objection or modified opinion	Approval	Not applicable
		5.The 2024's accounting audit public expenses case.	No objection or modified opinion	Approval	Not applicable
Aug. 09, 2024	2th session 5 th meeting	1.Amendment to the Company's articles of internal control system and internal audit implementation rules.	No objection or modified opinion	Approval	Not applicable

1.2 Except above, others that approved by two thirds of boards of directors and not approved by Audit Committees : None.

2. For the avoidance of conflict of interest by independent directors, the names of independent directors, content of proposal, reasons for the avoidance of conflict of interest, and the participation in the vote shall be stated : None.

3. Communication of independent directors between audit manager and accountant. (Including of important items, methods, results of the company's finance, sales)

3.1 Communication of independent directors between audit manager: The audit regularly submits audit reports to independent directors for review

3.2 Communication of independent directors between accountant :

3.2.1. The annual financial report is audited by accountants and submitted to independent directors for review.

3.2.2. If independent directors have questions and need to ask accountants to explain, accountants will explain to independent directors in detail.

3.2.3. Accountants will attend the board of directors meeting twice a year, and explain to directors (including independent directors) "according to the Auditing Standards Bulletin No. 260, the accountants should communicate with the governance unit of the auditee for discussion."

3.3 State of corporate governance, gaps with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps

Assessed items	State of operations (Note)			Gaps with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
1. Did the Company stipulate and disclose best practice principles for corporate governance according to the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies?	V		The company has established a corporate governance code of practice, which is disclosed on the company's Chinese website.	None
2. Equity structure and shareholders' rights of the Company				None
2.1 Did the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?	V		2.1 The company has a spokesperson or deputy spokesperson to deal with the above issues.	
2.2 Did the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		2.2.1 Based on the register of shareholders provided by the agency department of China Trust Commercial Bank, the company's stock affairs agency, and the monthly insider shareholding change declaration information, the company grasps the equity changes of the major shareholders who actually control the company. 2.2.2 List of ultimate controllers of major shareholders: If the director is a legal person, regularly ask the legal person for the latest list of directors and supervisors or the registration card for changes.	
2.3 Did the Company establish and enforce risk control and firewall systems with its affiliated businesses?	V		2.3 In addition to regular audits of various businesses, the company has established "subsidiary supervision operations" in the internal control system to standardize and control various related operations.	
2.4 Did the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	V		2.4 The company's internal control system has established management operations to prevent insider trading.	

Assessed items	State of operations (Note)			Gaps with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
<p>3. Composition and responsibilities of the Board of Directors:</p> <p>3.1 Has the board of directors formulated a diversity policy, specific management goals and implemented them regarding its membership?</p> <p>3.2 In addition to Salary and Remuneration Committee and Audit Committee established according to law, has the Company voluntarily established other functional committees?</p> <p>3.3 Did the Company stipulate regulations for assessing the performance of the Board of Directors and the process of assessment? Are these performance assessments carried out regularly every year?</p> <p>3.4 Did the Company regularly implement assessments on the independence of the CPA?</p>		V V V V	<p>3.1 Undecided, under development.</p> <p>3.2 The Company has established the Remuneration Committee and Audit Committee in accordance with regulations and laws. No other functional committee is established.</p> <p>3.3 Decided , regular performance evaluation every year, and report the results of the performance evaluation to the board of directors.</p> <p>3.4 Internal accountants are rotated on a regular basis according to laws and regulations, and approved by the company's board of directors.</p>	None
<p>4. Whether the listed & OTC company has a qualified and appropriate number of corporate governance personnel, and designate a corporate governance supervisor to be responsible for corporate governance related matters including but not limited to providing the directors and supervisors to carry out the business required information, handling the matters relating to the meetings of the board of directors and the shareholders' meeting, registrations and changes in the registrations in the company, making the minutes of the board of directors and the shareholders' meeting?</p>	V		<p>The company has set up a corporate governance supervisor who is responsible for corporate governance-related matters, and personnel from the general manager's office, planning and financial department accounting and other units will assist in corporate governance-related matters including providing the information required by the directors and the audit committee, handling matters related to the meetings of the board of directors, audit committee and shareholders' meeting according to law, handling company registration and change registration, making minutes of the board of directors, audit committee and shareholders' meetings, etc.</p>	None

Assessed items	State of operations (Note)			Gaps with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
5. Has the Company established a communication channel with stakeholders? Has a stakeholders' area been established on the Company's website? Are major corporate social responsibility (CSR) topics concerning the stakeholders addressed appropriately by the Company?	V		5.1 In addition to disclosing information on the Market Observation Post System and the company's website according to regulations, all interested parties can contact by telephone, fax, or e-mail at any time if necessary, and the company actively participates in relevant association activities. In addition, the company has set up a customer service team, conducts annual customer satisfaction surveys, etc., as a communication channel with customers, and regularly interviews employees as a communication channel with employees. 5.2 The company's website has a special section on Investors and Stakeholders area (details 7, information disclosure (1) explanation).	None
6. Has the Company delegated a professional shareholder services agent to handle the shareholders' meeting?	V		The company entrusts the Agency Department of CTBC Bank to handle relevant shareholders' meeting affairs	None
7. Information disclosure 7.1 Did the Company establish a website to disclose information on financial operations and corporate governance?	V		7.1 The Company has setup on Investors and Stakeholder area page with contact information in the company website. (http://www.uk.com.tw) · disclose monthly revenue information, financial information (including annual quarterly consolidated financial report and annual consolidated and individual financial report), shareholder columns (including stock price, shareholder meeting notices, meeting manuals, minutes, annual reports, top ten annual reports Shareholder relationship form, spokesperson and stock representative's name (or organization), contact number, email address, etc., company's major news, contact information of interested parties, corporate governance (company organization chart, legal person briefing), Company regulations, board of directors, internal audit (please see the company's website for detailed information), ISO certification (certificate); there are also perspectives on Universal Incorporation, product introduction and guest message area, etc.	None
7.2 Did the Company adopt other means of information disclosure (such as establishing an English language website, delegating a professional to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor	V		7.2.1 The Company established a website with English version to disclose information: Company Profile · Our Products · Investor Relations (Content: Administration · Monthly Revenue Information · Financial Information · Shareholder's Bulletin · News Bulletin) · Contact Us and so on. 7.2.2 There is a designated person responsible for the collection and disclosure of company information, and the implementation of the spokesperson	

Assessed items	State of operations (Note)			Gaps with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
<p>implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)?</p> <p>7.3 Does the company announce the annual financial report within two months after the end of the fiscal year, and announce the first, second, and third quarter financial reports and the operating status of each month before the prescribed deadline?</p>		V	<p>system...etc.</p> <p>7.3 Not yet available.</p>	
<p>8. Did the Company have other important information for better understanding the Company's corporate governance system (including but not limited to interests and rights of employees, care for employees, relation with investors, relation with suppliers, relation with interested parties, continuing education of directors and supervisors, execution of risk management policies and risk measuring standards, execution of customer policies, liability insurance for the Company's directors and supervisors)?</p>	V		<p>8.1 Interests and rights of employees, care for employees : The company handles employee-related affairs according to the Labor Standards Law and other relevant labor laws and regulations, and safeguards the rights and interests of employees (please refer to page 77, 4. Operation Overview, 5. Labor Relations).</p> <p>8.2 Relation with investors : The company have good communication with investors · Investors can inquire about the company's operating status through the spokesperson and acting spokesperson. The company discloses relevant information in the Market Observation Post System according to the regulations, investors can understand the company's financial and business status; the company's website also has a special area for investors and interested parties, which discloses corporate governance, revenue information, financial information, and shareholder columns. and important news.</p> <p>8.3 Relation with suppliers : The company maintains a good relationship with suppliers, every regular supplier has established a "supplier data card" and regularly reviews it to stabilize the source and quantity of raw materials required by the company.</p> <p>8.4 Rights of interested parties : The company attaches great importance to protecting the rights of stakeholders. In addition to disclosing information at the Market Observation Post System according to regulations, all stakeholders can contact by telephone, fax, or E-mail any time if necessary, and the company also actively participates in</p>	None

Assessed items	State of operations (Note)			Gaps with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
			<p>relevant association activities. In addition, the company has set up a customer service team and conducts customer satisfaction surveys every year as a communication channel with customers. It also regularly interviews employees as a communication channel with employees. In addition, the company website has a special section on Investors and Stakeholders area.</p> <p>8.5 The status of directors and managers' training :</p> <p>(1) Continuing education of directors : 4 directors participated in refresher courses this year, please refer to point 2 on page 43 (7).</p> <p>(2) Continuing education of managers : there is accounting executive participating in refresher courses this year, please refer to point 3 on page 43 (7).</p> <p>8.6 Execution of risk management policies and risk measuring standards.</p> <p>(1) The company has insured appropriate property insurance for the important assets of the company and the factory (including factory buildings, machinery and equipment, wealth-generating appliances, inventories, etc.).</p> <p>(2) The company pays attention to the implementation of the internal control system to control various operational and financial risks and abide by various relevant laws and regulations.</p> <p>8.7 Execution of customer policies :</p> <p>The company has a customer service team. If customer has complaint, the company will handle it in a fair and just manner. If compensation is required, it shall be settled according to the compensation method and amount agreed by both parties.</p> <p>8.8 Situations where the company purchases liability insurance for directors (including independent directors) and managers: The company has purchased one-year liability insurance for directors (including independent directors) and managers on May 26, 2024, and will continue to purchase directors and managers liability insurance when it expires.</p>	
<p>9. Please explain the improvement of the corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority enhancements and measures for those that have not been improved. (Companies not included in the evaluation do not need to fill in) For those who have not yet improved, put forward priority strengthening items and measures: none.</p>				

Note : Whether the operation status is checked "Yes" or "No", it should be stated in the summary sheet.

3.4 If the company has established a remuneration committee, it shall disclose its composition and operation :

4.4.1 Information on the members of the Salary and Remuneration Committee

April 30, 2025

Identity (Note 1)	Name	Condition	Professional qualifications and experience (Note 2)	The requirements of independence (Note 3)	Number of salary and remuneration committee memberships concurrently held in other public companies
Independent Director convener	Chang, Jin-Lian		See page 13 for information on directors (2) in table	See page 13 for information on directors (2) in table	None
Independent Director	Wu, Cheng-Ming		See page 13 for information on directors (2) in table	See page 13 for information on directors (2) in table	None
Independent Director	Chang, Ming-Lun		See page 13 for information on directors (2) in table	See page 13 for information on directors (2) in table	None

Note1: Please describe in the form the relevant working experience, professional qualifications, experience and independence of the members of each salary and remuneration committee. If you are an independent director, you can make a note to describe the relevant content in Table 1 Director and Supervisor Information (1) on page OO. Please fill in the identity as independent director or other (if it is the convener, please add a note).

Note2: Professional qualifications and experience: State the professional qualifications and experience of individual salary and remuneration committee members.

Note3: Independence conditions: Describe the independence conditions of the members of the salary and remuneration committee, including but not limited to whether the person, spouse, and relatives within the second degree are the directors, supervisors or employees of the company or its affiliated enterprises; The number and proportion of the company's shares held by the person, spouse, and relatives within the second degree (or in the name of others); Directors, supervisors, or employees as stipulated in Subparagraphs 5-8, Item 1, Article 6 of the Regulations); the amount of remuneration received for providing business, legal, financial, and accounting services to the company or its affiliated companies in the last two years.

3.4.2. Scope of Responsibilities of the Remuneration Committee

(1) Members of this committee shall fulfill their responsibilities as good administrators, perform the following functions and powers, and submit their suggestions to the board of directors for discussion. However, if the supervisor's salary proposal is submitted to the board of directors for

discussion, the supervisor's salary is stipulated in the company's articles of association or the board of directors is authorized to handle it by resolution of the shareholders' meeting:

- a. Regularly review the organizational regulations of the company's salary and Remuneration committee and propose amendments.
- b. Formulate and regularly review the company's directors, supervisors and managers' annual and long-term performance goals and policies, systems, standards and structures for salary and remuneration.
- c. Regularly evaluate the achievement of the performance goals of the company's directors, supervisors and managers, and determine the content and amount of their individual salaries.

(2) When performing the functions and powers of the preceding paragraph, the committee shall follow the principles as below:

- a. Ensure that the company's salary and remuneration arrangements comply with relevant laws and regulations and attract outstanding talents.
- b. The performance evaluation and remuneration of directors, supervisors and managers shall refer to the payment situation of the same industry level, and consider the time invested by the individual, the responsibilities assumed, the achievement of personal goals, the performance of other positions, and the company's rewards for those who have given equivalent positions in recent years salary remuneration is based on the achievement of the company's short-term and long-term business goals, the company's financial status, etc. to evaluate the rationality of individual performance, company operating performance and future risks.
- c. Directors and managers should not seek remuneration to engage in behaviors that exceed the company's risks.
- d. The proportion of dividends for short-term performance of directors and senior managers and the payment time of some variable salary remuneration need to be determined by considering the characteristics of the industry and the nature of the company's business.
- e. Members of this committee are not allowed to participate in discussions and votes on their personal salary and remuneration decisions.

(3) Salary remuneration referred to in the organizational regulations of the remuneration committee of the company includes: cash remuneration, stock options, dividends, retirement benefits or resignation benefits, various allowances and other measures with substantial rewards. Its scope should be consistent with the remuneration of directors, supervisors, and managers in the guidelines for matters to be recorded in the annual report of public companies.

(4) If the remuneration of the directors and managers of the subsidiaries of the company needs to be approved by the board of directors of the company, it should be submitted to the board of directors for discussion after the committee makes recommendations.

3.4.3. Operations of the Salary and Remuneration Committee

- (1) The Company has a Remuneration Committee composed of 3 members.
- (2) The duration of the current term of service is from July 10, 2023 to June 26, 2026. A total of three Remuneration Committee meetings were held in the recent year. The following lists member qualifications and presence at these meetings :

Title	Name	Actual presence (B)	Delegated presence	Rate of actual Presence (%) (B/A) (Note)	Remarks
Convener	Chang, Jin-Lian	3	0	100	
Member	Wu, Cheng-Ming	3	0	100	
Member	Chang, Ming-Lun	3	0	100	

Other items that shall be recorded:

1. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Salary and Remuneration Committee, the date of the Directors' Meeting, session, contents discussed, results of meeting resolutions, and the Company's disposition of opinions provided by the Salary and Remuneration Committee shall be described in detail (also, where the salary and remuneration approved by the Directors' Meeting is better than that recommended by the Salary and Remuneration Committee, the differences and the reason for the approval shall be described in detail): None.
2. Where resolutions of the Salary and Remuneration Committee include a dissenting or qualified opinion that is on record or stated in a written statement, the date, session, contents discussed, opinions from every member, and disposition of the members' opinions shall be described in detail: None.

Note:(1) If a member of the Remuneration Committee resigns before the end of the year, the date of resignation should be indicated in the remarks column, and the actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee and the actual number of Attendance during the period of employment.

- (2) Before the end of the year, if there is re-election of the remuneration committee, both the new and former members of the remuneration committee should be listed, and the member should be the former, new or re-elected and re-elected date in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Salary and Compensation Committee during the working period and the number of actual Attendance.

3.5 Implementation of sustainable development promotion and the differences and reasons from the code of practice for sustainable development of listed & OTC companies

Assessed items	State of operations (Note 1)			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and root causes
	Yes	No	Summary	
1. Has the Company established an exclusively (or concurrently) dedicated unit for promoting sustainable development? Is the unit empowered by the Board of Directors to implement sustainable development activities at upper management levels? Does the unit report the progress of such activities to the Board of Directors? (Listed and OTC companies should report the implementation status, not compliance or interpretation.)	V		1. A governance structure has been developed and a sustainability promotion team has been established, which is authorized by the board of directors to be handled by senior management and supervised by the board of directors.	The company's paid-in capital has not reached NT\$2 billion. According to Article 2 of the Taiwan Stock Exchange's "Operation Measures for the Preparation and Submission of Sustainability Reports for Listed Companies", the company is applicable preparation and submission of sustainability report since 2025.
2. Does the Company implement risk evaluation of environment, society, corporate governance by materiality principle, and stipulated risk management systems or policies? (Note 2) (Listed and OTC companies should report the implementation status, not compliance or interpretation.)	V		1. In 2025, an ESG sustainable development questionnaire has been implemented for stakeholders, covering 17 aspects including environment, society and governance. 2. It is planned to establish a risk matrix based on the level of attention and impact of the topic. The matrix is divided into three areas: high, medium and low, and risks are assessed based on the principle of significance. 3. Plan to set strategies and goals for issues in high-risk areas.	Same as the previous item
3. Environment issue 3.1 Has the Company referred to the nature of its industry to establish a suitable environment management system (EMS)?	V		3.1 An ISO 14001 : 2015 environmental management system has been established and continues to be verified, and management representatives have been appointed to oversee operations.	None
3.2 Is the Company committed to improving usage efficiency of various resources and utilizing renewable resources with reduced environmental impact?	V		3.2 The company makes appropriate use of ear materials, B Grade fabrics, and recycle PP in nonwoven production.	
3.3 Does the Company evaluate with changes to the global climate and how it may affect now and future	V		3.3.1 The company installs energy-saving equipment for	

Assessed items	State of operations (Note 1)			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and root causes
	Yes	No	Summary	
<p>risk and opportunity, and countermeasures of related climate issue?</p> <p>3.4 Does the Company computed greenhouse gas emissions, water consumption, the total weight of waste for last two years, stipulated strategies for reducing energy consumption, greenhouse gas emissions, water consumption, others waste emissions?</p>	V		<p>process air-conditioning equipment.</p> <p>3.3.2 Install solar power generation equipment on the roof of the factory building in accordance with regulations.</p> <p>3.4 The factory declares the air pollution fee declaration of fixed pollution sources every quarter according to the regulations.</p>	
<p>4. Society issue</p> <p>4.1 Has the Company referred to relevant laws and International Convention on Human Rights to stipulate relevant management policies and procedures?</p> <p>4.2 Has the Company established and implement an employee welfare measures (include salary, leave and other welfare), and reflect the Company's business performance on employees' salary?</p> <p>4.3 Has the Company provided employees with safe and healthy work environments as well as regular classes on health and safety?</p> <p>4.4 Has the Company established an effective competency development career training program for employees?</p> <p>4.5 Does the company follow relevant laws and international standards for issues such as customer health and safety, customer privacy, marketing and</p>	V	V	<p>4.1 The company protects the legitimate rights and interests of employees in accordance with the Labor Standards Law, relevant labor laws and regulations, and respects the principles of internationally recognized basic labor human rights.</p> <p>4.2 Company vacations, labor insurance, health insurance, pensions, etc. are handled in accordance with government regulations; the company evaluates the performance of each employee at the end of each year, and then increases or decreases individual year-end bonuses and reference factors for employee remuneration distribution based on performance. The company determines the appropriate employee remuneration according to the amount of profit.</p> <p>4.3 The company pays attention to occupational safety and health management, and regularly conducts physical examinations for employees.</p> <p>4.4 The company provides employees with internal and external training opportunities from time to time, and uses the agent system to train employees with multiple functions.</p> <p>4.5 The barcode of the mask product is marked in accordance with international standards; the company has a customer service team. If customer</p>	None

Assessed items	State of operations (Note 1)			Gaps with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and root causes
	Yes	No	Summary	
labeling of products and services and formulate relevant consumer or customer rights protection policies and complaint procedures? 4.6 Does the Company establish suppliers' management system and request suppliers follow related rules and implement situation for environmental protection, occupational safety and health or labor rights?	V		has complaint, the company will handle it in a fair and just manner. If there is a compensation problem, it will be resolved according to the compensation method and amount agreed by both parties. 4.6 We supervise environmental protection, occupational safety and health, and labor human rights through supplier audits and assessments. So far, no major environmental anomalies, major occupational accidents, or human rights violations have been found.	
5. Does the company refer to internationally accepted standards or guidelines for preparing reports, and compile reports such as sustainability reports that disclose the company's non-financial information? Has the previous disclosure report obtained the confirmation or guarantee opinion of a third-party verification unit?	V		1. Prepare the "2024 Sustainability Report" in accordance with the general standards, industry standards and major theme standards issued by the Global Reporting Initiative (GRI). 2. It is expected that the internal audit unit of the Company will conduct an audit of the disclosure of sustainable development information in accordance with the internal control system and internal audit system.	The company's paid-in capital has not reached NT\$2 billion. According to Article 2 of the Taiwan Stock Exchange's "Operation Measures for the Preparation and Submission of Sustainability Reports for Listed Companies", the company is applicable preparation and submission of sustainability report since 2025.
6. If the Company makes its own corporate social responsibilities according to the rule of Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies, please state the implement and differences: None				
7. Other important information for better understanding of corporate social responsibilities: None				

Note 1: Implementation status If you tick "Yes", please specify the important policies, strategies, measures and implementation status adopted; If you ticked "No" for implementation status, please explain the difference and reasons in the column of "Differences from the Code of Practice for Sustainable Development of Listed & OTC Companies and Reasons", and explain the plan to adopt relevant policies, strategies and measures in the future. However, regarding promotion projects 1 and 2, listed & OTC companies should describe the governance and supervision structure of sustainable development, including but not limited to management guidelines, strategy and goal formulation, review measures, etc. And describes the company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.

Note 2: The principle of materiality refers to issues related to environment, society and corporate governance that have a significant impact on company investors and other stakeholders.

Climate-related Information of Listed Companies

1 Execution status of Climate-related Information

Items	Execution Status
<ol style="list-style-type: none"> 1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities 2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long term) 3. Description on the impact extreme climate events and transitional actions have on finance 4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system 5. Should scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided 6. Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks 7. Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained 8. Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated 9. Carbon inventory and assurance efforts and reduction goals, strategy and specific action plans (fill in 1-1 and 1-2) 	<p>The company is still collecting information and evaluate. According to Article 4-1 of the Taiwan Stock Exchange's "Operation Measures for the Preparation and Submission of Sustainability Reports for Listed Companies" because the company's paid-in capital does not reach NT\$5 billion, the company's climate-related information should be disclosed as individual company data starting in 2026, and consolidated parent and subsidiary data starting in 2027; individual data should be completed starting in 2028 The company information is believed to be completed, and the consolidated statements of the parent and subsidiary companies will begin in 2029.</p>

1-1 Company greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/million yuan) and data coverage of greenhouse gases in the past two years.

Because the company's paid-in capital does not reach NT\$5 billion, the company's climate-related information should be disclosed as individual company data starting in 2026, and consolidated parent and subsidiary data starting in 2027

Note 1 : Direct emissions (Category 1, that is, directly from emission sources owned or controlled by the company), energy indirect emissions (Category 2 refers to indirect greenhouse gas emissions from the input of electricity, heat or steam) and other indirect emissions. (Category 3 refers to emissions generated by company activities, which are not indirect energy emissions, but come from emission sources owned or controlled by other companies)

Note 2 : The coverage of direct emissions and energy indirect emissions data shall be processed in accordance with the timetable specified in Article 10, Paragraph 2 of the Code, and other indirect emissions information may be disclosed voluntarily.

Note 3 : Greenhouse gas inventory standard: : ISO 14064-1 issued by Greenhouse Gas Inventory Protocol Greenhouse Gas Protocol, GHG Protocol or International standard organization.

Note 4 : The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated in terms of turnover (NTD million) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

A description of the confirmation in the last two years as of the publication date of the annual report, including the scope, organization, criteria and opinions of the confirmation.

Because the company's paid-in capital does not reach NT\$5 billion, individual data should be completed starting in 2028 the company information is believed to be completed, and the consolidated statements of the parent and subsidiary companies will begin in 2029.

Note 1 : It shall be processed in accordance with the timetable specified in Article 10, Paragraph 2 of the Code . If the company does not obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that "the complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should indicate that "complete and confident information will be disclosed in the public information observatory" and disclose complete and confident information in the next annual report.

Note 2 : Certification institutions should comply with the relevant requirements for certification institutions on sustainability reports stipulated by the Taiwan Stock Exchange Co., Ltd. and the Securities Over-the-Counter Trading Center of the Republic of China.

1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans Gas Confirmation Information

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

Because the company's paid-in capital does not reach NT\$5 billion, disclosure should be completed from 2027.

Note 1 : It shall be processed in accordance with the timetable specified in Article 10, Paragraph 2 of the Code

Note 2 : The base year should be the year in which the inventory is completed based on the consolidated financial reporting boundary, for example, according to the provisions of Article 10, Paragraph 2 of this Code, companies with a capital of more than 10 billion yuan should complete the review of the 2024 consolidated financial report in 2025, so the base year is 2024. if the company has completed the review of the consolidated financial report in advance, the earlier year will be used as the base year. in addition, the data for the base year can be calculated as the average of a single year or several years.

3.6 Implementation of Integrity Management

Items assessed	State of operations (Note)			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
<p>1. Stipulating policies and plans for ethical corporate management</p> <p>1.1 Does the Company established clearly indicated policies and activities that approved by Board of Directors, related to ethical corporate management in its bylaws and external documents? Are the Company's directors and senior management actively fulfilling their commitment to corporate policies?</p> <p>1.2 Does the Company established e dishonesty evaluation system, analysis regularly, evaluate business activities with a higher dishonesty activities risk and preventive measures for the items prescribed in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>1.3 Has the Company stipulated a plan to forestall nethical conduct? Has the Company clearly prescribed procedures, best practices, and disciplinary and appeal systems for violations within said plan? Is the plan implemented accordingly?</p>	V		<p>1.1 The company has established the "Code of Integrity Management", "Code of Ethical Conduct" and " Internal major information processing procedures ". The ethical code of conduct includes: preventing conflicts of interest, avoiding opportunities for self-interest, confidentiality, fair dealing, protection and proper use of company assets, compliance with laws and regulations, encouraging reporting of any illegal or violation of the code of ethics, and disciplinary measures. The company's integrity management code and ethical code of conduct are disclosed on the company's website.</p> <p>1.2 Article 7 of the Company's Integrity Management Code provides preventive measures.</p> <p>1.3 The company's integrity management code stipulates "prohibition of dishonest behavior", interests, compliance with laws and regulations, integrity management policy, prevention plan and scope, education and training and assessment, punishment and appeals, etc.</p>	None
<p>2. Implementing ethical corporate management</p> <p>2.1 Has the Company evaluated ethical records of its counterparty? Does the contract signed by the Company and its trading counterparty clearly provide terms on ethical conduct?</p> <p>2.2 Has the Company established an exclusively (or concurrently) dedicated unit for promoting ethical</p>	V	V	<p>2.1.1 Article 8 of the Company's Integrity Management Code stipulates the commitment to implement the integrity management policy, and it is actually implemented in internal management and business activities.</p> <p>2.1.2 Verification will be done before the transaction.</p> <p>2.2 Currently not set up, under development.</p>	None

Items assessed	State of operations (Note)			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
<p>corporate management that answer to the Board of Directors? Does said unit regularly (at least once a year) report to the Board of Directors on the state of its activities?</p> <p>2.3 Has the Company established policies preventing conflicts of interest, provided proper channels of appeal, and enforced these policies and channels accordingly?</p> <p>2.4 Has the Company established effective accounting systems and internal control systems for enforcing ethical corporate management? Are regular audits for evaluation of dishonesty risk and make audit plan to audit dishonesty situation that carried out by the Company's internal audit unit or commissioned to a CPA?</p> <p>2.5 Does the Company regularly organize internal and external training for ethical corporate management?</p>	V		<p>2.3 Those who have regulatory proposals and conflicts of interest in the board of directors should avoid participating in discussions and voting, Article 16 of the Company's Integrity Management Code stipulates the rules for the avoidance of interests of directors, managers and other interested parties who attend or attend the board of directors.</p> <p>2.4 The internal audit unit checks the accounting system-related operations in accordance with the annual plan of the internal control regulations, and the accountant checks the accounting system-related matters when checking the financial report. Article 17 of the Company's Integrity Management Code stipulates relevant regulations on accounting and internal control.</p> <p>2.5 Currently there is no plan for relevant education and training, which is under development.</p>	
<p>3. Status for enforcing whistleblowing systems in the Company</p> <p>3.1 Has the Company established concrete whistleblowing and reward systems and accessible whistleblowing channels? Does the Company assign a suitable and dedicated individual for the case being exposed by the whistleblower?</p>	V		<p>3.1 The company's Code of Ethical Conduct encourages the reporting of any illegal or violation of the Code of Ethical Conduct :</p> <p>The company should strengthen the promotion of moral concepts, and encourage employees to report to managers, internal audit supervisors or other appropriate personnel when they suspect or discover violations of laws, regulations or ethical codes of conduct. In order to encourage employees to report violations, the company uses methods such as submitting letters in the suggestion box or anonymous reports via E-mail, and assigns special personnel to investigate and deal with them, and let</p>	None

Items assessed	State of operations (Note)			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the cause of said gaps
	Yes	No	Summary	
3.2 Has the Company stipulated standard operating procedures (SOP) and relevant systems of confidentiality for investigating the case being exposed by the whistleblower?	V		employees know that the company will do its best to protect the safety of the reporter and prevent them from retaliation.	
3.3 Has the Company adopted protection against inappropriate disciplinary actions against the whistleblower?	V		3.2 Refer to the description in (1), and the company will take relevant necessary confidentiality measures. 3.3 The company will let employees know that the company will do its best to protect the safety of the reporter from retaliation; no reports have been received so far.	
4. Improvement of information disclosure Has the Company disclosed the contents of its best practices for ethical corporate management and the effectiveness of relevant activities upon its official website or Market Observation Post System (MOPS)?	V		The company has established a code of integrity management and disclosed it on the company's Chinese website.	None
5. Where the company has stipulated its own best practices on ethical corporate management according to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company : None.				
6. Other important information for better understanding of the integrity operation : None.				

Note: Regardless of whether the operation status is checked "Yes" or "No", it should be stated in the summary description column.

3.7 Other Important Corporate Governance Information :

3.7.1 The company has established " Internal major information processing procedures " as the basis for the company's major information processing and disclosure, and irregularly review this method to meet current laws and practical needs. This method is also announced internally for managers and employees to review, and at the same time, the insiders of the company are notified of important information handling precautions from time to time. For relevant content, please refer to the company's Chinese website.

3.7.2 Directors' training status :

Title	Name	Training date	Training sponsor	Course Title	Hours
Representative of Legal person director	Lam, Minh	Sep. 6, 2024	Securities and Futures Market Development Foundation	Prevention of Insider Trading Publicity Conference in 2024	3
Independent director	Chang, Jin-Lian	Mar. 22, 2024	Business Council for Sustainable Development Taiwan.	Creating a new carbon era advocacy conference with sustainable knowledge	3
		Oct. 25, 2024	Securities and Futures Market Development Foundation	Insider Equity Trading Legal Compliance Seminar in 2024	3
Independent director	Wu, Cheng-Ming	Sep. 20, 2024	Securities and Futures Market Development Foundation	Prevention of Insider Trading Publicity Conference in 2024	3
		Nov. 22, 2024	Securities and Futures Market Development Foundation	Insider Equity Trading Legal Compliance Seminar in 2024	3
Independent director	Chang, Ming-Lun	Oct. 04, 2024	Securities and Futures Market Development Foundation	Prevention of Insider Trading Publicity Conference in 2024	3

3.7.3 Managers and auditor's training status :

Title	Name	Training date	Training sponsor	Course Title	Hours
Accounting Manager	Liao, Shu-Chi	Oct. 17, 2024 to Oct. 18, 2024	Accounting Research and Development Foundation	Continuing training courses for accounting executives of issuers, securities firms and stock exchanges	12
Accounting Manager agent	Cheng, Chin-Mei	Dec. 19, 2024 to Dec. 20, 2024	Accounting Research and Development Foundation	Continuing training courses for accounting executives of issuers, securities firms and stock exchanges	12
Corporate governance officer	Liao, Shu-Chi	Sep. 18, 2024	Accounting Research and Development Foundation	"2024 ESG Summit: Net Zero All-round Sustainable Future Professional Training Program	6
		Sep. 20, 2024	Securities and Futures Market Development Foundation	Prevention of Insider Trading Publicity Conference in 2024	3
		Oct. 23, 2024	Co-organized by the Business Sustainability Association and the Taiwan Stock Exchange	GHG Protocol Corporate Standards and Category 3 Standards Promotion Course	7

Title	Name	Training date	Training sponsor	Course Title	Hours
Audit supervisor	Lin, Hsiao-Fen	June 14, 2024	Accounting Research and Development Foundation	The latest "Annual Report / Sustainability Information / Financial Report Preparation" related laws and regulations analysis and internal control management practices	6
		Sep. 9, 2024	The Institute of Internal Auditor – Chinese Taiwan	Trends and challenges of enterprise information security governance under the wave of technology	6
Audit supervisor agent	Chiu, Ming-Yi	July. 16, 2024	Accounting Research and Development Foundation	The latest "Annual Report / Sustainability Information / Financial Report Preparation" related laws and regulations analysis and internal control management practices	6
		Sep. 26, 2024	The Institute of Internal Auditor – Chinese Taiwan	"Information Security Protection" and "Cloud Security" Auditing Practice Seminar	6

3.7.4 The company and its financial information transparency personnel have obtained the relevant certificates and licenses designated by the competent authority :

- (1) Financial department: not obtained relevant certificates.
- (2) Audit department: 1 certificate of international internal auditor.

3.8 Implementation of Internal Control System

3.8.1 Statement of Internal Controls : The information has been reported on the designated information reporting website. Please refer to the Market Observation Post System Chinese website.

3.8.2 Any accountant commissioned to conduct a project review of the ICS shall disclose the accountant's audit report : Not applicable.

3.9 Major resolutions of the shareholders' meeting and the Board meeting in the most recent year up to the publication date of this report : Please refer to page 48-49.

3.10 As of the printing date of annual report, Directors or supervisors have different opinions that have been noted on the record or declared in writing in connection with the important resolutions passed by the Board of Directors : None.

4. CPA Expenses

CPA Expenses

Amount unit: NT\$ thousand

Name of the accounting firm	Name of accounting	Audit period	Accounting charge	Non-accounting charge	Total	Remarks
Deloitte Touche Tohmatsu Limited Taiwan	Chu, Szu-Lan Chang, Chun-Yi	Jan. 1, 2024 to Dec. 30, 2024	2,090	60	2,170	

Please specify the content of non-audit public service services :
English financial report expenses.

Note: If the company has changed its accountant or accounting firm this year, please list the audit period separately, explain the reason for the change in the remarks column, and disclose the information for audit and non-audit public fees paid. Non-audit public fees should be accompanied by a note explaining the service content.

In the following circumstances, the following matters shall be disclosed:

- (1) If the accounting firm is changed and the audit fee paid in the replacement year is less than the audit fee in the previous year, the amount of audit fee before and after the change and the reasons shall be disclosed: Not applicable.
- (2) If the audit public fee has decreased by more than 10% compared with the previous year, the amount, proportion and reason of the audit public fee reduction shall be disclosed: Not applicable.

5. Alternation of CPA : None.

6. The Company's President, General Manager, or any Managers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise : None.

7. Equity transfer or changes to equity pledge of directors, supervisors, managers, or shareholders holding more than 10% of company shares in the most recent year to the publication date of this report :

7.1 Changes to the equity of directors, supervisors, managers, and major shareholders :

Title (Note 1)	Name	2024		As of April 22, 2025	
		Net increase (decrease) in shares held	Net increase (decrease) in shares pledged	Net increase (decrease) in shares held	Net increase (decrease) in shares pledged
Director, Major shareholder	Universal Investment Co., Ltd.	85,000	—	—	—
Independent Director	Wu, Cheng-Ming	—	—	—	—
Independent Director	Chang, Jin-Lian	—	—	—	—
Independent Director	Chang, Ming-Lun	—	—	—	—
Independent Director	Lu, Fei-Huang	—	—	—	—
General Manager	Huang, Mei-Hui	—	—	—	—
Vice General Manager	Kao, Ching Hai	—	—	—	—
Senior Manager	Chou, Shou-Lu	—	—	—	—
Accounting Manager	Liao, Shu-Chi	—	—	—	—

Note 1: Shareholders holding more than 10% of the company's total shares should be marked as major shareholders and listed separately.

Note 2: If the counterparty of equity transfer or equity pledge is a related party, the following table should still be filled out.

7.2 Information on equity transfer : None.

7.3 Information on equity pledge : None.

8. The information for relationships of the top ten shareholders who they are related parties, spouses, or relatives within the second degree of kinship :

Information on relationships among the top ten shareholders

April 22, 2025

Name (Note 1)	Shares held by the shareholder		Shares held by spouse or minor children		Shares held in the name of other persons		Title or name and relationships of the top ten shareholders where they are related parties, spouses, or relatives within the second degree of kinship (Note 3)		Remark
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage	Name (or name)	Relations	
Universal Investment Co. Ltd.	24,679,800	28.94%	—	—	—	—	—	—	None
Representative : Huang, Kun-Ming	940,296	1.10%	—	—	—	—	Note 4	relatives within the second degree of kinship	None
Fortune Industrial and Commercial Development Foundation	5,537,596	6.49%	—	—	—	—	—	—	None
Huang, Mei-Hui	4,520,176	5.30%	89,033	0.10%	—	—	Note 4	relatives within the second degree of kinship	None
Huang, Kun-Rong	1,268,000	1.49%	—	—	—	—	Note 4	relatives within the second degree of kinship	None
Huang, Kun-Ming	940,296	1.10%	—	—	—	—	Note 4	relatives within the second degree of kinship	None
Wang, Sing-Wen	394,000	0.46%	—	—	—	—	—	—	
Cheng, Ming-Ren	348,965	0.41%	—	—	—	—	—	—	None
Cheng, Wen-Hao	320,000	0.38%	—	—	—	—	—	—	None
Citibank Custodian for UBS Bank European SE Investment Account	304,332	0.36%	—	—	—	—	—	—	None
HSBC Bank (Taiwan) Limited Custodian for Merrill International company Investment Account	278,000	0.33%	—	—	—	—	—	—	None

Note 1: All the top ten shareholders should be listed, and the names of legal person shareholders and representatives should be listed separately for those who are legal person shareholders.

Note 2: The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of oneself, spouse, minor children or in the name of others.

Note 3: The shareholders listed above include legal persons and natural persons, and the relationship between them should be disclosed in accordance with the provisions of the issuer's financial reporting standards.

Note 4: Huang, Kun-Ming, Huang, Kun-Rong, and Huang, Mei-Hui are second-degree relatives of each other.

9. Number of shares held and percentage of stake of investment in other companies by the Company, the Company’s director, manages, or an entity directly or indirectly controlled by the Company, and calculations for the consolidated shareholding percentage of the above categories.

Comprehensive shareholding ratio

Unit : share ; %

Shift in investment	Investment by the Company		Investments by the Directors, supervisors, managers, and companies directly or indirectly controlled by the Company		Consolidated investment	
	Number of shares	shares Shareholding percentage	Number of shares	shares Shareholding percentage	Number of shares	shares Shareholding percentage
Hong Kong Everbig Int'l Investment Ltd.	89,246,160	79.01	15,896,400	14.07	105,142,560	93.08
Universal Investment Co., Ltd.	1,686,623	3.09	3,801,144	6.96	5,487,767	10.05
Everspring Enterprises Inc.	872,813	11.30	2,713,650	35.13	3,586,463	46.43

Note: Data at the end of December 2024.

Major resolutions of the shareholder's meeting and the Board of Directors meetings

1. Major resolutions of the shareholder's meeting

Date	Major resolutions	Execution situation
June 21, 2024	1. Please acknowledge the 2023 annual business report and financial statements. The company's 2023 annual business report and financial report have been approved by the board of directors and submitted to the audit committee for review. This case was passed by voting as it is.	The financial report has been uploaded to the Market Observation Post System on March 15, 2024, and a written report has been submitted to the relevant securities authorities on March 21, 2024.
	2. Please acknowledge the 2023 profit distribution case. A cash dividend of NT\$0.6 per share. This case was passed by voting as it is.	On June 21, 2024 the board of directors set the dividend distribution base date as July 16, 2024, and completed the distribution of cash dividends on August 6, 2024.

2. Major resolutions of the Board of Directors meetings

Date	Major resolutions
Feb. 02, 2024	1. The company's year-end bonus for managers and bonus for untaken annual leave proposal in 2023 was passed. 2. The company's consolidated business plan report in 2024 was approved. 3. The change of visa accountant case was passed.
March 15, 2024	1. The 2023's employee remuneration and director remuneration distribution proposal was passed. 2. The company's annual business report and financial report in 2023 (including individual and consolidated financial report) was acknowledged. 3. The company's the 2023 profit distribution case was approved. 4. The 2023's cash dividend distribution proposal was approved. 5. The proposal for company's ordinary shareholders' meeting in 2023, the content of meeting date, place, method, the discussion and the date of closing the transfer of shares, etc. was passed. 6. The 2023's Annual Board Performance Evaluation Results Report was approved. 7. The results of the company's internal control system self-assessment report in 2023 was approved. 8. The 2024's accounting audit public expenses case was passed.
May 10, 2024	1. The company's consolidated financial report for the first quarter of 2024 was acknowledged.
June 21, 2024	1. The proposal to determine the company's cash dividend distribution base date and distribution date was passed. 2. The amendment of the organizational charter of the Company's Audit Committee was approved.

Date	Major resolutions
Aug. 09, 2024	<ol style="list-style-type: none"> 1.The company's consolidated financial report for the first half of 2024 was acknowledged. 2.The company's application to Mega Internation Commercial Bank Taipei Branch for a comprehensive credit line was approved. 3.The 2023's director remuneration distribution plan for the company's directors was approved. 4.The 2023's annual employee remuneration distribution plan for the company's managers was approved. 5.The 2024's work plan of the company's remuneration committee was approved. 6.The proposal to amend the company's board of directors' rules of procedure was approved.
Nov. 08, 2024	<ol style="list-style-type: none"> 1.The company's consolidated financial report for the third quarter of 2024 was acknowledged. 2.The company's internal audit plan in 2025 was approved. 3.The revision of the company's "Internal Control System" and "Internal Audit Implementation Rules" was approved.
Jan. 23, 2025	<ol style="list-style-type: none"> 1.The company's consolidated business plan report in 2025 was approved. 2.The proposal of appointing a senior manager was approved. 3.The salary proposal for the company's managers was approved. 4. The company's year-end bonus for managers and bonus for untaken annual leave proposal in 2024 was passed.
March 14, 2025	<ol style="list-style-type: none"> 1.The asset impairment recognition of the subsidiary of the Company was approved. 2.The 2024's employee remuneration and director remuneration distribution proposal was passed. 3.The company's annual business report and financial report in 2024 (including individual and consolidated financial report) was acknowledged. 4.The company's earnings distribution proposal of 2024 was approved. 5.The 2024's cash dividend distribution proposal was approved. 6.Amendment of the Company's articles was approved. 7.The proposal for company's ordinary shareholders' meeting in 2025, the content of meeting date, place, method, the discussion and the date of closing the transfer of shares, etc. was passed. 8.The revision of the performance evaluation method of the board of directors of the company was approved. 9.The 2024's Annual Board Performance Evaluation Results Report was approved. 10.The 2024 Annual Salary and Remuneration Committee Performance Evaluation Report was approved. 11.The 2024 Audit Committee Performance Evaluation Report was approved. 12.The results of the company's internal control system self-assessment report in 2024 was approved. 13.The 2025's accounting audit public expenses case was passed.

III. Capital Overview

1. Capital and Share

1.1 Source of capital

Date	Issue price	Authorized stock		Paid-in capital		Remarks		
		Number of shares (share)	Amount (NT\$)	Number of shares (share)	Amount (NT\$)	Source of capital shares	Equity contributions made in the form of assets other than cash	Others
Oct,1962	100	25,000	2,500,000	25,000	2,500,000	Established	None	None
May,1970	100	40,000	4,000,000	40,000	4,000,000	Capital cash increase	None	None
July,1972	100	50,000	5,000,000	50,000	5,000,000	Capital cash increase	None	None
June,1976	100	300,000	30,000,000	300,000	30,000,000	Capital cash increase and capital reserves to capital increase.	The company merged 8 Million	None
June,1977	100	330,000	33,000,000	330,000	33,000,000	Capital cash increase	None	None
June,1979	100	390,000	39,000,000	390,000	39,000,000	Capital cash increase, capital reserves and earnings to capital increase.	None	None
Dec,1983	100	700,000	70,000,000	700,000	70,000,000	Capital cash increase and capital reserves to capital increase.	None	None
Feb,1989	100	3,000,000	300,000,000	1,275,000	127,500,000	Capital cash increase	None	None
June,1990	10	30,000,000	300,000,000	19,750,000	197,500,000	Capital cash increase	None	None
Dec,1992	10	30,000,000	300,000,000	30,000,000	300,000,000	Capital cash increase	None	None
Aug,1994	10	50,000,000	500,000,000	36,000,000	360,000,000	Capital reserves to capital increase (Note 1)	None	None
Aug,1995	10	50,000,000	500,000,000	39,510,000	395,100,000	Earnings 、 capital reserves and employee bonus to capital increase (Note 2)	None	None
Aug,1996	10	50,000,000	500,000,000	44,000,000	440,000,000	Earnings 、 capital reserves and employee bonus to capital increase (Note 3)	None	None
Aug,1997	10	53,000,000	530,000,000	53,000,000	530,000,000	Earnings 、 capital reserves and employee bonus to capital increase (Note 4)	None	None
Aug,1998	10	85,000,000	850,000,000	61,500,000	615,000,000	Earnings 、 capital reserves and employee bonus to capital increase (Note 5)	None	None
Sep,1999	10	85,000,000	850,000,000	69,450,000	694,500,000	Earnings 、 capital reserves and employee bonus to capital increase (Note 6)	None	None
Oct,2000	10	130,000,000	1,300,000,000	80,650,000	806,500,000	Earnings 、 capital reserves and employee bonus to capital increase (Note 7)	None	None

Date	Issue price	Authorized stock		Paid-in capital		Remarks		
		Number of shares (share)	Amount (NT\$)	Number of shares (share)	Amount (NT\$)	Source of capital shares	Equity contributions made in the form of assets other than cash	Others
Oct,2001	10	130,000,000	1,300,000,000	89,640,000	89,640,000	Earnings and employee bonus to capital increase out of (Note 8)	None	None
Mar,2003	10	130,000,000	1,300,000,000	89,111,000	891,110,000	Capital reduction by treasury stock 529,000 shares (Note 9)	None	None
Sep,2009	10	130,000,000	1,300,000,000	91,784,330	917,843,300	Earnings to capital increase (Note 10)	None	None
Sep,2010	10	130,000,000	1,300,000,000	94,537,860	945,378,600	Earnings to capital increase (Note 11)	None	None
Sep,2011	10	130,000,000	1,300,000,000	100,682,821	1,006,828,210	Earnings to capital increase (Note 12)	None	None
Oct,2014	10	130,000,000	1,300,000,000	100,330,821	1,003,308,210	Capital reduction by treasury stock 352,000 shares (Note 13)	None	None
Oct,2016	10	130,000,000	1,300,000,000	85,281,198	852,811,980	Capital reduction by cash refund 15,049,623 shares (Note 14)	None	None

Note 1 : Approved by the Ministry of Finance document no. 32593 on July 21,1994
Note 2 : Approved by the Ministry of Finance document no. 39156 on July 3,1995
Note 3 : Approved by the Ministry of Finance document no. 41703 on July 24,1996
Note 4 : Approved by the Ministry of Finance document no. 52998 on July 7,1997
Note 5 : Approved by the Ministry of Finance document no. 59625 on July 13,1998
Note 6 : Approved by the Ministry of Finance document no. 74826 on Aug. 13,1999
Note 7 : Approved by the Ministry of Finance document no. 72324 on Aug. 25, 2000

Note 8 : Approved by the Ministry of Finance document no. 150665 on Aug. 9,2001
Note 9 : Approved cancellation by the Ministry of Finance document no. 0920104357 on Feb .10, 2003
Note10 : Approved by the Financial Supervisory Commission document no. 0980034430 on July 10, 2009
Note11 : Approved by the Financial Supervisory Commission document no. 0990035555 on July 9, 2010
Note12 : Approved by the Financial Supervisory Commission document no. 1000031908 on July 11, 2011
Note13 : Approved cancellation by the Financial Supervisory Commission document no. 1030041757 on Oct. 15, 2014
Note14 : Approved capital reduction by the Financial Supervisory Commission document no.1050037221 on Sep. 21, 2016

Type of shares	Authorized stock			Remarks
	shares outstanding	Unissued shares	Total	
Common Shares	85,281,198 shares (listed stocks)	44,718,802 shares	130,000,000 shares	—

1.2 List of major shareholders :

Name of major shareholders	Stock type	Shares held	Shareholding percentage
Universal Investment Co., Ltd.		24,679,800	28.94%
Fortune Industrial and Commercial Development Foundation		5,537,596	6.49%
Huang, Mei-Hui		4,520,176	5.30%
Huang, Kun-Rong		1,268,000	1.49%
Huang, Kun-Ming		940,296	1.10%
Wang, Sing-Wen		394,000	0.46%
Cheng, Ming-Ren		348,965	0.41%
Cheng, Wen-Hao		320,000	0.38%
Citibank Custodian for UBS Bank European SE Investment Account		304,332	0.36%
HSBC Bank (Taiwan) Limited Custodian for Merrill International company Investment Account		278,000	0.33%

1.3 The Company dividend policy and implementation status

1.3.1 Dividend policy stipulated within the articles of association as below :

Article 26-1 : If the Company incurs positive earnings for the relevant year must pay all outstanding taxes, offset deficits in prior years first, then sum up the balance of net profit and the number which included in the unappropriated earnings for the year but that not include in the profit for the year, and the company appropriate 10% of the above sum as legal reserve. When necessary, withdraw or reverse the special surplus reserve for the amount of shareholders' equity deduction that occurred in the current year in accordance with the law. Except annual dividends of 3%, if there is still surplus, the distribution proposal prescribed for shareholder's bonus, dividend, bonus by the Board of Directors should submit at the shareholders' meeting.

According to the provisions of paragraph 5 of Article 240 of the Company Act, authorized a majority vote at a meeting of the board of directors attended by two-third of total number of directors, shall distribute dividends and bonuses or according to paragraph 1 of Article 241 of the Company Act, all or part of the legal reserve and capital surplus shall be distributed in cash and

submit to the shareholders' meeting.

1.3.2 Proposed earning distribution at the Shareholders' Meeting : On March 14, 2025, the board of directors resolved to distribute a cash dividend of NT\$0.3 per share based on the profit distribution for the 1998-2023.

1.4 The effect of issuance of bonus shares in this shareholders' meeting on the Company's operating performance, earnings per share :

The Company did not issue the issuance of bonus shares this year, so it is not applicable.

1.5 Compensation of employees and directors :

1.5.1 The ratio or range of employee and director remuneration stated in the company's articles of Incorporation :

Article 26 : If the Company incurs positive earnings for the relevant year (i.e., the profit before tax at that year before deducting the remuneration of employee and directors), it should allocate 0.5% to 5% for employee remuneration, which shall be distributed in stock or cash by the resolution of board of directors, the distribution objects include the employees of the controlling or subordinate companies who meet certain conditions, and authorized the certain conditions by the board of directors; the company can distribute some bonus of profits, no higher than 2.5% for directors remuneration.

If the Company has cumulative deficits, then the Company must first retain the necessary earnings to offset the deficits, and then allocate remuneration of employee and director in above proportion.

Proposals on the distribution of employee remuneration and director remuneration shall approval by a majority vote at a meeting of the board of directors attended by two-third of total number of directors and shall be submitted to the shareholders' meeting.

1.5.2 The remuneration basis for employees and directors; Accounting Treatment for the differences between estimated and actual amount of remuneration :

During the accounting period when employees and directors provide labor services, the company makes appropriate estimates on the possible amount of employee and director remuneration based on past experience. If the estimated amount is different from the actual distribution amount approved by the resolution of the board of directors, it will be treated as a resolution of the board of directors based on accounting changes. Profit and loss for the year.

1.5.3 Remuneration Approved in the Board of Directors Meeting :

Since there was no profit in 2024 and no employee and director remuneration

had been distributed, the board of directors of the company resolved on March 14, 2025 that the remuneration distribution approval of the board of directors would not be included in the shareholders' meeting report on June 20, 2025.

(1) If Employees and directors' Remuneration in the form of cash or stock is different with the estimated annual amount of recognized expenses, the discrepancy, reason and process shall be disclosed :

There is no profit in 2024, and the amount of employee remuneration and director remuneration is NT\$0. Employee remuneration and director remuneration are not recognized in the 2024 financial statements.

(2) Proportion of the amount of employee remuneration distributed by stock to the total amount of after-tax net profit and employee remuneration in the current individual or individual financial report : 0.

1.5.4 The actual distributed remuneration of employees and directors in the last year (including number of shares, amount and stock price) and if there is any difference from the remuneration of employee, directors, should be stated in discrepancy, reasons and processing situation :

On March 15, 2024, The Board of Directors have approved Employee remuneration of NT\$850,763 and directors remuneration of NT\$283,588, which is no different from the remuneration of employee, directors in the 2023 financial statements.

1.6 The situation of the company buying back the company's shares :

1.9.1 The situation of the company buying back the company's shares (if the execution has been completed)

April 30, 2025

buyback session	First (Session)	Second (Session)
Purpose of buyback	Maintain the company's credit and shareholders' equity	Maintain the company's credit and shareholders' equity
buyback period	2002.12.03 to 2003.01.28	2014.08.13 to 2014.10.12
Price range of buyback	7.5 - 10	16 - 19
Types and quantity of buyback shares	Common stock 529,000 shares	Common stock 352,000 shares
Shares value of buyback	NT 4,525,084	NT 6,496,921
Ratio of the buyback quantity to the expected quantity (%)	5.9%	7.04%
Number of shares cancelled or transferred	529,000 shares	352,000 shares
Cumulative number of shares held in the company	0	0
The ratio of the cumulative number of shares held in the company to the total number of issued shares (%)	0	0

1.9.2. The situation of the company buying back the company's shares (still in progress) : None.

2. Corporate Bonds : None.

3. Preferred Shares : None.

4. Overseas Depository Receipts : None.

5. Employee Stock Options : None.

6. Status of Employee Restricted Stock Shares : None.

7. Status of New Shares Issuance with Mergers and Acquisitions : None.

8. Financing plans and implementation :

8.1 Plan content :

As of the quarter before the date of publication of the annual report, the previous completed public issuance or private placement has not been completed or has been completed within the last three years and the planned benefits has not yet emerged: None.

8.2 Execution situation :

The purpose of each plan in the preceding paragraph, analyze until as of the quarter before the date of publication of the annual report, the implementation situation compare with the original expected benefits: Not applicable.

IV. Operation Overview

1. Business content

1.1 Business scope

1.1.1 Main content of business

- (1) C301010 Spinning of Yarn
- (2) C302010 Weaving of Textiles
- (3) C303010 Manufacture of Non-woven Fabrics
- (4) C305010 Printing, Dyeing, and Finishing
- (5) C306010 Wearing Apparel
- (6) C307010 Clothing Accessories
- (7) C399990 Other textile and products manufacturing
- (8) C402030 Tanning and Dressing of Leather; Dressing and Dyeing of Fur
- (9) C801100 Synthetic Resin and Plastic Manufacturing
- (10) C801020 Petrochemical Materials Manufacturing
- (11) C801120 Manufacture of Man-made Fibers
- (12) C805010 Manufacture of Plastic Sheets, Pipes and Tubes
- (13) C805060 Plastic Leathers Products Manufacturing
- (14) C805070 Reinforced Plastic Products Manufacturing
- (15) C805990 Manufacturing of other plastic products
- (16) C901010 Ceramic and Ceramic Products Manufacturing
- (17) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
- (18) CC01080 Electronics components manufacturing
- (19) CF01011 Medical Devices Manufacturing
- (20) CJ01010 Hat Manufacturing
- (21) CM01010 Case and Bag Manufacturing
- (22) F101040 Wholesale of Livestock and Poultry
- (23) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (24) F108031 Wholesale of Medical Devices
- (25) F114010 Wholesale of Motor Vehicles
- (26) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (27) F201020 Retail Sale of Livestock Products
- (28) F203010 Retail Sale of Food, Grocery and Beverage
- (29) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (30) F208031 Retail Sale of Medical Apparatus
- (31) F214010 Retail Sale of Motor Vehicles
- (32) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories

- (33) H701010 Housing and Building Development and Rental
- (34) H701040 Specific Area Development
- (35) H701060 New Towns, New Community Development Industry
- (36) F401010 International Trade
- (37) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

1.1.2 Business Ratio : (2024)

Main Product	Turnover	Revenue percentage
Spunbond & Composite Nonwoven	276,680	87.17%
Meltblown Nonwoven	3,828	1.21%
Material processing	50	0.02%
Subtotal of Nonwoven	280,558	88.40%
Converted Products	27,482	8.66%
Others	9,349	2.94%
Total	317,389	100.00%

Note: Analysis is based on net operating income.

1.1.3 Current product items

- (1) P.P Spunbond Nonwoven.
- (2) P.P. Meltblown Nonwoven.
- (3) P.P. SMMS (Spunbond/Meltblown/Meltblown/Spunbond), Composite Nonwoven, SMS Composite Nonwoven.
- (4) Material processing :
 - A. Lamination nonwoven fabric :
 - (a) Spunbond + Meltblown nonwovens.
 - (b) Spunbond + Meltblown + Spunbond nonwovens.
 - (c) Spunbond + Meltblown + other non-woven or other materials.
 - (d) Spunbond + Film + Spunbond or other nonwovens or other materials.
 - (e) Laminate Spunbond with other materials.
 - (f) Laminate Meltblown with other materials.
 - B. Material with special treatment :

Including of non-woven fabrics hydrophilic treatment, Electret Charge, antistatic, anti-ultraviolet, alcohol repellency, anti-mite and antibacterial, soft treatment, Coating, lamination and printing, etc.
- (5) Downstream processing products of non-woven fabrics :

Flat medical masks and surgical masks, 3D medical masks and customized masks, high-end masks.

In response to the demand for epidemic prevention products from the

worldwide influenza virus, the company purchased mask machine and equipment in May 1999, and produced and sold masks according to the market demand, so as to digest the self-produced non-woven materials and increase the added value of products.

Due to the outbreak of the COVID-19 (new corona virus) epidemic at the beginning of 2020, our company cooperated with the government's policy of requisitioning masks and actively produced masks in February 2020. In February, we signed a "Conditional Free Mask Machine Contract" with the Industrial Bureau of the Ministry of Economic Affairs. "Ten mask machines allocated to our company have been installed and put into production before the end of March 2020.

In 2020, the COVID-19 epidemic continued to spread around the world, and the supply of masks was in short supply.

In the second half of 2020, the company purchased 17 more flat mask machines and equipment to meet the high market demand and assist in epidemic prevention.

In 2021, the company purchased additional 3D mask machines and customized mask-related machines, which can be used to produce 3D medical masks, various high-end masks and customized masks.

1.1.4 New products planned to be developed

- (1) Research and development of bi-component Sound-absorbing and thermal insulation non-woven fabrics.

In 2025, we invest bicomponent equipment made of microfibers and hollow fibers to develop new products such as Sound-absorbing and thermal insulation non-woven fabrics.

- (a) Sound absorbing materials such as automobile door panels, roofs, dashboards, pillars, trunks, wheel arches, engine hoods, etc.
- (b) Sound-absorbing soft bags in entertainment venues such as KTV, cinemas, dance halls, etc.
- (c) Acoustic decoration and repair of recording studios, audiometry rooms, interrogation rooms, etc.
- (d) Recording studios, piano rooms, practice rooms, and other spaces that need to avoid echo interference.
- (e) Thermal materials such as quilts, sleeping bags, jackets, gloves, snow boots, tents, hats, etc.

- (2) Research and development of high-efficiency air filter materials.

Invested in laminating equipment and pleated machines in 2021 to accelerate the development of high-efficiency air filter materials and other laminating fabrics.

Invested activated carbon composite equipment and activated carbon composite fabric pleating machine to develop cabin air filters and chemical filters in 2023 and 2024.

- (a) Lamination of High-efficiency air filter media and air filter.
 - (b) Lamination of medical CSR wrap.
 - (c) Activated carbon composite fabrics.
 - (d) Activated carbon Filter.
- (3) Development of new 3D face masks
 Invested fully automatic 3D face mask machines in 2021 to develop masks with higher added value.
- (a) Anti-haze PM 2.5 Class A face mask.
 - (b) US standard N95 disposable Respirator.
- (4) Research and development of lamination of various composite materials.
- (5) Research and development of high value added new products.

1.2 Industry overview

1.2.1 Current status and development of the industry

According to a market analysis report by Grand View Research, the global nonwoven fabric market will be US\$52.56 billion in 2023 and is expected to grow at a compound annual growth rate of 4.9% from 2024 to 2030. The global nonwoven fabric market will be worth US\$75.74 billion in 2030.

The Asia-Pacific Nonwoven Fabrics Market size was valued at USD 24,612.5 million in 2024 and is projected to reach USD 44,478.8 million by 2033, growing at a CAGR of 6.8% during the forecast period (2025–2033). This growth is driven by rapid urbanization, increased healthcare investments, and growing demand for durable and sustainable materials across the construction, automotive, and hygiene industries.

Healthcare infrastructure development in countries like China, India, and Southeast Asian nations is driving the adoption of nonwoven fabrics for medical and hygiene applications. These materials are essential for disposable medical products like masks, gowns, and surgical drapes, especially after the COVID-19 pandemic emphasized the importance of infection control.

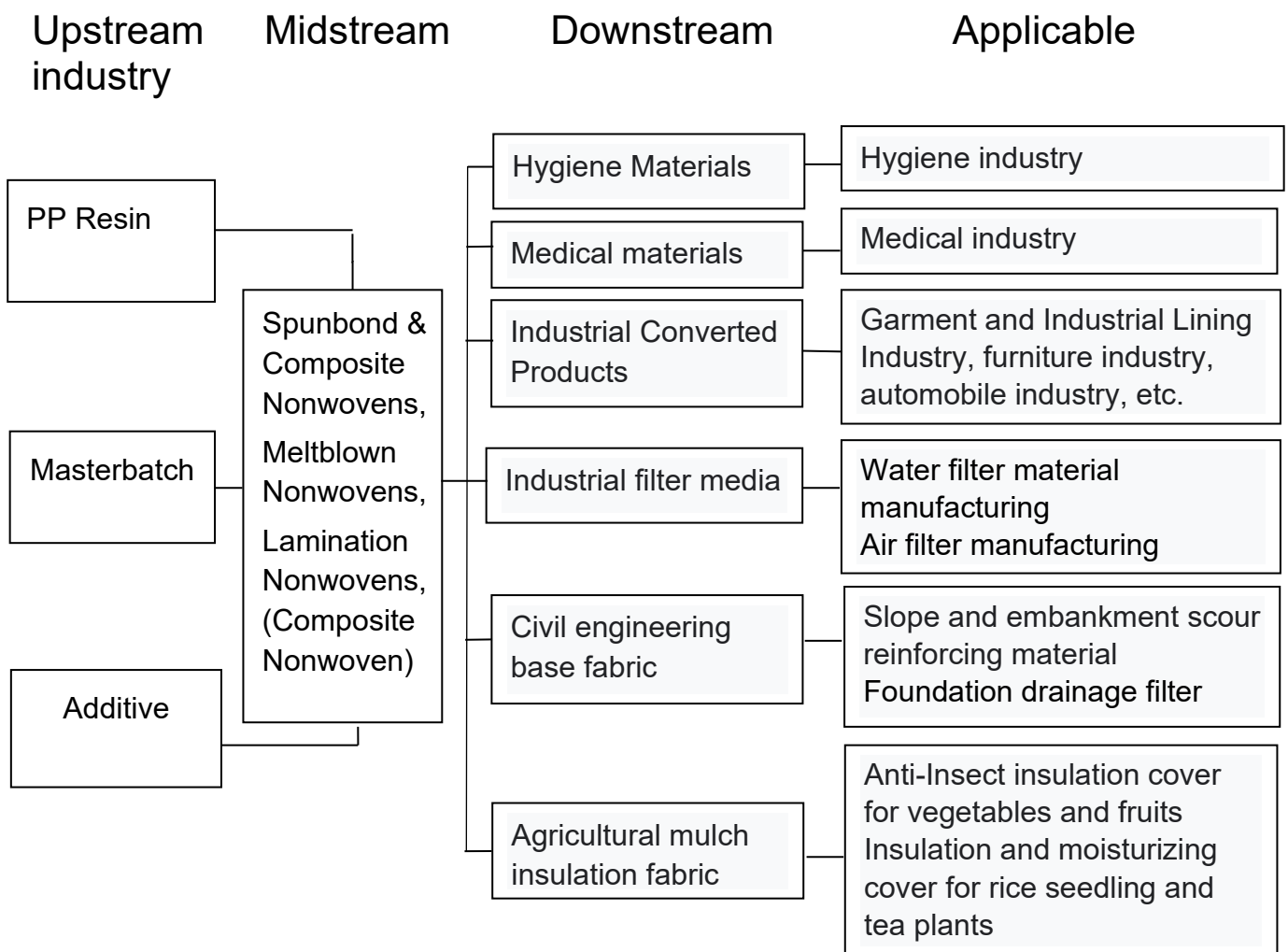
According to EDANA (2024), the demand for healthcare nonwovens in Asia-Pacific is expected to grow at a 7.1% CAGR during the forecast period, supported by rising healthcare expenditures. For instance, China's health spending surged by 8.5% in 2024, while India launched initiatives like Ayushman Bharat to improve access to medical products. Moreover, Southeast Asian countries such as Indonesia are witnessing a growing preference for nonwovens in hygiene products due to increasing disposable incomes and awareness about personal care.

According to the "Spunmelt Nonwovens Market Report", as the demand for nonwovens and its downstream products in the global market maintains an upward trend, the epidemic situation is repeated and may coexist for a long time. China is also continuously increasing. It is estimated that by 2026, the

market size will reach USD14.1 billion, with a compound annual growth rate of 10.9%, making it the world's largest producer and consumer of non-woven fabrics. However, the non-woven fabric industry is also facing challenges such as rising raw material prices, adjustment of production capacity structure, and severe international trade situation. Material innovation at the end of the industry chain, performance improvement, environmental protection and sustainable development, industry reshuffle brought about by changes in the consumer market, production capacity digestion, category innovation, and product differentiation strategies will all be the focus of everyone's thinking.

1.2.2 The relationship between the upper, middle and lower reaches of the industry

Relational Diagram of Upstream, Midstream and Downstream Industry



1.2.3 Various Development Trend

A. Spunbond Nonwoven :

Compared with other types of non-woven fabrics, Spunbond non-woven fabrics are high-efficiency products because the manufacturing process is non pollution and easy to combine with other manufacturing processes. It has a wide range of applications, ranging from hygiene products, medical supplies, shoe materials, and clothing bags and furniture industry, etc. It also occupies a large proportion in the disposable protective clothing market.

In the production process of Spunbond nonwovens, special additives can also be added or treated to make the products have antistatic, hydrophilic, antibacterial, anti-ultraviolet and other functions. Through the continuous improvement of technology, Spunbond nonwoven fabrics are also developing towards more diversification, such as embossing and perforation.

B. Meltblown Nonwoven :

Melt-blown non-woven fabric is a kind of ultra-fine fiber, which has the characteristics of large surface area and small pore size, which makes Meltblown non-woven fabric outstanding in terms of filterability, covering, heat insulation, oil absorption and water repellency, and is widely used as a medical face Mask materials, thermal insulation materials, oil absorbent materials, air filter media and battery separation materials, etc.. Different raw materials can be changed to meet special market requirements. For example, TPU and PP elastomers can be used in sanitary and medical products. Though the market is not yet mature and still needs to be actively developed, the future development potential is still very considerable.

Especially in recent years, the deteriorating global environment has made Meltblown nonwovens an important strategic reserve material used to prevent pollution and diseases in many countries, and its market prospects are extremely broad. During the Covid-19 (new corona virus) and Anti-SARS period in 2020, Meltblown and SS nonwovens demonstrated excellent protection and isolation functions, and gained new recognition and favor from the market, which led to a round of capacity expansion. In recent years, with the continuous development of Meltblown technology, the application of Meltblown nonwovens has also been continuously expanded and extended to more fields.

C. SMMS and SMS Composite Nonwoven :

SMMS (Spunbond/Meltblown/Meltblown/Spunbond) and SMS (Spunbond / Meltblown /Spunbond) composite fabric are mainly used for hygiene

materials, medical use, and industrial use. The demand for such non-woven fabrics has grown significantly. Multi-layer, lightweight development, large investment, fast production speed, and large production capacity are currently the mainstream products developed by major non-woven fabric manufacturers.

D. Lamination non-woven fabric (composite fabric) :

Covering a wide range, it is a combination of non-woven fabrics and other materials, including SMS composite non-woven fabrics that are very promising in the market. SMS is a product that combines the advantages of Spunbond non-woven fabrics and Meltblown non-woven fabrics. Most of them are used for Leg cuff of diapers, medical supplies, surgical gowns, industrial protective clothing and automobile covering cloth, etc.. Because composite fabrics are advanced technology, fast production speed, special functions and its cost has not increased compared with other non-woven fabrics such as carded cotton cloth at present, it has a good chance of replacing other non-woven fabrics or general woven.

1.2.4 Competition situation :

Universal Inc. mainly produces PP Spunbond non-woven fabrics, PP Meltblown non-woven fabrics and composite fabrics. According to the data from the Taiwan Non-woven Fabrics Industry Association, there are only four Spunbond manufacturers in Taiwan including Freudenberg Fareast, Universal Inc., Win-win and Golden Phoenix before 2020 and four Meltblown manufacturers including Universal Inc., KNH, Mytrex and Trimeltech. Universal Inc. is the only one domestic manufacturer of composite fabrics.

Among them, the non-woven fabrics produced by Freudenberg Fareast Company use POLYESTER as the main raw material and there is no threat of market competition. Mytrex and Trimeltech are professional PP melt-blown non-woven fabric production companies. The current sales volume and route of their products do not affect the sales of the company. However, due to the impact of the Covid-19 epidemic in 2020, the demand for materials such as face masks, isolation gowns and protective clothing has increased significantly, resulting in a tight supply of PP Spunbond nonwovens and PP Meltblown nonwovens. Many manufacturers in the nonwovens industry in Taiwan have expanded their production lines. Foreign manufacturers have also put into production. As of December 2020, the number of manufacturers of PP Spunbond nonwovens has increased to four, and the number of manufacturers of PP Meltblown nonwovens has exploded to 11 with a total of about 60 Meltblown production lines. The number of face mask machines has increased from 100 to 2,000. Both non-woven and face mask equipment are facing the problem of overcapacity and the market competition is fierce.

The main competitors of Spunbond nonwovens in Fujian, China area including Xingtai, Guanhong, Guangzhou Yizhou and Wonderful, etc.

The major competitors of Universal Inc. of main products are as follows :

Business Items	Major Competitors	Major Competitors in China
Spunbond Nonwovens	Golden Phoenix 、 Win-Win	Xingtai 、 Guanhong 、 Guangzhou Yizhou 、 Wonderful
Meltblown Nonwovens	Mytrex 、 Trimeltech 、 KNH	—
SMMS & SMS Composite Nonwovens	Win-Win	TORAY 、 BERRY 、 Xingtai 、 Heng peng
Lamination Nonwovens	N/A	—

Source: Investigated by Universal Inc.

The company's competitive niche compared with other peers :

- A. The company is a professional manufacturer of non-woven fabrics, focusing on product research & development and market development and strives for market niches by developing new products, new customers and strengthening the management of quality, cost, delivery and after-sales service.
- B. The main production equipment and technologies (Know-how) such as SMMS composite fabrics, Meltblown non-woven fabrics and Spunbond non-woven fabrics purchased by the company in the early stage are from the world well known German company, REIFENHAUSER. The non-woven fabrics produced by it are excellent in terms of uniformity and physical properties. The company's technicians have gone to the original factory in Germany to receive training so production technology and product quality meet the market demand.

In addition, the newly installed SS Spunbond non-woven machine and SMS composite machine in recent years are purchased from well-known non-woven machine factories in China. The product quality also meets market demand and has the advantages of relatively low production costs. The products are competitive.

In 2019 and 2020, 4 sets of high-end filter equipment including Meltblown non-woven machines and HEPA equipment are purchased. In addition to the filter media used in the production of face masks, the company also purchased laminating machines in 2021 and actively develop high efficiency filter media for the usage of air purifier and other high value-added products.

- C. The company's main products are PP Spunbond non-woven fabrics, Meltblown non-woven fabrics, SMMS and SMS composite fabrics and composite non-woven fabrics. All of which are mainstream products in the non-woven fabric market at present and in the future. Among which composite non-woven fabrics are light, breathable, soft and strong tensile strength. Leading domestic industry players to successfully develop niche products.
- D. The company maintains close ties with advanced peers in the world, and often obtains sufficient market and technical information through professional consulting companies or individuals to maintain a competitive advantage.

1.3 Overview of Technology and R&D

1.3.1. Research and development expenses invested in the most recent year and up to the publication date of the annual report: about NT\$10,763,462.

1.3.2. Technologies or products successfully developed in the most recent year and as of the publication date of the annual report :

- (1) Research and development of flat medical face masks.
- (2) Obtained EU CE Type II flat medical mask certification.
- (3) Obtained FDA 510K Level 1 and Level 2 flat surgical mask certification.
- (4) Obtained 3D medical mask certification.
- (5) Obtained medical activated carbon mask certification.
- (6) Obtained Taiwan UN95 3D protective D2 medical mask certification.
- (7) Obtained Taiwan UN95 3D protective surgical respirator certification.
- (8) Obtained European standard FFP2 protective respirator certification.
- (9) Obtained Taiwan TN95 Surgical Respirator certification.
- (10) Obtained Taiwan TN95/FFP2 Surgical Respirator certification.
- (11) Research and development of anti-haze PM 2.5 Class B masks.
- (12) Research and development of high efficiency filter media.
- (13) The filtration effect of Meltblown nonwoven fabric is improved.
- (14) Research and development of skin care centered hydrophilic non-woven fabrics.
- (15) Research and development of soft, silk soft, ultra soft non-woven fabrics.
- (16) Research and development of SS ultra soft hydrophilic nonwoven fabric for the usage of diaper composite film.
- (17) Research and development of SMMS permanent hydrophilic nonwoven fabric for the usage of diaper.
- (18) Research and development of impact-resistant SMMS composite non-woven fabrics for medical use.

- (19) Development of SMS composite non-woven fabrics.
- (20) Research and development of coarse denier non-woven fabrics.
- (21) Research and development of Spunbond, Meltblown and composite elastic non-woven fabrics.
- (22) Research and development of antistatic non-woven fabrics by online spray treatment.
- (23) Research and development of composite material lamination.
- (24) Research on post-treatment process of SMS composite non-woven fabric.
- (25) Research on post-treatment process of SMMS composite non-woven fabric.
- (26) Improvement of SMMS Alcohol Repellency, anti-static, anti-blood treatment for medical use.

1.4 Long-term and short-term business development plans

1.4.1. Short-term business development plan:

- (1) Research and development of bi-component Sound-absorbing and thermal insulation non-woven fabrics.
- (2) Development of new 3D masks.
- (3) Research and development of high efficiency air filter media and air filters.
- (4) Develop non-woven converting materials, such as various composite material laminating fabric, advanced post treatment medical fabrics, etc., to increase the value added of products.
- (5) Improve product quality to meet customer needs, reduce costs, strengthen product marketing and expansion, make full use of machine capacity and increase revenue.

1.4.2. Long-term business development plan:

- (1) Development of 3D masks new products.
 - (a) US standard N95 disposable respirator.
- (2) Strengthen product and technology research and development, and develop high value-added products.
- (3) Strategic alliance with international non-woven manufacturers to expand the international market and make the company an international company.
- (4) Develop other types of non-woven fabrics.

2. Market, Production and Sales Overview

2.1 Market Analysis

2.1.1 Sales area of main products

Unit: NT\$ thousand

Year Sales Area	2024		2023	
	Amount	%	Amount	%
Taiwan	266,100	84	331,444	82
Northeast Asia	40,945	13	59,609	14
China	7,557	2	7,209	2
USA	2,787	1	7,501	2
Net sales	317,389	100	405,763	100

2.1.2 Market share, future market supply, demand situation and growth :

(1) Market share

PP Spunbond non-woven fabrics, SMMS & SMS composite fabrics, and PP Meltblown non-woven fabrics are the main products of the company. Because the market sales value is not easy to obtain, market share is estimated and analyzed based on the ratio of the company's domestic factory production to the overall domestic non-woven fabric production; The mainland China has a vast territory and the current output of the Xiamen factory is not large, accounting for a small proportion of the total non-woven fabric production in the mainland China market, so the market share is not calculated.

	Domestic production of Universal Inc.	Total domestic production	share	Xiamen factory output
Non-woven	4.4	155	3%	0

Note1. The domestic output of Universal Inc. and the output of Xiamen factory refer to the output in 2024.

Note2. Source of data for total domestic production: 2024 Statistical Report of Taiwan Nonwoven Fabric Industry Association.

(2) The future supply, demand status and growth of the market

According to the "2022-2024 Spunbond/Spunmelt Polypropylene Capacity and Demand Outlook" published by Nonwovens Industry magazine, In Southern Asia, demand continues to grow as the market penetration of disposable nonwovens continues to increase. With that, capacity has surged. Since 2021, capacity installations by Toray, Global Nonwovens, Manjushree Spntek and other producers have added 102.5 kt of new capacity in India, a 52% increase over 2021. Toray commissioned a new Reicofil 4s line with an annual nameplate capacity of 20,000 tons in its

new plant in India in Q4 2020. Global Nonwovens commissioned an R5 line with a capacity of 30.0 kt in mid-year 2022 in its plant in India. This is Global's third line. Global was the first company in India to install high capacity spunmelt capacity in the region beginning in 2015. Avgol commissioned an upgraded Reicofil 3.1 line moved from Israel to a second new plant in India in the second half of 2022. Manjushree commissioned a new R5 line in India. This line has a capacity of 15,000 tons and is intended to serve healthcare and hygiene markets. We suspect there will be more capacity installed in India before 2026 as demand growth continues. Capacity utilization remains high in the region and is supplemented with imports from Middle East, Asia-Pacific and China-based producers. We expect year-end 2024 nameplate capacity to total 271.5 kt.

Asia-Pacific Capacity & Demand :

In 2023, the largest producers in the region are Mitsui/Asahi (Japan, Thailand - 148.0 kt), Toray (South Korea, Indonesia - 103.0 kt), Fibertex (Malaysia - 96 kt) and Fitesa/CNC (Thailand - 69.0 kt). Mitsui and Asahi will merge in October 2023 creating the fourth largest spunlaid PP nonwoven production company in the world. Asahi commissioned a line with a capacity of 15,000 tons in Q3 2021 whose full capacity was realized in 2022. Fibertex (Malaysia) commissioned a R5 line in Q1 2022 which has a nameplate capacity of 15,000 tons. This line's capacity was fully realized in 2023. New lines were commissioned by Cobes Industries in Myanmar in Q3 2022 and Hanil (South Korea). Hygiene demand in the region is growing attractively, particularly when excluding Japan whose market is fully penetrated. Capacity growth has mirrored demand growth. We expect year-end 2024 nameplate capacity to total 512.0 kt.

China Capacity & Demand :

In China, we estimate that 41,500 tons of new PP SB/SMS capacity will be commissioned in 2023. This follows the commissioning of 89.0 kt in 2022 and 67.5 kt in 2021. Included in this estimate are new capacity installations by Allmed, Jofo Wuxi, Berry, Cobes and Guan Hong who will all commission R5 technology. China seems to be gearing up to add much more new capacity to supply nonwoven substrates for surgical gowns and drapes to the world despite localization chatter. While we expect more capacity will be installed in China during 2024 - 2026, we estimate annual demand growth for Chinese-made spunlaid polypropylene nonwovens to soften. An increase in capacity together with a decrease in demand will impact future capacity utilization. We estimate year-end 2024 nameplate capacity to total 2,003.7 kt. China is significantly oversupplied and dependent upon exports for reasonable capacity utilization.

2.1.3 Competitive Niche :

- (1) The company is a professional manufacturer of non-woven fabrics, focusing on product research, development and market development, and through the development of new products and new customers and strengthening the management of quality, cost, delivery and after-sales service to strive for market niches .
- (2) The main production equipment and technologies (know-now) such as SMMS composite fabrics, Meltblown non-woven fabrics, and Spunbond non-woven fabrics purchased by the company in the early stage are from the world well known German Reifenhauer company. The non-woven fabrics produced by it are excellent in terms of uniformity and physical properties. The company's technicians have been trained in factory in Germany so both production technology and product quality meet the market demand.

In addition, the newly installed SS Spunbond non-woven machine and SMS composite machine in recent years are purchased from well-known non-woven machine factories in China. The product quality also meets market demand and has the advantages of relatively low production costs. The products are competitive.

In 2019 and 2020, the company purchased a total of 4 sets of high-end filter material equipment (including Meltblown non-woven machines and HEPA equipment), which can be used to produce high-value-added products such as filter media for masks and high-efficiency filter media (HEPA) for air purifiers.

- (3) The main products of the company are PP Spunbond non-woven fabrics, PP Meltblown non-woven fabrics, and composite non-woven fabrics, which are the mainstream products in the current and future non-woven fabric market. Their fast production speed, light basis weight, good physical properties, and low prices will effectively reduce the cost of use. In addition to the current field of use, the scope of use is gradually increasing, and the market size is gradually expanding.

2.1.4 Favorable and unfavorable factors and countermeasures for development prospects

(1) Favorable factors :

- a. The company's main product, non-woven fabrics, is light, soft, breathable, and inexpensive. Its products are widely used and have gradually replaced many traditional cloth and other textiles, paper, and plastic products.
- b. With the improvement of people's living standards, non-woven fabrics

will continue to develop new product uses, and at the same time, with the improvement of product quality, their market size will gradually expand.

- c. In terms of non-woven fabric products, the government used to include the development of multi-functional high-level non-woven fabrics (with Spunbond process, Meltblown process and thermal bonding process) in the advanced materials of "emerging and important strategic industries". Five-year tax exemption for capital increase and expansion shows the government's emphasis on the non-woven fabric industry. The company is also actively researching the development plan of multi-functional high-level products. The SMMS fine denier composite non-woven fabric expanded by the company is a multi-functional high-level non-woven fabric. This machine was acceptance on April 30, 2002. The production and sales of the product began in May 2002 to meet market demand. The SMMS composite fabric machine is currently the most advanced Spunbond or composite fabric machine in the world and it has special functions in terms of quality and physical properties. Its main use is sanitary materials and medical use. In the non-woven fabric market, the market scale of sanitary materials and medical care is very large, especially the market scale of sanitary materials is the largest among non-woven fabrics.
- d. The company's products maintain a certain share in the domestic market and are in a leading position.
- e. Pay attention to product research & development and market development, and can grasp the market pulse at any time to make flexible adjustments in response to market changes and increase the added value of products.
- f. Maintain a good long-term cooperative relationship with raw material suppliers, so the supply of goods is very stable, and there has never been a shortage of materials and shutdowns.
- g. Polypropylene plastic resin (P.P. resin) used in Spunbond and Meltblown non-woven fabrics are already available from domestic manufacturers, which can shorten the delivery time, reduce the backlog of raw material inventory, reduce purchase costs, and improve cost competitiveness. In addition, imported P.P. raw materials from ASEAN Singapore are exempt from import duties.
- h. The raw materials required for material processing and downstream processed products can use self-produced non-woven fabrics as raw materials for processing.
- i. The company is currently actively strengthening the development and sales of high value-added products in order to increase the gross profit of product sales.

- j. Maintain long-term and stable business relationship with customers.
- k. The sources of customers are scattered and most of them are well-off domestic and foreign manufacturers, with relatively low operational risks.
- l. Keep close contact with the world's advanced peers, and exchange views with professional technical experts to fully control market information.
- m. Some products of the non-woven fabric industry are included in the ECFA Early Harvest List, and the tariffs for products sold to the mainland China market are reduced, which can enhance the competitiveness of products exported to the mainland China market.
- n. Domestic imported raw material tariffs can be applied for tax refunds when products are exported to enhance export competitiveness.
- o. Import duty is free if export of non-woven fabrics from the Xiamen factory in mainland China to the ASEAN market, which could enhance the export competitiveness of the mainland China factory.

(2) Unfavorable factors :

- a. The non-woven fabric produced by our company is a technology-intensive and capital-intensive industry. Imported machinery and equipment are very expensive. Due to the large investment and high fixed costs, if we fail to grasp customers and markets, the investment risk is extremely high.
- b. Taiwan's non-woven fabric market is not large enough so it is necessary to improve the competitiveness of the international market and increase the export of products.
- c. Technological innovation and replacement are fast, and machines with low production speed are easy to be eliminated.
- d. Due to the global expansion of polypropylene Spunbond non-woven fabrics, SMMS and SMS composite non-woven fabrics, the market price tends to decline. Therefore, although the market price of non-woven fabrics will be adjusted with fluctuations in the price of petroleum and P.P. raw materials, passing on cost increases is somewhat difficult, and sometimes not fully passed on.
- e. Due to the high awareness of domestic labor and the shortage of labor force, the production cost will be relatively increased.
- f. The price of crude oil fluctuates sharply, causing the price of P.P. resin, the main raw material used, to fluctuate sharply, which increases the production cost of non-woven fabrics and affects the quotation of orders.
- g. Due to the large-scale expansion of the industry, the market is oversupplied, and the products have price competition pressures, resulting in price competition pressures for Spunbon non-woven fabrics,

SMMS and SMS composite fabrics, and Meltblown non-woven fabrics.

- h. Hygienic products have low and peak seasons, which affect summer performance; and Sub-replacement fertility and the economic downturn will also affect the demand for non-woven fabrics and sales.
- i. After joining the WTO, the domestic market will face competition from foreign goods.
- j. Taiwan has not joined the ASEAN Free Trade Agreement. Expansion of the Southeast Asian market also has tariff issues, which affects competitiveness.
- k. If the NT dollar is too strong, the appreciation will affect the competitiveness of exports. If the yen and the euro depreciate sharply, it will affect the exports of Japan and the euro zone market.

(3) Countermeasures :

- a. Research and develop new products with niche and high added value to cope with fierce competition in the market.
- b. To cover the funds needed for expansion by retaining appropriate surplus accumulated funds every year or raising funds from the capital market.
- c. Improve the new automatic production equipment, mass production, reduce production costs, so as to improve the competitiveness in the international market.
- d. Develop material processing and downstream processed products to vertically integrate upstream and downstream, so as to stabilize the sales of non-woven fabrics and avoid vicious competition among peers.
- e. In order to cope with the shortage of labor, the company not only introduces foreign labor, but also actively improves the production process, strengthens automated production, and improves production efficiency to reduce manpower demand and personnel costs.
- f. Establish a safe stock of raw materials, and strengthen the inventory management of raw materials, and pay attention to the price changes of main raw materials, so as to grasp a better purchase price and control production costs.
- g. Maintain the interactive relationship with existing suppliers and seek new suppliers to ensure sufficient supply of raw materials and reduce raw material costs.
- h. In addition to strictly controlling costs, the company is also committed to improving research & development capabilities, developing diversified and high value-added products to enhance overall profit margins and competitiveness.
- i. Actively cooperate with advanced international peers to enhance competitiveness and development level.

2.2 Important uses and production processes of main products

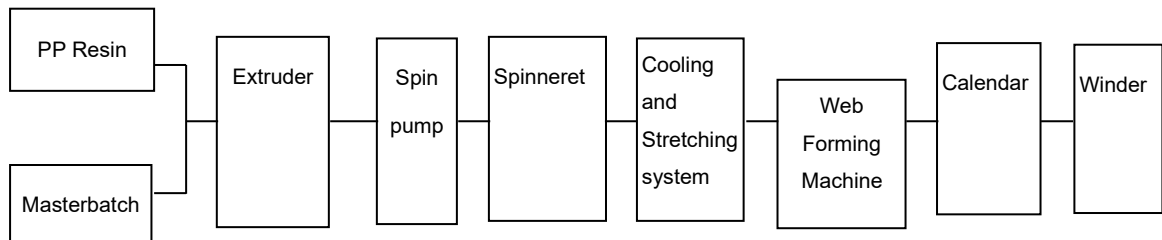
2.2.1 Important uses of main products:

The non-woven fabrics produced by our company are currently mainly sold in domestic and foreign markets. The main uses are as follows:

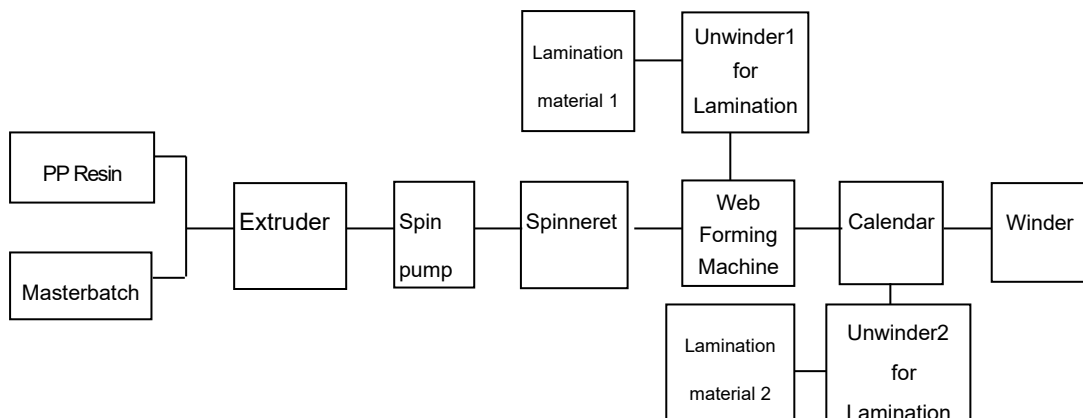
- (1) Hygiene use: diapers, training pants, sanitary napkins, paper pants.
- (2) Medical use: masks, medical caps, shoe covers, surgical gowns, isolation gowns, surgical drapes, bed sheets, pillowcases.
- (3) Inner linings: leather bags, suitcases, clothing linings, furniture linings, synthetic leather base fabrics, disk linings.
- (4) Covering cloth: car cover, tent, tablecloth, furniture covering cloth, bath curtain, sofa pillow cover.
- (5) Bag wrapping cloth, shopping bag, quilt bag, gift wrapping cloth.
- (6) Protective clothing, coverall, filter media, carpet substrates and wiping cloths.
- (7) Oil-absorbing materials, automotive interior materials, artificial flowers, and heat insulation materials.
- (8) Wall decoration, cable covering material, thermal bonding material, civil engineering cloth, agricultural covering cloth.

2.2.2 Production process of main products:

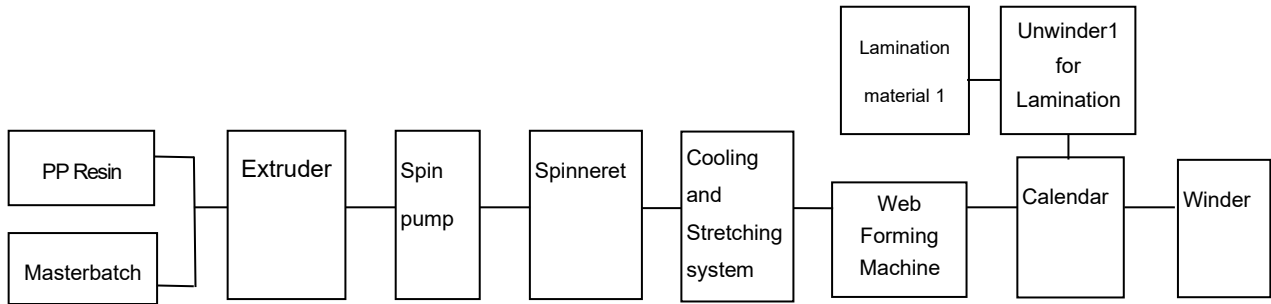
(1) Production process of Spunbond nonwoven fabric :



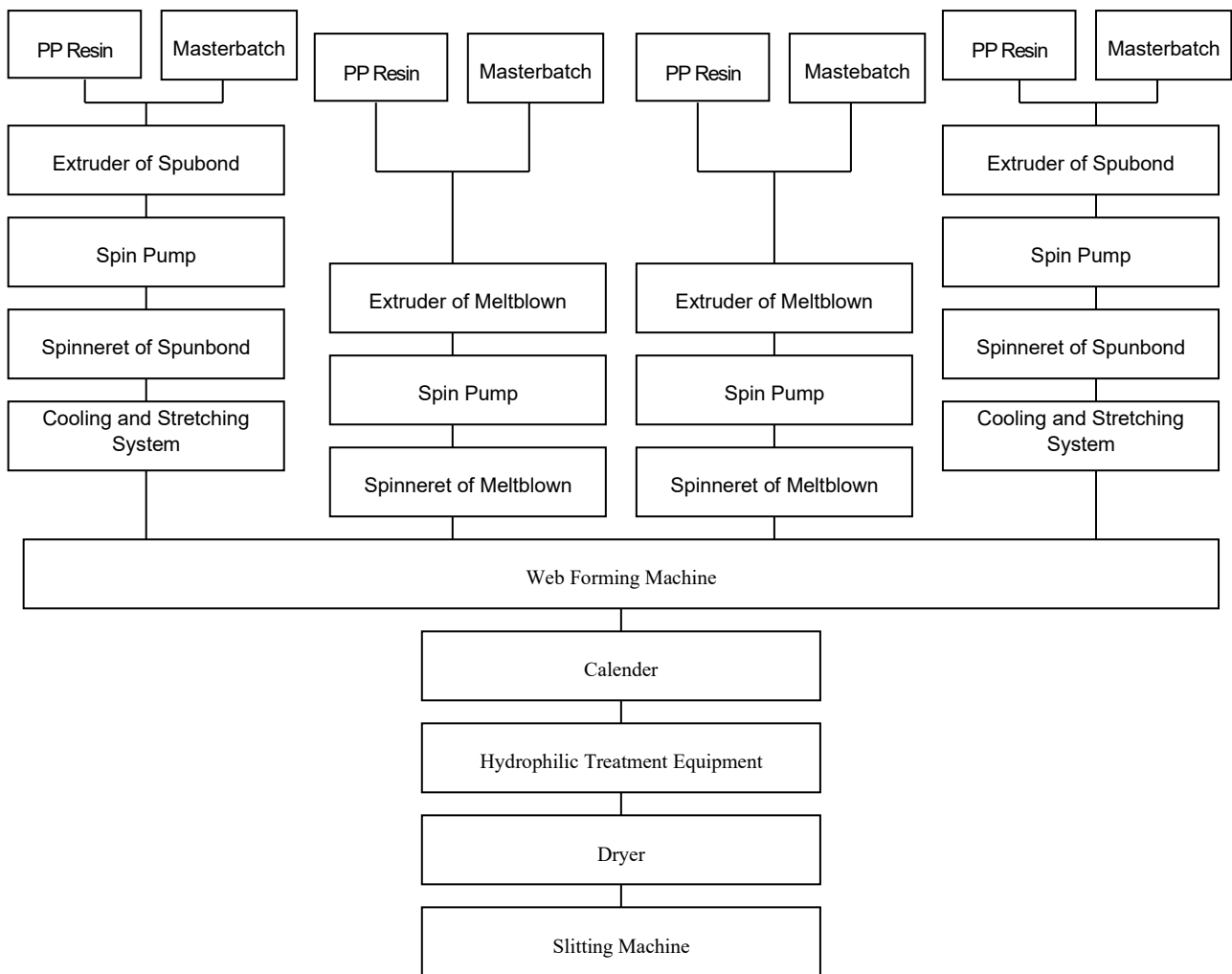
(2) Melt-blown and laminated non-woven fabric production process :



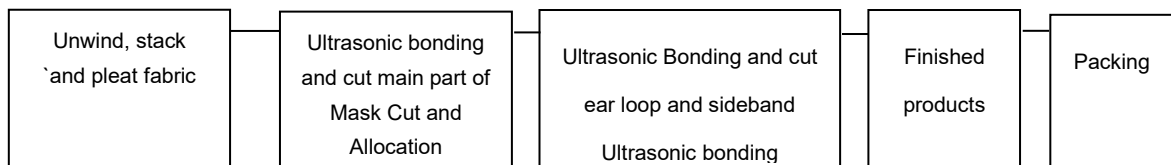
(3) Spunbond and other material lamination & production process :



(4) Production process of composite non-woven fabric: SMMS, SMS, SS :



(5) Production process of medical and surgical masks :



2.3 Supply status of main raw materials

The main raw material of our Spunbond (S), Meltblown (M) and SMMS, SMS composite non-wovens is polypropylene (P.P.) resin, master batch and additives. The sources of supply are normal.

2.3.1 Fiber grade P.P. plastic resin :

- (1) P.P. resins used in Spunbond nonwovens: At present, there are three domestic companies producing P.P. resin including, Formosa Plastics, Formosa Chemicals, and Li Changrong Chemical. In addition to purchasing from Formosa Plastics and Li Changrong Chemical Company, the company also imported from abroad, the sources of supply are mainly P.P. manufacturers in advanced countries such as Singapore, the United States, and South Korea, such as ExxonMobil, Basell. Suppliers in mainland China include Zhejiang Mingri Holdings and other companies.
- (2) P.P. resins used in Meltblown nonwovens: the domestic supplier is Formosa Plastics, and the main foreign suppliers are Basell, ExxonMobil, etc.

At present, the supply of petrochemical raw materials in the world is sufficient, but due to fluctuations in oil prices, the prices of petrochemical raw materials and P.P. resins also fluctuate greatly. Because the price of P.P. resins fluctuates violently, it is very important for management to grasp the price trend and purchase timing. The company's control is still good and the company maintains a good relationship with all suppliers. The supply is very stable and the source of supply is normal.

2.3.2 Color masterbatch and additives

- (1) The main suppliers of color masterbatch are Avient Taiwan, Hanching, Wewill, Tah Kong and other companies.
- (2) Additives include anti-UV, electrostatic enhancement additives, hydrophilic agents, softeners, etc. Among them, the anti-UV additives are supplied by Jung Mei Plastics. Hydrophilic agent is supplied by S+S. Softener are supplied by Foshan City Bloom Company.

2.4 The list of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years

Information on major suppliers in the last two years

Unit: NT\$ thousand

Item	2024				2023				Year 2025 as of the previous quarter			
	Company Name	Amount	Ratio of net purchases in the whole year [%]	Relationship with Issuer	Company Name	Amount	Ratio of net purchases in the whole year [%]	Relationship with Issuer	Company Name	Amount	Ratio of net purchases in the whole year [%]	Relationship with Issuer
1	Formosa Plastics	68,276	40	Supplier	Formosa Plastics	82,164	42	Supplier	Formosa Plastics	18,468	38	Supplier
2	Exxon	48,077	28	Supplier	Exxon	25,496	13	Supplier	Exxon	23,542	49	Supplier
3	LCY Chemical Corp.	19,201	11	Supplier	LCY Chemical Corp.	47,855	25	Supplier	LCY Chemical Corp.	-	-	Supplier
	Others	34,506	21	Supplier	Others	38,026	20	Supplier	Others	5,986	13	Supplier
	Net Purchase	170,060	100		Net Purchase	193,541	100		Net Purchase	47,996	100	

Note 1: List the name of the supplier whose total purchase amount exceeds 10% in the last two years, as well as the purchase amount and proportion, but if the name of the supplier cannot be disclosed due to the contract or the transaction object is an individual and not a related party, it can be coded.

Note2: Explanation of reasons for increase or decrease: adjust the supplier's supply volume according to the quality of the manufacturer's raw materials, price fluctuations and inventory

Information on major sales customers in the last two years

Unit: NT\$ thousand

Item	2024				2023				Year 2025 as of the previous quarter			
	Company Name	Amount	Ratio of net purchases in the whole year [%]	Relationship with Issuer	Company Name	Amount	Ratio of net purchases in the whole year [%]	Relationship with Issuer	Company Name	Amount	Ratio of net purchases in the whole year [%]	Relationship with Issuer
1	210594	98,565	31	Customer	101,548	25	101,548	Customer	210594	26,043	32	Customer
2	210669	43,857	14	Customer	69,648	17	69,648	Customer	210669	10,260	12	Customer
	Others	174,967	55	Customer	234,567	58	234,567	Customer	Others	45,933	56	Customer
	Net Purchase	317,389	100		405,763	100	405,763		Net Purchase	82,236	100	

Note 1: List the name of the customer whose total sales amount exceeds 10% in the last two years, as well as the sales amount and proportion, but if the name of the customer cannot be disclosed due to the contract or the transaction partner is an individual and not a related party, it can be coded.

Note 2: Explanation of reasons for increase or decrease: non-woven fabric customers placed orders according to demand, so there was an increase or decrease. There were no fluctuations in major customers.

3. Employees employee data for the last two years as of the publication date of the annual report

April 30, 2025

Year		2024	2023	Year ended April 30, 2025
Number of employees	Technician	11	12	11
	Clerk	58	63	56
	Labor	72	70	72
	Total	141	145	139
Average age		44.3	43.5	44.5
Average years of service		11.8	11.1	11.9
Educational Distribution Ratio	Ph. D.	-	-	-
	masters	5%	4%	4%
	Bachelor's Degree	45%	44%	45%
	Senior High School	40%	42%	41%
	below Senior high School	10%	10%	10%

Note: The company's non-woven fabrics are produced by automated machine therefore the number of people required is very small.

4.Environmental protection expenditure information

4.1 The total amount of losses (including compensation) and disposals due to environmental pollution in the most recent year and up to the date of publication of the annual report: None.

4.2 Future countermeasures (including improvement measures) and possible expenditures: When the company plans to invest in the development of new products, it chooses non-polluting products as the object of investment. In other words, the P.P. Spunbond, Meltblown non-woven fabrics and composite non-woven fabrics do not cause environmental pollution because the raw material polypropylene (P.P.) resin used are non-toxic.

4.3 In recent years, fixed pollution source discharge facilities that comply with ISO 14001 and environmental protection regulations have been installed on machines and air pollution prevention and control fees have been paid in accordance with the Air Pollution Prevention and Control Law to meet government environmental protection regulations. There is no need to pay air pollution prevention fee in 2024.

5. Labor relations

5.1 The company's various employee welfare measures, continuing education, training, retirement systems, the status of their implementation, and status of labor agreements and various employee rights and interests protection measures :

5.1.1 Employee welfare measures and their implementation :

(1) Employee Welfare Committee : Allocate employee welfare funds according

to laws and regulations, and establish an employee welfare committee. Employees can enjoy various benefits. Welfare items include wedding gifts, maternity subsidies, funeral allowance, etc., related application methods and amounts and other recreational activities will be determined by the Welfare Committee.

- (2) Year-end bonus : a fixed rate amount is withdrawn on a monthly basis and will be paid in the next year.
- (3) Employee remuneration : After the annual settlement, the amount of employee remuneration distribution shall be reported in accordance with the company's articles of association, distributed to employees after approval by the board of directors, and reported to the shareholders' meeting.
- (4) Festival bonuses : fixed bonuses will be issued during the Dragon Boat Festival and Mid-Autumn Festival.
- (5) Insurance : Handle labor insurance and national health insurance in accordance with the law, and pay for employees' maternity, injury, old age, and death in accordance with the labor insurance regulations and national health insurance regulations promulgated by the government.

5.1.2 Staff continuing education, training and its implementation :

Employees of the company and factories are given internal training or sent to external training according to their work needs.

5.1.3 Retirement system and its implementation

(1) Pension under the old system :

The company has established retirement measures for formally employed employees in accordance with the provisions of the Labor Standards Law. According to the regulations, the payment of pensions is calculated based on the number of years of service and the average regular salary of the six months before retirement. The company allocates retirement funds every month according to the regulations, which is managed by the Labor Retirement Reserve Fund Supervision Committee and deposited in the Bank of Taiwan in the name of the committee.

Since July 1, 2004, employees who choose to apply the pension system of the newly promulgated Labor Pension Act still retain their seniority under the old system, and the payable pension payment is calculated when applying for retirement.

Before the end of each year, if the balance in the estimated special account is insufficient to pay workers who are expected to meet the retirement conditions in the next year, the difference will be allocated to the special account before the end of March of the next year.

No employee retired in 2024.

- (2) New system of pensions : From July 1, 2004, employees who choose to apply the pension system of the Labor Pension Act will transfer 6% of their

monthly salary to the personal pension account of the Labor Insurance Bureau.

5.1.4 Important agreements between labor and capital : None.

5.1.5 Measures for safeguarding employees' rights and interests : the company shall safeguard the rights and interests of employees in accordance with the provisions of the Labor Standards Law.

5.1.6 The company has formulated a code of ethics for employees to regulate the behavior of all colleagues. For related content, please refer to the company's Chinese website.

5.2 Losses suffered due to labor disputes in the most recent year and up to the date of publication of the annual report :

5.2.1 Labor dispute status : None.

5.2.2 Amount of losses incurred : None.

5.2.3 Estimated possible future loss amount : None.

5.2.4 The company's countermeasures : Not applicable.

6. Information security management

6.1 A description of the IT security risk management framework, IT security policies, specific management plans, and resources invested in IT security management, etc.

Set up an information security supervisor to be responsible for the planning, monitoring and implementation of information security maintenance of the company's information security system.

In terms of information security risk control, the company has built a complete set of computer and network security management systems, and formulated information security regulations, conducts information security risk assessments every year, and regularly conducts internal and external information cycle audits to ensure effective information security.

6.2 List the losses and possible impacts of major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be explained.

So far, no information security incidents have occurred.

7. Important contracts : none.

V. Review of Financial Conditions, Operating Results, and Risk Management

1. Analysis of Financial Status :

The main reasons and impacts of major changes in assets, liabilities, and shareholders' equity in the last two years. If the impact is significant, the future response plan should be explained :

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) amount	Increase (decrease) ratio
current assets	1,726,531	1,748,762	(22,231)	(1.27%)
Financial assets at fair value through other comprehensive income - non-current	75,843	82,637	(6,794)	(8.22%)
Property, plant and equipment	1,041,936	1,129,354	(87,418)	(7.74%)
Right-of-use assets	6,602	6,622	(20)	(0.30%)
Other assets	7,625	4,590	3,035	66.12%
Total Assets	2,858,537	2,971,965	(113,428)	(3.82%)
Current Liabilities	43,153	56,995	(13,842)	(24.29%)
Non-current Liabilities	56,623	55,159	1,464	2.65%
Total Liabilities	99,776	112,154	(12,378)	(11.04%)
Share capital	852,812	852,812	-	-
Capital surplus	3,571	3,454	117	3.39%
Retained earnings	1,800,604	1,904,548	(103,944)	(5.46%)
Other equity	20,298	6,746	13,552	200.89%
Equity attributable to owners of the Company	2,677,285	2,767,560	(90,275)	(3.26%)
Non-controlling interests	81,476	92,251	(10,775)	(11.68%)
Total Equity	2,758,761	2,859,811	(101,050)	(3.53%)

Remark :

- (1) Other assets increased by NT\$3,035 thousand, an increase of 66.12%, mainly due to an increase of NT\$3,034 thousand in deferred income tax assets and an increase of NT\$1 thousand in deposits.
- (2) Current liabilities decreased by NT\$13,842 thousand, a decrease of 24.29%, mainly due to a decrease in accounts payable of NT\$4,817 thousand, a decrease in other payables of NT\$6,223 thousand, a decrease in current income tax liabilities of NT\$3,092 thousand, an increase in lease liabilities - current of NT\$3 thousand, and an increase in other current liabilities of NT\$287 thousand.
- (3) Other equity items increased by NT\$13,552 thousand, an increase of 200.89%, mainly due to the appreciation of the RMB against the NT Dollar in 2024, which resulted in an increase of NT\$17,513 thousand in exchange differences in the translation of financial statements of foreign operating institutions, and an increase of

NT\$1,525 thousand in the remeasurement of defined benefit plans. In addition, the unrealized gains on equity instruments measured at fair value through other comprehensive income decreased by \$5,486 thousand.

2. Financial Performance :

2.1 The main reasons for major changes in operating income, operating profit, and pre-tax net profit in the last two years :

Business Results Comparison Analysis Table

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) amount	Increase (decrease) ratio
Net sales	317,389	405,763	(88,374)	(21.78%)
Operating costs	354,089	406,138	(52,049)	(12.82%)
Gross loss	(36,700)	(375)	(36,325)	9,686.67%
Operating Expenses	43,249	48,085	(4,836)	(10.06%)
Loss from operations	(79,949)	(48,460)	(31,489)	64.98%
Total non-operating income and expenses	13,354	69,226	(55,872)	(80.71%)
Net (loss) profit before income tax	(66,595)	20,766	(87,361)	(420.69%)
Income tax expense	375	8,027	(7,652)	(95.33%)
Net (loss) profit after income tax	(66,970)	12,739	(79,709)	(625.71%)

Explanation on the analysis of major changes in the last two years (if the change in operating gross profit reaches more than 20%, the difference analysis should be made separately as shown in Table 2, and if the change of increase or decrease does not reach 20%, the analysis can be exempted) :

2.1.1 Explanation of the change analysis of the ratio of increase and decrease :

- (1) Operating income decreased by NT\$88,374 thousand, a decrease of 21.78%, due to the new coronavirus (Covid-19) outbreak in 2020, demand for raw materials and finished products of non-woven fabrics, masks and protective clothing are strong caused the peers expansion of the equipment of Spunbond, composite, Meltblown non-woven fabrics, mask, etc.. As peers completed the expansion of non-woven fabrics and mask production capacity, as well as reduced demand after the epidemic, the market was in oversupply and fierce market competition, resulting in a decrease in the Company's net sales revenue in 2024 compared to 2023.
- (2) The operating gross loss increased by NT\$36,325 thousand, an increase of 9,686.67%. The main reason was that the supply of non-woven fabrics in the market increased significantly. Under the condition of oversupply and fierce competition in the market, the production and sales values in 2024 decreased. However, the company still had to bear the fixed manufacturing costs, resulting

an increase in the company's gross loss in 2014 compared to the same period last year.

- (3) Loss from operations increased by NT\$31,489 thousand, an increase of 64.98%, mainly due to an increase in operating gross loss of NT\$36,325 thousand, while operating expenses decreased by NT\$4,836 thousand.
- (4) Non-operating income and expenses decreased by NT\$55,872 thousand, a decrease of 80.71%, mainly due to a decrease in interest income of NT\$16,133 thousand, an increase in net foreign exchange gains of NT\$14,944 thousand, an impairment loss of NT\$55,931 thousand on Xiamen Universal Incorporation machinery and equipment assets, and an increase in other gains and losses of NT\$1,248 thousand.
- (5) Income from Continuing Operations before tax decreased by NT\$87,361 thousand, a decrease of 402.69%. The main reason was that the net operating loss in 2024 was NT\$79,949 thousand, an increase of NT\$31,489 thousand operating loss compared to 2023, and the non-operating income and expenses in 2024 decreased by NT\$55,872 thousand compared to 2023.
- (6) Income tax expense decreased by NT\$7,652 thousand, a decrease of 95.33%, mainly due to the net loss after tax this year.
- (7) Income from Continuing Operations after tax decreased by NT\$79,709 thousand, a decrease of 625.71%, the main reason is that the net loss before tax in 2024 is NT\$66,595 thousand, the net loss before tax is an increase of NT\$87,361 thousand compared to 2023, and the income tax expense is reduced by NT\$7,652 thousand.

2.1.2 Analysis of Changes in Operating Gross Profit

Unit: NT\$ thousand

Item	Number of changes before and after the period	Reason for difference				
		Non-woven				other products difference
		selling price difference	cost price difference	sales mix difference	quantity difference	
Gross profit	(36,325)	(17,909)	20,403	(30,652)	651	(8,818)
illustrate	Due to the new coronavirus (Covid-19) outbreak in 2020, demand for raw materials and finished products of non-woven fabrics, masks and protective clothing are strong caused the peers expansion of the equipment of Spunbond, composite, Meltblown non-woven fabrics, mask, etc.. As peers completed the expansion of non-woven fabrics and mask production capacity, as well as reduced demand after the epidemic, the market was in oversupply and fierce market competition, resulting in a decrease in the Company's net sales revenue in 2024 compared to 2023.					

2.2 Expected sales volume and its basis, possible impact on the company's future financial business and response plan : Please refer to the description on page 6.

3. Analysis of Cash Flow :

Analysis of Cash Flow Changes

Unit: NT\$ thousand

Opening cash balance	Annual net cash flow from operating activities	Annual net cash inflows (outflows) from investment and financing activities	cash surplus (Insufficient) amount	cash deficit remedial measures	
				investment plan	financial plan
554,253	50,332	(107,557)	497,028	-	-
<p>1. Analysis of cash flow changes in the most recent year :</p> <p>(1) Net cash inflow from operating activities in 2024 decreased by NT\$74,321 thousand in 2024 compared to 2023, mainly due to a net loss before tax in 2024, resulting in a decrease in cash generated from operations by NT\$68,535 thousand, a decrease in interest income received by NT\$15,339 thousand, and a decrease in interest and income taxes paid by NT\$9,553 thousand.</p> <p>(2) Net cash outflow from investing activities in 2024 decreased by NT\$449,304 thousand in 2024 compared to 2023, mainly due to a decrease of NT\$59,653 thousand in acquisition of financial assets, an increase of NT\$386,604 thousand in disposal of financial assets, and a total decrease of NT\$3,047 thousand in other items.</p> <p>(3) The net cash outflow from financing activities in 2024 decreased by NT\$7,291 thousand in 2024 compared to 2023, mainly due to a decrease of NT\$15,829 thousand in repayment of short-term borrowings, an increase of NT\$8,528 thousand in cash dividend payments, and a total increase of NT\$10 thousand in other detailed inflows.</p>					
Item	Year	2024	2023	Increase (decrease) ratio (%)	
Cash Flow Ratio (%)		116.64	218.71	-46.67	
Cash Flow Allowance Ratio (%)		145.53	138.79	4.86	
cash reinvestment ratio (%)		-0.02	1.76	-101.14	
<p>Explanation on the change analysis of increase/decrease ratio :</p> <p>(1) Cash flow ratio : The change decreased by 46.67%, because the net cash inflow from operating activities in 2024 decreased by NT\$74,321 thousand compared to 2023, a decrease of 59.62%, mainly</p>					

because the net loss before tax in 2024 was NT\$66,595 thousand, while the net profit before tax in 2023 was NT\$20,766 thousand, and the net profit before tax decreased by NT\$87,361 thousand; the current liabilities decreased by NT\$13,842 thousand in 2024, a decrease of 24.29%, mainly because the decline in production and sales in 2024 resulted in a decrease in current liabilities compared with the same period last year.

(2) Cash reinvestment ratio : The change decreased by 101.14%, mainly because the (net cash flow from operating activities - cash dividends) in 2024 decreased by NT\$ 82,849 thousand compared with 2023, a decrease of 101.02%, and the (real estate, plant and equipment + long-term investments + other non-current assets + working capital) in 2024 decreased by NT\$18,484 thousand compared with 2023, a decrease of 0.40%.

2. Improvement plan for insufficient liquidity :

(1) Investment plan : None.

(2) In terms of financial planning : none.

3. Cash liquidity analysis for the coming year :

Opening cash balance	Estimated annual net cash flow from operating activities	Forecast annual net cash inflows (outflows) from investment and financing activities	Estimated cash surplus (deficiency) the amount	Estimated cash shortfall Remedy	
				investment plan	financial plan
497,028	55,381	(59,062)	493,347	—	—

4. Impact of Major Capital Expenditures on Financial Business in Recent Years

4.1 Use of major capital expenditures and sources of funds

Unit: NT\$ thousand

Project	Actual or Expected Source of Funds	Actual or Expected Finished Date	Total Funding Required	Actual or planned use of funds				
				2022	2023	2024	2025	2026
<u>Purchase of fixed assets :</u> Construct additional buildings, purchasing machine and other related ancillary equipment	Remaining working capital	115.12	130,671	16,052	28,326	23,005	33,944	29,344

Note : If it is expected that there will be major changes in the relative capital cost of debt and capital increase or the policy of debt and capital increase in the future, it should be explained.

4.2 Expected Benefit

4.2.1 Explanation of the benefits of building additional buildings (factory buildings and warehouses), purchasing machinery and equipment and other related ancillary equipment: building additional factories and warehouses, purchase of machinery and equipment to facilitate the development of new products and improve production efficiency, product quality, and the development of niche and high value-added non-woven related products, increase product items and increase revenue and profit.

5. Investment Policy in Last Year :

Unit: NT\$ thousand

Item	Explanation	Amount (Note) (end of December 2024)	Policy	Main reason of profit or loss	Improvement plan	Investment plan next year
Hong Kong Everbig Int'l Investment Ltd.		306,689	long hold (equity method)	In 2024, there was a loss of NT\$73,501 thousand. The non-woven fabric market in China was in oversupply and fierce market competition, sales prices are low, lower than variable costs, production and sales would increase losses. The company temporarily stopped production to reduce losses. Therefore, Xiamen Universal Incorporation recorded a loss of NT\$55,931 thousand from impairment of machinery and equipment.	1.Wait for the supply and demand in the non-woven fabric market returns to normal and seize the opportunity to resume production and sales. 2.In addition, we are looking for new products to develop and diversify operational risks.	There is no investment plans at present.

Note: The investment amount for this year exceeds 5% of the paid-in capital.

6. Risk matters should analyze and evaluate the following matters in the most recent year and as of the publication date of the annual report :

6.1 The impact of interest rate, exchange rate changes, and inflation on the company's profit and loss future response measures :

The Company does not adopt hedge accounting.

6.1.1. Interest rate : The company's operating conditions in 2024 were stable and its financial structure was good. By the end of 2024, the loan amount from financial institutions was NT\$0 thousand, and the annual interest expense was only NT\$19 thousand. The annual interest income is NT\$36,295 thousand. Because our company's has sufficient funds and holds higher interest rates on U.S. dollar time deposits In addition, the financial department of the company will evaluate the changes in interest rates at any time based on the economic environment and the latest information from the financial market, and maintain a close interaction with the bank to strive for the best interest rate in order to reduce interest costs and increase interest income.

6.1.2. Exchange rate : Because the exchange rate of foreign currency fluctuates greatly, there will be exchange benefits or losses. Therefore, the company adopts the strategy of offsetting the imported raw materials, materials or equipment parts with the export payment and foreign currency fixed deposit to reduce the exchange rate risk; In middle of 2024 due to the depreciation of the New Taiwan dollar against the US dollar and other foreign currencies, the net exchange benefit was NT\$ 27,139 thousand; in addition, the financial department of the company evaluates the exchange rate changes at any time according to the latest information in the foreign exchange market, grasps the currency of the bill exchange and the timing of repayment of the loan, and controls the foreign exchange position to reduce the loss of foreign currency exchange and strive for exchange benefits.

6.1.3. Inflation : In 2024, due to the price fluctuations in crude oil and petrochemical, but Plastic industry is in recession, the price of P.P. resins also decreased caused the production cost of the company's non-woven fabrics decreased; and in February 2022, the price of oil increase to the Russian-Ukrainian war. Due to market supply and demand factors, made prices fluctuate of crude oil, petrochemical raw material and PP. However, because the company's industry has low linkage with people's livelihood resources. Therefore, in addition to oil and P.P. resin price fluctuations that have a great impact on the company's production costs, the impact of inflation or deflation on

other items has limited impact on the company, and the impact on profit and loss is also relatively small.

6.2 Policies for engaging in high-risk, high-leverage investments, lending funds to others, endorsement guarantees, and derivatives transactions, the main reasons for profits or losses, and future countermeasures :

The Company does not adopt hedge accounting.

The company did not engage in high-risk, high-leverage investment, lending funds to others, endorsement guarantee and derivative financial product transactions in 2024.

6.3 Future R&D plans and estimated R&D expenses :

The company's past research and development plans mainly focus on soft, silksoft and ultra-soft non-woven fabrics, skin-care centered hydrophilic surface layer non-woven fabrics, permanent hydrophilic non-woven fabrics, elastic non-woven fabrics, advanced post treatment medical fabrics and medical three-resistant SMMS fabrics. Product development, continuous of process improvement, new raw material testing, cost reduction and yield improvement are the main axes. In view of the SARS epidemic in 2003, the bird flu in 2005, the H1N1 and new flu in 2009, the H7N9 bird flu in 2013, and the new coronavirus disease (COVID-19) in early 2020, the market has become more concerned about Spunbond, Meltblown and the demand for composite non-woven fabrics is increasing rapidly, So the company is strengthening the improvement and R&D of product quality requirements, such as improving the filtration efficiency of bacteria and viruses, and adding bactericidal functions to products. Considering the market demand and industrial development trend, the company will use high-performance filter media, laminated filter media, soft, silk soft and ultra-soft non-woven fabrics, skin care-centered hydrophilic non-woven fabrics, permanent hydrophilic non-woven fabrics, advanced post-treatment medical fabrics and high hydrohead, high-performance anti-alcohol, high-performance antistatic non-woven fabrics, and composite material lamination are listed as the company's future research and development priorities. Therefore, it is expected that the cost of future research and development will increase. Increasing the value added products can also make a significant contribution to the company's profitability. In addition, due to the coronavirus disease in 2020, the company successively purchased mask machines to produce general medical masks, colored masks, customized masks, 3D masks, high-end masks, etc., and also purchased related equipment of Meltblown non-woven fabrics and high-efficiency filter media, Composite Nonwoven, to research and develop high-efficiency Filter media (HEPA) products and laminated filter media, air filter media, Sound-absorbing non-woven fabrics, etc.

6.4 The impact of major policy and legal changes at domestic and abroad on the company's financial business and countermeasures :

Important policy and legal changes at domestic and abroad did not have much impact on the company's financial business in 2024.

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

6.5.1. Technological changes (including information security risks): There is not much impact on the company's financial business in 2024.

6.5.2. Industry changes: The price fluctuations of petroleum and petrochemical intermediate raw material industries will cause fluctuations in the production cost of the company's non-woven fabrics. The company's response measures are to pay attention to the market price changes of P.P. To control production costs and strengthen raw material inventory management; in addition, improve the process, increase the yield rate and increase the appropriate recycling of waste ear materials and re-granulation, so as to reduce the production cost of non-woven fabrics and respond to fluctuations in the price of petroleum and PP resins. In addition, research and develop niche and high value-added products in response to changes in raw materials and non-woven fabric industries.

6.6 The impact of corporate image changes on corporate crisis management and countermeasures :

The company's corporate image is good and has not changed in 2024.

6.7 Expected benefits, possible risks and countermeasures of mergers and acquisitions : None.

6.8 Expected benefits, possible risks and countermeasures of plant expansion :

Please refer to page 85 for expected benefits, 4.2 Expected possible benefits. The company has been engaged in the production and sales of non-woven fabrics for more than 30 years, understands market and technological development trends, and the company mainly invests with its own funds, so the risk is not big.

6.9 Risks and countermeasures faced by centralized purchase or sales :

In 2024, the company purchased raw material PP from Formosa Plastics, LCY Chemical Corp, Exxon and so on companies. The purchase amount from Formosa Plastics and Exxon Corporation account for 40% and 28% of the total purchase amount respectively. The company believes that the risk is very small, because the company has purchased from more than two supply sources at domestic and abroad. There is no problem of supply shortage. In case of any situation, other domestic P.P. resins manufacturers can also supply P.P. resins to the company.

6.10 The impact and risks of a large number of transfers or replacements of directors or major shareholders holding more than 10% of the shares on the company, and countermeasures : None.

6.11 The impact, risks and countermeasures of the change of management rights on the company : At present, the company's directors and major shareholders hold stable shares, and there is no change in management rights.

6.12 For litigious or non-litigious events, the company and its directors, general manager, actual person in charge, major shareholders with a shareholding ratio of more than 10 percent, and affiliated companies that have been determined or are still in the chain shall be listed. For major litigation, non-litigation or administrative disputes, the outcome of which may have a significant impact on shareholders' rights or securities prices, the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation, and the handling as of the publication date of the annual report shall be disclosed Situation: None.

6.13 Other important risks and countermeasures : None.

7. Other Important Matters : None.

VI. Special Disclosure

- 1. Related Information of Affiliated Companies : The Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements in the most recent year has been prepared in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”.**

The information has been reported on the designated information reporting website. The query path is as follows :

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- 2. Private Placement Securities handling status in the Most Recent Years and as of the Date of the Annual Report : None.**
- 3. Other Necessary Supplements : None.**

Any Events in 2024 and as of the Date of the Annual Report that Had Significant Impacts on Shareholders’ Rights or Security Prices as Stated in Item 3, Paragraph 2, Article 36 of Securities and Exchange Act, it shall also be stated item by item: None.