

Stock No.: 1451



Nien Hsing Textile Co., Ltd.

**Handbook for 2026 Annual General
Shareholders' Meeting**

June 16, 2026

**Location: 13F, No.306, Neihu Rd., Sec. 1, Neihu District, Taipei City
(Conference Room of the Company)**

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Nien Hsing Textile Co., Ltd.

2026 Annual General Shareholders' Meeting¹

Time: 09:00 am, June 16 (Tuesday), 2026
Location: 13F, No.306, Neihu Rd., Sec. 1, Neihu District, Taipei
City(Conference Room of the Company)

Meeting Agenda

1. Chairperson remarks
2. Management and guest remarks
3. Report Items:
 - (1) To report 2025 business operations.
 - (2) The Audit Committee's Review Report.
 - (3) To report 2025 employees' compensation of profit sharing.
 - (4) Report on cash dividend distribution for 2025.
4. Approval Items:
 - (1) To accept 2025 Business Report and Financial Statements.
 - (2) To accept the proposal for distribution of 2025 profits.
5. Election Items:
 - (1) To elect Directors(including Independent Directors)
6. Other Proposals:
 - (1) To release new directors from non-competition restrictions
6. Extraordinary Motion
7. Meeting Adjourned

¹ The English version is the translation of the Chinese version and if there is any discrepancy between this English translation and the Chinese text of this document, the Chinese text shall prevail.

Report Items

1. To report 2025 business operations

Nien Hsing Textile Co., Ltd. Business Report

Looking back at 2025, the global economic environment remained highly uncertain, mainly affected by multiple factors including policy initiatives of the new U.S. administration, the shifting pace of central bank monetary policy adjustments, geopolitical risks, and the fluctuating pressures of inflation. The U.S. economy remained relatively resilient, supported by fiscal measures and corporate investment momentum; however, as the effects of interest rate policies gradually emerged, growth momentum slowed slightly compared to the previous year. Although inflation has declined from its peak, it remains sticky, leading the market to maintain a cautious stance toward the direction of interest rate policy. Overall, in 2025, the global market exhibited a volatile consolidation trend amid the interplay of slowing growth and policy adjustments. In response to the turbulent economic environment, the Company continued to focus on its core business and steadily advance its operating strategies. In existing markets, the Company continued to deepen partnerships with major brand customers and enhanced overall order-taking capability and delivery efficiency through optimization of production processes and quality management; in terms of market deployment, in addition to consolidating its foundation in the North American market, it also gradually expanded its presence in emerging markets to diversify operational risks. Concurrently, the Company continued to expand its denim product lines and contract manufacturing items to meet the diversified needs of customers.

Looking ahead to 2026, the global economic outlook will continue to be influenced by factors including the direction of U.S. policies, monetary policy adjustments in major economies, the strength of China's economic recovery, and the restructuring of global supply chains. Overall, global economic growth is expected to maintain a moderate pace, and the market environment will remain highly challenging. As interest rates gradually return to neutral levels, economic activity is expected to gradually recover. Technological innovation, particularly Generative AI and digital applications, will continue to drive improvements in industrial efficiency and bring structural growth opportunities to the manufacturing industry. Against this backdrop, the Company will continue to deepen its research and manufacturing of denim apparel, strengthen its design capabilities and production technologies, and actively develop brand customers with growth potential. Furthermore, through the introduction of information technology and digital management systems, the Company will enhance production efficiency, shorten product development and manufacturing cycles, and provide more timely and highly customized services to increase product value added. In the future, the Company will also continue to implement the principles of sustainable corporate management and, while balancing operating performance and environmental responsibility, strive to create long-term and stable value for shareholders.

Finally, I would like to express my heartfelt gratitude to the board members for their professional governance and the dedication and hard work of all employees. I sincerely hope that all shareholders will continue to encourage and support Nien Hsing by insisting on the spirit of caring for the Company as usual. The business performance is hereby reported as follows:

(1) 2025 business report:

1. Consolidated financial status:

Unit: NT\$ Thousand

Item	2025	2024	% of change
Operating revenue	6,261,211	6,420,661	-2.48
Gross profit	720,949	697,221	3.40
Operating profit	112,351	154,568	-27.31
Profit before tax	429,331	317,861	35.07
Net profit	349,071	242,169	44.14

Standalone financial status:

Unit: NT\$ Thousand

Item	2025	2024	% of change
Operating revenue	6,249,363	6,407,457	-2.47
Gross profit	454,633	493,325	-7.84
Operating Profit	66,657	118,882	-43.93
Profit before tax	413,469	310,100	33.33
Net profit	349,071	242,169	44.14

2. Consolidated profitability analysis:

Unit: NT\$ Thousand

Item	2025	2024	% of change
Average total assets	8,558,587	8,230,389	3.99
Average total shareholders' equity	7,247,981	7,019,924	3.25
Comparison of profitability:			
1. Return on total assets	4.15	3.02	37.42
2. Return on shareholders' equity	4.82	3.45	39.71
3. Profit margin	5.59	3.80	47.11
4. Basic earnings per share (NT\$)	1.76	1.22	44.26

Standalone profitability analysis:

Unit: NT\$ Thousand

Item	2025	2024	% of change
Average total assets	8,526,844	8,180,266	4.24
Average total shareholders' equity	7,247,981	7,019,924	3.25
Comparison of profitability:			
1. Return on total assets	4.15	3.02	37.42
2. Return on shareholders' equity	4.82	3.45	39.71
3. Profit margin	5.59	3.80	47.11
4. Basic earnings per share (NT\$)	1.76	1.22	44.26

3. Implementation of consolidated budget:

Unit: NT\$ Thousand

Item	Actual amount	Expected amount	Achievement rate %
Operating revenue	6,261,211	5,567,122	112.47
Operating cost	5,540,262	4,950,508	111.91
Gross profit	720,949	616,614	116.92
Operating expenses	608,598	307,421	197.97
Operating profit	112,351	309,193	36.34
Non-operating income and expense, net	316,980	46,506	681.59
Profit before tax	429,331	355,699	120.70

Implementation of standalone budget:

Unit: NT\$ Thousand

Item	Actual amount	Expected amount	Achievement rate %
Operating revenue	6,249,363	5,567,122	112.25
Operating cost	5,794,730	4,950,508	117.05
Gross profit	454,633	616,614	73.73
Operating expenses	387,976	307,421	126.20
Operating Profit	66,657	309,193	21.56
Non-operating income and expense, net	346,812	46,506	745.74
Profit before tax	413,469	355,699	116.24

(2) Summary of the 2026 business plan:

1. Business guidelines and important production and sales policies

Promoting the order accepting pattern of integrating upstream and downstream of textile and garments, to exert the competitive advantages of combining textiles, garments, and washing in one-stop and quickly respond to market trends, such as the functionalization of jeans apparel. The key plans are as follows:

(1) Enhance added value of products

Depending on the market demand, the Company increases the fabric mixes sold in North America. That is because Mexico is close to North America and has the advantage of short delivery time. While the labor cost of production in Asia is rising, Mexico's textile supply chain is thus relatively more competitive. Moreover, the Company will continue to actively research and develop new types of fabrics to increase product diversity, while enhancing product added value and expanding the customer base.

(2) Continuously cultivate the production areas with advantages

The rising labor costs in Asia and the tax incentives from the African Growth and Opportunity Act have resulted in a certain competitiveness of the Company in the African production area. The Company will take orders from brands depending on the advantages of the production area, and upgrade capital equipment when appropriate. Meanwhile, the Company will actively invest in sustainable development, improve employees' welfare, and strengthen environmental protection for the continuous enhancement of the Company's competitive edges.

(3) Increase service value via the information technology

Actively improving and integrating the Company's information platform, promoting the streamlined production system, and implementing the framework and operating procedures of value-added services, to achieve the strategic goals of accurate quotations, full-process services, and increased values of products.

(4) Continuously promote the talent cultivation and succession

Responding to the external business environment and customers' needs, the Company continuously adjusts the organizational structure, and expands the foundation for talent cultivation to implement talent succession and experience inheritance.

(5) Implement the business philosophy of sustainable development

The Company has successively introduced environmentally friendly and energy-saving processes to further increase the added value of products and implement the business philosophy of environmental protection and sustainable development with brand customers jointly, such as using laser machines and ozone processors to reduce water consumption during the processes; using biofuels to reduce energy consumption; construction the dehydration installation of sludge and reduction of waste discharge.

2. Business goals

After the U.S. Federal Reserve initiated a rate-cutting cycle in the second half of 2024, the pace of rate cuts slowed during 2025, and overall interest rate levels remained relatively high; although the U.S. labor market continued to show a certain degree of resilience, the prolonged high interest rate environment has exerted pressure on end-market consumption and corporate investment willingness. In addition, uncertainties remain regarding U.S. trade policies, tariff measures, and immigration policies, and the global economic outlook still faces uncertainties. As for cotton prices, they are still affected by US-China trade issues, China's cotton policy, and US cotton output, and the risk of price fluctuations remains. Taking into account the direction of monetary policies in major countries, geopolitical risks, and uncertainties in the raw material markets, the Company will continue to respond prudently to the overall operating environment in 2026, with steady operations and risk control as its core principles, and will adopt relatively conservative planning.

3. Production and sales plan

Production and sales volume of each product: including the production and sales volume of subsidiaries.

Major product	Production volume	Sales volume
Denim (Note 1)	29,155 thousand yards	18,455 thousand yards
Ring-spin yarn	4,300 thousand kgs	4,300 thousand kgs
Jeans garment	983 thousand dozens	983 thousand dozens

Note 1: The 10,700 thousand yards of denim produced were for in-house use.

(3) Future development strategy

1. Quick response to market demands

Responding to the emergence of functional apparel, the Company will actively develop various functional denim which combines innovative washing technologies to quickly provide the consumer market with jeans apparel, both functional and fashionable, to become the most professional and innovative supply chain partner for global brand customers.

2. Improvement of process efficiency

The Company will gradually increase investment in capital equipment with a technology information management approach of KPI to improve the production efficiency, strengthen product quality supervision. Apart from the above, the Company will accelerate carbon inventory operations and seek for more energy-saving and carbon-reducing production methods to enhance our competitive advantages.

3. Transformation of operation model

Based on the existing fabric development and efficient production, the Company strives to strength the core washing technologies and integrate the management capabilities of textile production and garment supply chain to promote a precise and efficient production system with rapid response and provide customers with complete services cross- production areas.

4. Implement the corporate social responsibility

Actively enhance the working conditions in each production area, expand the

participation in environmental protection issues and give back to the local communities, to fulfill the corporate social responsibility and to meet the expectations of the public and customers for the Company's sustainable development. Meanwhile, the Company is dedicated to the improvement of production processes and setting up energy-saving and carbon reduction goals with full implementation.

(4) Effect of external competition, the regulatory environment, and the overall business environment

The interest rate cut cycle was activated by the U.S. Fed in September 2024, and the labor market has shown a certain degree of resilience. However, many uncertain policies adopted by Trump administration may constantly affect the global political and economical landscape. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) led by Japan is expected to accelerate economic and trade cooperation in the Pan-Pacific region. However, in China, amid a slowdown in economic growth and intensified regulatory measures, will see its economic and trade development affected by the U.S.-China technological rivalry. The impact of external competition and changes in regulations and the overall business environment of the textile and garment industries on the Company are described as below:

1. The impact of the external competitive environment
 - (1) In China, the largest garment production area, the competitiveness has been declined due to the increase in labor cost of production. Under the circumstances, the garment production orders will be shifted out of China, which, in turn, will bring the opportunities to the textile and garment supply chain in the Company's production areas in Southeast Asia, Africa and the Americas.
 - (2) The textile and garment manufacturers in Bangladesh and other emerging markets take advantage of their cost advantages to continuously expand capacities and invest in new equipment, which making price competition fierce. In addition, the rising awareness of labor welfare, occupational safety and human rights are not favorable for Bangladeshi garment factories to maintain profitability.
2. The impact of the legal environment
 - (1) The ASEAN+6 agreement enables the Company's garments produced in Vietnam Production area to have tariff advantages when exporting to China, Japan, Korea, New Zealand, Australia and India markets.
 - (2) Under the active leadership of Japan, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) came into effect on December 30, 2018, conducive to drive new momentum for economic growth in the Asian region.
 - (3) Under the strong leadership of President Trump, the negotiation of the United States-Mexico-Canada Agreement (USMCA) was completed successfully and the agreement was signed in November 2018. With the approval of the legislatures in each country, it officially replaced the North American Free Trade Agreement (NAFTA). The new agreement mainly affects the automobile, dairy and biopharmaceutical industries and has limited impact on the textile and garment industries.

- (4) The African Growth Opportunity Act (AGOA) and the Third-Country Fabric Provision, which allows duty-free exports to the United States using fabric from third countries, originally expired on September 30, 2025. U.S. President Trump officially signed the legislation on February 3, 2026, confirming the extension of AGOA to December 31, 2026. This extension has retroactive effect, effective from October 1, 2025. However, upon expiration, it must be renegotiated and obtain extension authorization through the legislative review process, which is expected to increase future operational risks and planning challenges.

3. The impact of the overall business environment

(1) Global cotton supply and demand

The cotton prices are mainly affected by global cotton supply and demand movement. Therefore, it is required to continuously monitor whether the output is reduced due to the climate and whether the demand is reduced due to the recession. In addition, whether China continues to increase cotton imports is also an important indicator.

(2) The rising production costs in China and Southeast Asia

The trend of rising production costs in China and Southeast Asia will make the Company's African production area more competitive in cost.

(3) The South African Rand helps enhance the competitiveness of the Lesotho's textile and garment industries.

Lesotho uses the South African Rand as its primary trading currency, which remains relatively weak against USD, and the country has an abundant labor force, enabling its textile and garment industry to maintain a certain level of competitiveness.

By summarizing the above-mentioned changes in the external competitive, regulations and the overall business environment, the impacts on the Company in 2026 would be the co-existence of opportunities and threats. Looking forward to the future, the Company will restructure the organization, expand production capacities and add value in advantageous production areas to respond to the changes in the external environment, seeking to establish a sustainable competitive advantage.

(5) 2025 Financial Statements:

1. Consolidated balance sheets as of December 31, 2025 and 2024 (Page 22 of the Handbook)
2. Consolidated statements of comprehensive income for the years of 2025 and 2024 (Pages 23-24 of the Handbook)
3. Consolidated statements of changes in shareholders' equity for the years of 2025 and 2024 (Page 25 of the Handbook)
4. Consolidated statements of cash flows for the years of 2025 and 2024 (Pages 26-27 of the Handbook)
5. Standalone balance sheets as of December 31, 2025 and 2024 (Page 31 of the Handbook)
6. Standalone statements of comprehensive income for the years of 2025 and 2024 (Pages 32-33 of the Handbook)
7. Standalone statements of changes in shareholders' equity for the years of 2025 and 2024 (Page 34 of the Handbook)
8. Standalone statements of cash flows for the years of 2025 and 2024 (Pages 35-36 of the Handbook)

Chairman: Wei-Han Chen

President: Shu-Hsuan Tsai

Chief Accountant: En-Tzu Liu

2. The Audit Committee's Review Report

Nien Hsing Textile Co., Ltd. Audit Committee's Review Report

The Board of Directors has prepared the 2025 Business Report, 2025 Financial Statements, and the proposal for distribution of 2025 profits. In particular, the Financial Statements were audited by Yi-Ling Chen and You-Cheng Hsin, CPAs from Deloitte & Touche and Independent Auditors' Reports have been issued.

Based on the Audit Committee's review, it found no existing inconsistencies. The Report is presented in accordance with Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act.

To:

2026 Annual General Shareholders' Meeting

Nien Hsing Textile Co., Ltd.

The Convener of the Audit Committee: Chu-Feng Yang

March 10, 2026

3. To report 2025 employees' compensation of profit sharing

Pursuant to Article 22-1 of the Articles of Incorporation, where the Company makes profit for a year, the Company shall provide at least 1% of the profit as compensation to basic-level employees. For the year of 2025, the Company contributed a total of NT\$4,176,458 as employee compensation, paid in cash.

4. Report on cash dividend distribution for 2025

1. Pursuant to the Articles of Incorporation, if profits are distributed in cash, the Board of Directors is authorized to make such distribution by a resolution adopted by a majority of the directors present at a meeting attended by at least two-thirds of the total number of directors, and such distribution shall be reported to the Shareholders' Meeting.
2. On March 10, 2026, the Board of Directors resolved to distribute cash dividends totaling NT\$198,000,000, at NT\$1 per share. The Chairman was authorized to separately determine the ex-dividend record date, payment date, and other related matters. When cash dividends are distributed, the calculation of cash dividends distributed to individual shareholders will be rounded down to the nearest dollar. The fractional balance less than NT\$1 will be summed up and accounted by the Company as "other income."
3. The cash dividend distribution for 2025 is described as the table below:

Ex-dividend record date	Dividend payment date	Cash dividend per share (NT\$)	Total amount of cash dividend (NT\$)
April 22, 2026	May 18, 2026	1	198,000,000

Approval Items

Proposal 1 Proposed by the Board of Directors

Cause: To accept 2025 Business Report and Financial Statements.

- Explanation:
- (1) 2025 Financial Statements have been audited by CPAs, Yi-Ling Chen and You-Cheng Hsin of Deloitte & Touche, by whom Independent Auditors' Reports with unmodified opinion were issued.
 - (2) The related Financial Statements have been uploaded to the MOPS and the Company's website. Please refer to:
<http://mops.twse.com.tw>
<http://www.nhjeans.com>
 - (3) 2025 consolidated and standalone independent auditors' reports, consolidated and standalone balance sheets as of December 31, 2025, and the consolidated and standalone statements of comprehensive income, changes in equity and cash flows for the year of 2025, please refer to Appendix 1 on Pages 19-36 of the Handbook. The Business Report, please refer to Pages 2-9 of the Handbook.
 - (4) Please accept the aforesaid Business Report and Financial Statements.

Resolutions:

Proposal 2 Proposed by the Board of Directors

Cause: To accept the proposal for distribution of 2025 profits.

- Explanation:
- (1) For the proposal, 2025 distributable profits will be allocated preferentially. Whenever insufficiency occurs, the distributable profits accumulated in previous years will be distributed based on the rule of last-in, first-out. The 2025 profit distribution table, please refer to Appendix 2 on Page 37 of the Handbook.
 - (2) Upon approval of the profits distribution proposal by the Board of Directors, the Chairman was authorized to separately determine the ex-dividend record date, payment date, and other related matters. When cash dividends are distributed, the calculation of cash dividends distributed to individual shareholders will be rounded down to the nearest dollar. The fractional balance less than NT\$1 will be summed up and accounted by the Company as "other income."
 - (3) In the event that the number of outstanding shares changes, affecting the payout ratio, the Chairman of the Board is authorized to adjust the dividend amount per share.
 - (4) Please approve the aforesaid proposal for distribution of 2025 profits.

Resolutions:

Election Items

Proposal 1 Proposed by the Board of Directors

Cause: To elect Directors(including Independent Directors).

Explanation: (1) The term of current Directors will expire on June 12, 2026. Therefore, a proposal is submitted to re-elect the Directors. New Directors will be on board immediately after the Annual General Shareholders' Meeting, and current Directors will retire at the same time.

(2) Pursuant to the "Articles of Incorporation", nine Directors (including three Independent Directors) shall be elected at the 2026 Annual General Shareholders' Meeting via a candidate nomination system for a three-year term, from June 16, 2026, to June 15, 2029.

(3) The list of director nominees approved by the 28rd Board of Directors Meeting of the 14th term on March 10, 2026 is as follows:

Title	Name/Gender	Major education and experience	Current Positions	Name of Institutional Shareholders	Reason to nominate the candidate for consecutive three terms
Director	Wei-Han Chen /Male	Department of Business Administration and Sport Management, Southern Methodist University; Executive Assistant to the President of Nien Hsing Textile Co., Ltd.	Chairman, Nien Hsing Textile Co., Ltd. Director, E.SUN FHC and E.SUN Bank	Panda Investment Co., Ltd.	Not applicable
Director	Shu-Hsuan Tsai /Male	Department of Accounting, Soochow University; Senior Auditor, Deloitte & Touche; Finance Manager, Chih Hsing Textile Co., Ltd.	President, Nien Hsing Textile Co., Ltd.		Not applicable
Director	Jen-Chou Chen /Male	Department of Business Administration, University of Southern California; Researcher, Barits Securities Corporation	Associate Vice President of Textile Division, Nien Hsing Textile Co., Ltd.	Chu Chen Investment Co., Ltd.	Not applicable
Director	Tai-Yuan Chou /Male	Department of Accounting, Tamkang University; Semi-Senior Auditor, Deloitte & Touche	Vice President of Textile Production & Sales Marketing Support Division, Nien Hsing Textile Co., Ltd.		Not applicable

Title	Name/Gender	Major education and experience	Current Positions	Name of Institutional Shareholders	Reason to nominate the candidate for consecutive three terms
Director	Wen-Chen Chen /Male	Department of English, University of California, Irvine			Not applicable
Director	En- Tzu Liu /Female	Master, Department of Accounting, National Taiwan University; Assistant Manager, Deloitte & Touche	Financial Manager, Accounting Manager, and Corporate Governance Manager of Textile Division, Nien Hsing Textile Co., Ltd.		Not applicable
Independent Director	Chu-Feng Yang /Male	Department of Business Administration, National Cheng Kung University;	CPA, ACCPRO Accounting Firm Supervisor, Star Era International Co., Ltd.		Not applicable
Independent Director	Chia-Hong Hung /Male	MBA, National Chung Hsing University;	Lawyer, Honga Law Firm		Not applicable
Independent Director	Chia-Ying Lin /Female	Master of Laws in International Taxation, University of Michigan; MBA(Accounting), College of Management, National Taiwan University Research Assistant, Office of Legislator Eric Chu; Auditor, Chin Shin Chia United CPAs; Lawyer, Formosa Transitional Attorneys at Law	CPA, Chin Shin China United CPAs; Lawyer, Chin Shin Chia Law Firm; Director, Lien Chang Electronic Enterprise Co., Ltd.; Director, P-TWO Industries Inc.		Not applicable

(4) The election of directors must comply with the “Rules for Election of Directors.” Please refer to Appendix 3 on Pages 38-39.

(5) Please elect.

Resolutions:

Other Proposals

Proposal 1 Proposed by the Board of Directors

Cause: To release new directors from non-competition restrictions.

- Explanation: (1) In accordance with Article 209 of the Company Act, directors who act for themselves or others within the company's business scope shall explain the essential contents of such act and obtain the approval from Shareholders' Meetings.
- (2) Due to the new directors and their representatives are investing in or managing other companies with same or similar business scope as the Company (please refer to the following table). It is proposed to release new directors and their representatives from the non-competition restrictions.

Title	Name	Positions to be relieved from the non-competition restrictions
Director	Wei-Han Chen	Chairman of Nien Hsing International Investment Co., Ltd, Nien Hsing International (BVI) Ltd, Nien Hsing International (Bermuda) Ltd, Nien Hsing International (Samoa) Ltd, and Phoenix Development & Marketing Co., Ltd.
Director	Shu-Hsuan Tsai	Director of Nien Hsing International Investment Co., Ltd, Nien Hsing International (BVI) Ltd, Nien Hsing International (Bermuda) Ltd, Nien Hsing International (Samoa) Ltd, Phoenix Development & Marketing Co., Ltd, Formosa Textile Company (Proprietary) Limited, C&Y Garment Company (Proprietary) Limited, Global Garments Company (Proprietary) Limited, and Glory International (Pty) Ltd.
Director	Tai-Yuan Chou	Director of Nien Hsing International (BVI) Ltd, Nien Hsing International (Bermuda) Ltd, Nien Hsing International (Samoa) Ltd, Phoenix Development & Marketing Co., Ltd;
Director	Jen-Chou Chen	Director of Nien Hsing International Investment Co., Ltd.

- (3) Please approve the above proposal.

Resolutions:

Extraordinary Motion Appendices

Independent Auditors' Report

The Board of Directors and the Shareholders
Nien Hsing Textile Co., Ltd.

Opinion

We have audited the Consolidated Balance Sheets of Nien Hsing Textile Co., Ltd. (the Company) and its subsidiaries (collectively, the Group) as of December 31, 2025 and 2024, and the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows and the notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) from January 1 to December 31, 2025 and 2024.

In our opinion, the aforementioned Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and consolidated cash flows for the years ended December 31, 2025 and 2024 in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the paragraph titled Auditors' Responsibilities for the Audit of the Consolidated Financial Statements. We have stayed independent from the Group as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters refer to the matters that, in our professional judgment, were of most significance in our audit of the 2025 Consolidated Financial Statements of the Group. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of the Group for the year ended December 31, 2025 are stated as follows:

Authenticity of Operating Revenue from Specific Customers

Please refer to Note 4 for the accounting policies and critical accounting estimates used for revenue recognition.

Description of Matter

The Group is principally engaged in the manufacturing and sales of denim fabric and apparels. Considering the significant risk associated with the recognition of revenue in the entire financial statements and the Standards on Auditing of the Republic of China, we have listed the authenticity of the sales revenue to specific eligible customers as the key audit matter.

Audit Procedures

The main audit procedures of the aforementioned key audit matter are as follows:

1. We studied the internal control mechanism related to sales transactions, and assessed the effectiveness of its design and implementation.
2. Perform substantive tests on sampled sales revenue transactions with specific customers for the current year to confirm the authenticity of sales revenue.

Other Matters

We have also audited the parent company only financial statements of Nien Hsing Textile Co., Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unqualified opinion.

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

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Consolidated Financial Statements, management is responsible for assessing the ability of the Group to continue as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease its operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance refers to high level of assurance. Nevertheless, our audit, which was carried out in accordance with the Standards on Auditing of the Republic of China, does not guarantee that a material misstatement will be detected in the Consolidated Financial Statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group internal control.
3. Assess the appropriateness of the accounting policies adopted by the management level, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the Consolidated Financial Statements in our audit report of the relevant disclosures therein, or to amend our audit opinion when any inappropriate disclosure was found. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities of the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Ling Chen, and Yu-Cheng Shin.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 10, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

NIEN HSING TEXTILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2025 AND 2024

Unit: NT\$ Thousand

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 6)	\$ 1,050,296	12	\$ 1,855,369	22
1136	Financial assets at amortized costs (Note 9)	283,948	3	250,000	3
1150	Notes receivable (Note 11 and 23)	1,793	-	181	-
1170	Trade receivables-net (Notes 11 and 23)	1,598,642	18	1,420,673	17
1200	Other receivables (Note 11)	47,315	1	41,803	-
130X	Inventories (Note 12)	1,875,911	22	1,827,156	22
1410	Prepayments	323,430	4	281,546	3
1476	Other financial assets (Note 31)	10,646	-	9,583	-
1479	Other current assets	204,628	2	146,636	2
11XX	Total current assets	<u>5,396,609</u>	<u>62</u>	<u>5,832,947</u>	<u>69</u>
	Non-Current assets				
1510	Financial assets at fair value through profit or loss (Note 7)	10,105	-	8,945	-
1517	Financial assets at FVTOCI (Note 8)	1,276,643	15	706,379	9
1535	Financial assets at amortized costs (Notes 9 and 10)	528,210	6	172,454	2
1550	Investments accounted for using the equity method (Note 14)	21,910	-	42,408	1
1600	Property, plant and equipment (Notes 15)	908,946	11	1,017,875	12
1755	Right-of-use assets (Note 16)	27,276	-	29,894	-
1760	Investment properties - net (Note 17)	79,459	1	192,120	2
1840	Deferred income tax assets (Note 25)	299,064	3	297,832	4
1915	Prepayments for equipment	89,997	1	81,742	1
1920	Refundable deposits	13,502	-	11,585	-
1975	Net defined benefit assets (Note 21)	40,867	1	30,405	-
15XX	Total non-current assets	<u>3,295,979</u>	<u>38</u>	<u>2,591,639</u>	<u>31</u>
1XXX	Total assets	<u>\$ 8,692,588</u>	<u>100</u>	<u>\$ 8,424,586</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (Note 18)	\$ 188,670	2	\$ 196,710	2
2120	Financial liabilities at fair value through profit or loss (Note 7)	1,244	-	-	-
2150	Notes payable (Note 19)	1,265	-	1,146	-
2170	Trade payables (Note 19)	183,858	2	194,057	2
2200	Other payables (Note 20)	480,758	6	526,893	7
2230	Current tax liabilities (Note 25)	34,646	-	13,915	-
2280	Lease liabilities (Note 16)	2,157	-	2,090	-
2399	Other current liabilities	78,730	1	29,352	-
21XX	Total current liabilities	<u>971,328</u>	<u>11</u>	<u>964,163</u>	<u>11</u>
	Non-current liabilities				
2570	Deferred tax liabilities (Note 25)	321,381	4	295,339	4
2580	Lease liabilities (Note 16)	32,834	-	34,306	-
2645	Guarantee deposits received	298	-	1,564	-
25XX	Total non-current liabilities	<u>354,513</u>	<u>4</u>	<u>331,209</u>	<u>4</u>
2XXX	Total liabilities	<u>1,325,841</u>	<u>15</u>	<u>1,295,372</u>	<u>15</u>
	Equity (Note 22)				
	Share capital				
3110	Capital stock	1,980,000	23	2,051,500	25
3170	Share capital to be cancelled	-	-	(71,500)	(1)
3100	Total share capital	<u>1,980,000</u>	<u>23</u>	<u>1,980,000</u>	<u>24</u>
3200	Capital surplus	<u>419,716</u>	<u>5</u>	<u>419,716</u>	<u>5</u>
	Retained earnings				
3310	Legal reserve	2,352,843	27	2,328,626	28
3320	Special reserves	486,208	6	468,728	5
3350	Unappropriated earnings	2,635,721	30	2,418,352	29
3300	Total retained earnings	<u>5,474,772</u>	<u>63</u>	<u>5,215,706</u>	<u>62</u>
3400	Other equity	(507,741)	(6)	(486,208)	(6)
31XX	Total equity	<u>7,366,747</u>	<u>85</u>	<u>7,129,214</u>	<u>85</u>
	Total liabilities and equity	<u>\$ 8,692,588</u>	<u>100</u>	<u>\$ 8,424,586</u>	<u>100</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

NIEN HSING TEXTILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Unit: NT\$ Thousand, except Earnings (Losses) Per Share is NTD

Code		2025		2024	
		Amount	%	Amount	%
	Operating revenue (Note 23)				
4110	Sales	\$ 6,263,562	100	\$ 6,391,315	99
4170	Less: Sales returns and allowances	<u>14,224</u>	<u>-</u>	<u>14,302</u>	<u>-</u>
4100	Net sales	6,249,338	100	6,377,013	99
4600	Other operating revenue	<u>11,873</u>	<u>-</u>	<u>43,648</u>	<u>1</u>
4000	Total operating revenue	<u>6,261,211</u>	<u>100</u>	<u>6,420,661</u>	<u>100</u>
	Operating costs (Notes 12, 21 and 24)				
5110	Cost of goods sold	5,525,383	88	5,708,722	89
5660	Other operating costs	<u>14,879</u>	<u>-</u>	<u>14,718</u>	<u>-</u>
5000	Total operating costs	<u>5,540,262</u>	<u>88</u>	<u>5,723,440</u>	<u>89</u>
5900	Gross profit	<u>720,949</u>	<u>12</u>	<u>697,221</u>	<u>11</u>
	Operating expenses (Notes 11, 21, and 24)				
6100	Selling and marketing expenses	309,952	5	281,666	5
6200	General and administrative expenses	296,335	5	265,811	4
6300	Research and development expenses	-	-	586	-
6450	Expected credit loss recognized/(reversed) on trade receivables	<u>2,311</u>	<u>-</u>	<u>(5,410)</u>	<u>-</u>
6000	Total operating expenses	<u>608,598</u>	<u>10</u>	<u>542,653</u>	<u>9</u>
6900	Operating income	<u>112,351</u>	<u>2</u>	<u>154,568</u>	<u>2</u>
	Non-operating income and expenditures (Notes 21, 24 and 30)				
7100	Interest income	61,699	1	66,229	1
7010	Other income	68,293	1	87,524	2
7020	Other gains and losses	210,787	3	19,376	-
7050	Finance costs	(7,697)	-	(7,653)	-
7060	Share of the profit or loss of associates accounted for using the equity method	<u>(16,102)</u>	<u>-</u>	<u>(2,183)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>316,980</u>	<u>5</u>	<u>163,293</u>	<u>3</u>

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Code		2025		2024	
		Amount	%	Amount	%
7900	Net profit before income tax for the year	\$ 429,331	7	\$ 317,861	5
7950	Income tax expenses (Notes 4 and 25)	<u>80,260</u>	<u>1</u>	<u>75,692</u>	<u>1</u>
8200	Current net profit	<u>349,071</u>	<u>6</u>	<u>242,169</u>	<u>4</u>
	Other comprehensive income (Note 22 and 25)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	9,474	-	24,535	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	78,749	1	100,939	2
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,895)	-	(4,907)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations	1,180	-	50,541	1
8380	Share of other comprehensive income (loss) of associates accounted for using the equity method	(1,012)	-	3,022	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(<u>34</u>)	<u>-</u>	(<u>10,713</u>)	(<u>1</u>)
8300	Other comprehensive income (loss) for the year, net of income tax	<u>86,462</u>	<u>1</u>	<u>163,417</u>	<u>2</u>
8500	Total comprehensive income (loss) for the year	<u>\$ 435,533</u>	<u>7</u>	<u>\$ 405,586</u>	<u>6</u>
	Earnings per share (Note 26)				
	From continuing operations				
9710	Basic	<u>\$ 1.76</u>		<u>\$ 1.22</u>	
9810	Diluted	<u>\$ 1.76</u>		<u>\$ 1.20</u>	

The accompanying notes are an integral part of the Consolidated Financial Statements.

NIEN HSING TEXTILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Unit: NT\$ Thousand

Code		Share capital (Note 22)			Retained earnings (Notes 8 and 22)			Other equity			Total equity	
		Number of shares (in thousands of shares)	Capital stock	Share capital to be cancelled	Capital surplus (Note 22)	Legal reserve	Special reserves	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations (Note 22)	Unrealized gain/(loss) on financial assets at FVTOCI (Note 22)		Unearned employees' compensations (Note 22 and 27)
A1	Balance as of January 1, 2024	206,390	\$ 2,063,900	\$ -	\$ 506,552	\$ 2,328,626	\$ 533,764	\$ 2,033,355	(\$ 507,824)	\$ 39,096	(\$ 86,836)	\$ 6,910,633
	2023 earning distribution											
B5	Cash dividends to shareholders	-	-	-	-	-	-	(103,105)	-	-	-	(103,105)
B17	Reversal of special reserve	-	-	-	-	-	(65,036)	65,036	-	-	-	-
D1	Net profit for the year ended December 31, 2024	-	-	-	-	-	-	242,169	-	-	-	242,169
D3	Other comprehensive income after tax for the year ended December 31, 2024	-	-	-	-	-	-	19,628	42,850	100,939	-	163,417
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	261,797	42,850	100,939	-	405,586
N1	Share-based payment	(1,240)	(12,400)	(71,500)	(86,836)	-	-	-	-	-	86,836	(83,900)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	161,269	-	(161,269)	-	-
Z1	Balance as of December 31, 2024	205,150	2,051,500	(71,500)	419,716	2,328,626	468,728	2,418,352	(464,974)	(21,234)	-	7,129,214
	2024 earning distribution											
B1	Legal reserve provided	-	-	-	-	24,217	-	(24,217)	-	-	-	-
B3	Special reserves provided	-	-	-	-	-	17,480	(17,480)	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(198,000)	-	-	-	(198,000)
D1	Net profit for the year ended December 31, 2025	-	-	-	-	-	-	349,071	-	-	-	349,071
D3	Other comprehensive income after tax for the year ended December 31, 2025	-	-	-	-	-	-	7,579	134	78,749	-	86,462
D5	Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	356,650	134	78,749	-	435,533
N1	Share-based payment	(7,150)	(71,500)	71,500	-	-	-	-	-	-	-	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	100,416	-	(100,416)	-	-
Z1	Balance as of December 31, 2025	198,000	\$ 1,980,000	\$ -	\$ 419,716	\$ 2,352,843	\$ 486,208	\$ 2,635,721	(\$ 464,840)	(\$ 42,901)	\$ -	\$ 7,366,747

The accompanying notes are an integral part of the Consolidated Financial Statements.

NIEN HSING TEXTILE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

Unit: NT\$ Thousand

Code		2025	2024
	Cash flows from operating activities		
A10000	Net Profit before income tax for the year	\$ 429,331	\$ 317,861
A20010	Adjustments for		
A20100	Depreciation expenses	184,136	209,607
A20300	Expected credit loss recognized/(reversed) on trade receivables	2,311	(5,410)
A20400	Net loss on financial instrument measured at fair value through profit or loss	924	11,309
A20900	Finance costs	7,697	7,653
A21200	Interest income	(61,699)	(66,229)
A21300	Dividend income	(34,699)	(20,754)
A22300	Share of the profit or loss of associates accounted for using the equity method	16,102	2,183
A22500	Gain on disposal of non-financial assets	(274,304)	(33,153)
A23700	Impairment loss	-	2,189
A23800	Write-down (reversal of write-down) of inventories	7,125	(79,475)
	Changes in operating assets and liabilities		
A31115	Financial assets at FVTPL	(354)	(10,191)
A31130	Notes receivable	(1,612)	644
A31150	Trade receivables	(178,707)	(191,750)
A31180	Other receivables	1,903	(8,630)
A31200	Inventories	(55,880)	173,577
A31230	Prepayments	(41,884)	72,899
A31240	Other current assets	(57,992)	(39,508)
A31250	Other financial assets	(1,063)	(1,169)
A32130	Notes payable	119	(4,528)
A32150	Trade payables	(10,199)	14,469
A32180	Other payables	22,837	(77,034)
A32200	Provision for onerous contracts	-	(89)
A32230	Other current liabilities	49,378	(17,697)
A32240	Net defined benefit plan	(988)	(40,135)
A33000	Cash inflow generated from operations	2,482	216,639
A33500	Income tax paid	(36,648)	(8,231)
AAAA	Net cash (outflow) inflow from operating activities	(34,166)	208,408
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	(655,101)	-
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	157,179	238,502

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Code		2025	2024
B00040	Purchase of financial assets at amortized costs	(\$ 789,090)	(\$ 1,180,868)
B00050	Disposal of financial assets at amortized costs	395,600	1,060,000
B00100	Purchase of financial assets at fair value through profit or loss	(897)	-
B00200	Disposal of financial assets at fair value through profit or loss	-	40,810
B02400	Return of capital on investments accounted for using the equity method	3,384	4,835
B02700	Payments for property, plant and equipment	(24,363)	(39,880)
B02800	Proceeds from disposal of property, plant and equipment	31,198	40,679
B03800	Decrease (increase) in refundable deposits	(1,917)	1,857
B05500	Proceeds from disposal of investment property	362,660	-
B07100	Increase in prepayments for equipment	(49,295)	(6,120)
B07500	Interest received	54,765	66,832
B07600	Dividends received	<u>34,699</u>	<u>20,754</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>(481,178)</u>	<u>247,401</u>
	Cash flows from financing activities		
C00100	Increase (decrease) in short-term borrowings	(8,040)	184,908
C03100	Increase (decrease) in guarantee deposits received	(1,266)	22
C04020	Payments of lease liabilities	(506)	(551)
C04500	Cash dividends	(198,000)	(103,105)
C05600	Interest paid	(7,656)	(7,139)
C09900	Return of employment restricted shares	<u>(68,950)</u>	<u>(14,950)</u>
CCCC	Net cash (outflow) inflow from financing activities	<u>(284,418)</u>	<u>59,185</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>(5,311)</u>	<u>38,341</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(805,073)	553,335
E00100	Cash and cash equivalents at the beginning of the year	<u>1,855,369</u>	<u>1,302,034</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 1,050,296</u>	<u>\$ 1,855,369</u>

The accompanying notes are an integral part of the Consolidated Financial Statements.

Independent Auditors' Report

The Board of Directors and the Shareholders
Nien Hsing Textile Co., Ltd.

Opinion

We have audited the Individual Balance Sheets of Nien Hsing Textile Co., Ltd. as of December 31, 2025 and 2024, and the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows and the notes to the Individual Financial Statements (including the Summary of Significant Accounting Policies) from January 1 to December 31, 2025 and 2024.

In our opinion, the aforementioned Individual Financial Statements present fairly, in all material respects, the individual financial position of Nien Hsing Textile Co., Ltd. as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years ended December 31, 2025 and 2024 in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. We have stayed independent from Nien Hsing Textile Co., Ltd. as required by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters refer to the matters that, in our professional judgment, were of most significance in our audit of the 2025 Individual Financial Statements of Nien Hsing Textile Co., Ltd. These matters were addressed in the context of our audit of the Individual Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Individual Financial Statements of Nien Hsing Textile Co., Ltd. for the year ended December 31, 2025 are stated as follows:

Authenticity of operating revenue from specific customers

Please refer to Note 4 for the accounting policies and critical accounting estimates used for revenue recognition.

Description of Matter

Nien Hsing Textile Co., Ltd. is principally engaged in the manufacturing and sales of denim fabric and apparels. Considering the significant risk associated with the recognition of revenue in the entire financial statements and the Standards on Auditing of the Republic of China, we have listed the authenticity of the sales revenue to specific eligible customers as the key audit matter.

Audit Procedures

The main audit procedures of the aforementioned key audit matter are as follows:

1. We studied the internal control mechanism related to sales transactions, and assessed the effectiveness of its design and implementation.
2. Perform substantive tests on sampled sales revenue transactions with specific customers for the current year to confirm the authenticity of sales revenue.

Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements

It is the management's responsibility to fairly present the Individual Financial Statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain internal controls which are necessary for the preparation of the Individual Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the Individual Financial Statements, management is responsible for assessing the ability of Nien Hsing Textile Co., Ltd. to continue as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate Nien Hsing Textile Co., Ltd. or cease its operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Individual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance. Nevertheless, our audit, which was carried out in accordance with the Standards on Auditing of the Republic of China, does not guarantee that a material misstatement will be detected in the Individual Financial Statements. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Individual Financial Statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Individual Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Nien Hsing Textile Co., Ltd.'s internal control.
3. Assess the appropriateness of the accounting policies adopted by the management level, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Nien Hsing Textile Co., Ltd.'s ability to continue as a going concern. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the Individual Financial Statements in our audit report of the relevant disclosures therein, or to amend our audit opinion when any inappropriate disclosure was found. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Nien Hsing Textile Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the Individual Financial Statements (including relevant Notes), and whether the Individual Financial Statements fairly present relevant transactions and item.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities of Nien Hsing Textile Co., Ltd. to express an opinion on the Individual Financial Statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Individual Financial Statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yi-Ling Chen, and Yu-Cheng Shin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2026

Notice to Readers

The accompanying individual financial statements are intended only to present the individual financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such individual financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying individual financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and individual financial statements shall prevail.

NIEN HSING TEXTILE CO., LTD.
BALANCE SHEETS
December 31, 2025 and 2024

Unit: NT\$ Thousand

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 6)	\$ 526,744	6	\$ 847,790	10
1136	Financial assets at amortized costs (Note 9)	-	-	250,000	3
1150	Notes receivable (Note 11)	1,793	-	181	-
1170	Trade receivables-net (Note 11)	1,387,954	16	1,227,740	14
1180	Receivables from affiliates (Note 28)	299,716	3	360,301	4
1200	Other receivables (Note 11)	10,703	-	4,376	-
130X	Inventories (Note 12)	1,773,900	21	1,739,580	21
1410	Prepayments	80,232	1	55,617	1
1476	Other financial assets (Note 29)	50	-	50	-
1479	Other current assets	<u>1,623</u>	-	<u>1,638</u>	-
11XX	Total current assets	<u>4,082,715</u>	<u>47</u>	<u>4,487,273</u>	<u>53</u>
	Non-Current assets				
1517	Financial assets at FVTOCI (Note 8)	633,963	7	150,977	2
1535	Financial assets at amortized costs (Notes 9 and 10)	200,000	2	-	-
1550	Investments accounted for using the equity method (Note 13)	2,580,225	30	2,500,201	30
1600	Property, plant and equipment (Notes 14)	630,886	7	668,420	8
1760	Investment properties - net (Note 15)	79,459	1	192,120	2
1840	Deferred income tax assets (Note 23)	299,064	4	297,832	4
1915	Prepayments for equipment	84,044	1	76,617	1
1920	Refundable deposits	9,285	-	9,334	-
1975	Net defined benefit assets (Note 19)	<u>40,867</u>	<u>1</u>	<u>30,405</u>	-
15XX	Total non-current assets	<u>4,557,793</u>	<u>53</u>	<u>3,925,906</u>	<u>47</u>
1XXX	Total assets	<u>\$ 8,640,508</u>	<u>100</u>	<u>\$ 8,413,179</u>	<u>100</u>
	LIABILITIES AND EQUITY				
	Current liabilities				
2100	Short-term borrowings (Note 16)	\$ 188,670	2	\$ 196,710	3
2120	Financial liabilities at fair value through profit or loss (Note 7)	1,244	-	-	-
2150	Notes payable (Note 17)	969	-	874	-
2170	Trade payables (Note 17)	162,714	2	174,617	2
2180	Payables to affiliates (Note 28)	375,794	4	356,799	4
2200	Other payables (Note 18)	146,556	2	228,020	3
2230	Current tax liabilities (Note 23)	25,767	-	12,332	-
2399	Other current liabilities	<u>50,504</u>	<u>1</u>	<u>17,847</u>	-
21XX	Total current liabilities	<u>952,218</u>	<u>11</u>	<u>987,199</u>	<u>12</u>
	Non-current liabilities				
2570	Deferred income tax liabilities (Note 23)	321,381	4	295,339	3
2645	Guarantee deposits received	<u>162</u>	-	<u>1,427</u>	-
25XX	Total non-current liabilities	<u>321,543</u>	<u>4</u>	<u>296,766</u>	<u>3</u>
2XXX	Total liabilities	<u>1,273,761</u>	<u>15</u>	<u>1,283,965</u>	<u>15</u>
	Equity (Note 20)				
	Share capital				
3110	Capital stock	1,980,000	23	2,051,500	25
3170	Share capital to be cancelled	-	-	(71,500)	(1)
3100	Total share capital	<u>1,980,000</u>	<u>23</u>	<u>1,980,000</u>	<u>24</u>
3200	Capital surplus	<u>419,716</u>	<u>5</u>	<u>419,716</u>	<u>5</u>
	Retained earnings				
3310	Legal reserve	2,352,843	27	2,328,626	28
3320	Special reserves	486,208	6	468,728	5
3350	Unappropriated earnings	<u>2,635,721</u>	<u>30</u>	<u>2,418,352</u>	<u>29</u>
3300	Total retained earnings	<u>5,474,772</u>	<u>63</u>	<u>5,215,706</u>	<u>62</u>
3400	Other equity	(507,741)	(6)	(486,208)	(6)
3XXX	Total equity	<u>7,366,747</u>	<u>85</u>	<u>7,129,214</u>	<u>85</u>
	Total liabilities and equity	<u>\$ 8,640,508</u>	<u>100</u>	<u>\$ 8,413,179</u>	<u>100</u>

The accompanying notes are an integral part of the Individual Financial Statements.

NIEN HSING TEXTILE CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2025 and 2024

Unit: NT\$ Thousand, except Earnings Per Share is NTD

Code		2025		2024	
		Amount	%	Amount	%
	Operating revenue (Notes 21 and 28)				
4110	Sales	\$ 6,263,562	100	\$ 6,391,315	100
4170	Less: Sales returns and allowances	<u>14,224</u>	<u>-</u>	<u>14,302</u>	<u>-</u>
4100	Net sales	6,249,338	100	6,377,013	100
4800	Other operating revenue	<u>25</u>	<u>-</u>	<u>30,444</u>	<u>-</u>
4000	Total operating revenue	<u>6,249,363</u>	<u>100</u>	<u>6,407,457</u>	<u>100</u>
	Operating costs (Notes 12, 19, 22, and 28)				
5110	Cost of goods sold	5,794,661	93	5,913,959	92
5800	Other operating costs	<u>69</u>	<u>-</u>	<u>173</u>	<u>-</u>
5000	Total operating costs	<u>5,794,730</u>	<u>93</u>	<u>5,914,132</u>	<u>92</u>
5900	Gross profit	<u>454,633</u>	<u>7</u>	<u>493,325</u>	<u>8</u>
	Operating expenses (Notes 11, 19, and 22)				
6100	Selling and marketing expenses	227,775	4	213,414	3
6200	General and administrative expenses	154,672	2	157,299	3
6300	Research and development expenses	-	-	586	-
6450	Expected credit loss	<u>5,529</u>	<u>-</u>	<u>3,144</u>	<u>-</u>
6000	Total operating expenses	<u>387,976</u>	<u>6</u>	<u>374,443</u>	<u>6</u>
6900	Operating income	<u>66,657</u>	<u>1</u>	<u>118,882</u>	<u>2</u>
	Non-operating revenue and expenditure (Notes 13, 14, 19, 22, and 28)				
7100	Interest income	12,814	-	12,403	-
7010	Other income	35,920	1	41,842	1
7020	Other gains and losses	236,330	4	47,169	1
7050	Finance costs	(6,160)	-	(6,027)	-
7060	Share of profits and losses of subsidiaries accounted for using the equity method	<u>67,908</u>	<u>1</u>	<u>95,831</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>346,812</u>	<u>6</u>	<u>191,218</u>	<u>3</u>
7900	Net profit before income tax for the year	\$ 413,469	7	\$ 310,100	5
7950	Income tax expenses (Note 23)	64,398	1	67,931	1

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Code		2025		2024	
		Amount	%	Amount	%
8200	Current net profit	<u>349,071</u>	<u>6</u>	<u>242,169</u>	<u>4</u>
	Other comprehensive income (Note 20 and 23)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	9,474	-	24,535	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	15,954	-	102,798	2
8330	Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	62,795	1	(1,859)	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,895)	-	(4,907)	-
	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	168	-	53,563	1
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(34)	-	(10,713)	(1)
8300	Other comprehensive income/(loss) for the year, net of income tax	<u>86,462</u>	<u>1</u>	<u>163,417</u>	<u>2</u>
8500	Total comprehensive income (loss) for the year	<u>\$ 435,533</u>	<u>7</u>	<u>\$ 405,586</u>	<u>6</u>
	Earnings per share (Note 24)				
	From continuing operations				
9710	Basic	<u>\$ 1.76</u>		<u>\$ 1.22</u>	
9810	Diluted	<u>\$ 1.76</u>		<u>\$ 1.20</u>	

The accompanying notes are an integral part of the Individual Financial Statements.

NIEN HSING TEXTILE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2025 and 2024

Unit: NT\$ Thousand

Code		Share capital (Note 20)			Retained earnings (Notes 8 and 20)			Other equity			Total equity	
		Number of shares (in thousands of shares)	Capital stock	Share capital to be cancelled	Capital surplus (Note 20)	Legal reserve	Special reserves	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations (Note 20)	Unrealized gain/(loss) on financial assets at FVTOCI (Note 20)		Unearned employees' compensations (Note 20 and 25)
A1	Balance as of January 1, 2024	206,390	\$ 2,063,900	\$ -	\$ 506,552	\$ 2,328,626	\$ 533,764	\$ 2,033,355	(\$ 507,824)	\$ 39,096	(\$ 86,836)	\$ 6,910,633
	2023 earning distribution											
B5	Cash dividends to shareholders	-	-	-	-	-	-	(103,105)	-	-	-	(103,105)
B17	Reversal of special reserve	-	-	-	-	-	(65,036)	65,036	-	-	-	-
D1	Net profit for the year ended December 31, 2024	-	-	-	-	-	-	242,169	-	-	-	242,169
D3	Other comprehensive income after tax for the year ended December 31, 2024	-	-	-	-	-	-	19,628	42,850	100,939	-	163,417
D5	Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	261,797	42,850	100,939	-	405,586
N1	Share-based payment	(1,240)	(12,400)	(71,500)	(86,836)	-	-	-	-	-	86,836	(83,900)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	161,269	-	(161,269)	-	-
Z1	Balance as of December 31, 2024	205,150	2,051,500	(71,500)	419,716	2,328,626	468,728	2,418,352	(464,974)	(21,234)	-	7,129,214
	2024 earning distribution											
B1	Legal reserve provided	-	-	-	-	24,217	-	(24,217)	-	-	-	-
B3	Special reserves provided	-	-	-	-	-	17,480	(17,480)	-	-	-	-
B5	Cash dividends to shareholders	-	-	-	-	-	-	(198,000)	-	-	-	(198,000)
D1	Net profit for the year ended December 31, 2025	-	-	-	-	-	-	349,071	-	-	-	349,071
D3	Other comprehensive income after tax for the year ended December 31, 2025	-	-	-	-	-	-	7,579	134	78,749	-	86,462
D5	Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	-	356,650	134	78,749	-	435,533
N1	Share-based payment	(7,150)	(71,500)	71,500	-	-	-	-	-	-	-	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income/Subsidiaries' disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	100,416	-	(100,416)	-	-
Z1	Balance as of December 31, 2025	198,000	\$ 1,980,000	\$ -	\$ 419,716	\$ 2,352,843	\$ 486,208	\$ 2,635,721	(\$ 464,840)	(\$ 42,901)	\$ -	\$ 7,366,747

The accompanying notes are an integral part of the Individual Financial Statements.

NIEN HSING TEXTILE CO., LTD.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2025 and 2024

Unit: NT\$ Thousand

Code		2025	2024
	Cash flows from operating activities		
A10000	Net Profit before income tax for the year	\$ 413,469	\$ 310,100
A20010	Adjustments for		
A20100	Depreciation expenses	78,187	88,210
A20300	Expected credit loss	5,529	3,144
A20400	Net loss on financial instrument measured at fair value through profit or loss	1,598	11,169
A20900	Finance costs	6,160	6,027
A21200	Interest income	(12,814)	(12,403)
A21300	Dividend income	(17,095)	-
A22300	Share of profits and losses of subsidiaries accounted for using the equity method	(67,908)	(95,831)
A22500	Gain on disposal of non-financial assets	(274,042)	(32,687)
A23700	Impairment loss	-	2,189
A23800	Write-down (reversal of write-down) of inventories	7,125	(79,475)
	Changes in operating assets and liabilities		
A31115	Financial assets at FVTPL	(354)	(10,191)
A31130	Notes receivable	(1,612)	644
A31150	Trade receivables	(164,261)	(142,545)
A31160	Receivables from affiliates	60,585	(158,917)
A31180	Other receivables	(3,757)	6,363
A31200	Inventories	(41,445)	170,185
A31230	Prepayments	(24,615)	11,963
A31240	Other current assets	15	6,732
A32130	Notes payable	95	(4,469)
A32150	Trade payables	(11,903)	12,303
A32160	Payables to associates	18,995	99,396
A32180	Other payables	(12,492)	(95,523)
A32200	Provision for onerous contracts	-	(89)
A32230	Other current liabilities	32,657	(8,822)
A32240	Net defined benefit plan	(988)	(40,135)
A33000	Cash (paid) generated from operations	(8,871)	47,338
A33500	Income tax paid	(28,082)	(1,078)
AAAA	Net cash (outflow) inflow from operating activities	(36,953)	46,260

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Code		2025	2024
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	(\$ 499,793)	\$ -
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	32,761	238,502
B00040	Purchase of financial assets at amortized costs	(200,000)	(1,010,000)
B00050	Disposal of financial assets at amortized costs	250,000	1,060,000
B02700	Payments for property, plant and equipment	(6,974)	(16,017)
B02800	Proceeds from disposal of property, plant and equipment	29,004	38,312
B03800	Decrease in refundable deposits	49	1,969
B05500	Proceeds from disposal of investment property	362,660	-
B07100	Increase in prepayments for equipment	(46,067)	(6,581)
B07500	Interest received	8,762	11,361
B07600	Dividends received	<u>67,942</u>	<u>50,473</u>
BBBB	Net cash inflow (outflow) from investing activities	(<u>1,656</u>)	<u>368,019</u>
	Cash flows from financing activities		
C00200	Increase (decrease) in short-term borrowings	(8,040)	184,908
C03100	Decreasing in guarantee deposits received	(1,265)	(51)
C04500	Cash dividends	(198,000)	(103,105)
C05600	Interest paid	(6,182)	(5,555)
C09900	Return of employment restricted shares	(<u>68,950</u>)	(<u>14,950</u>)
CCCC	Net cash (outflow) inflow from financing activities	(<u>282,437</u>)	<u>61,247</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(321,046)	475,526
E00100	Cash and cash equivalents at the beginning of the year	<u>847,790</u>	<u>372,264</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 526,744</u>	<u>\$ 847,790</u>

The accompanying notes are an integral part of the Individual Financial Statements.

Nien Hsing Textile Co., Ltd.

Profit Distribution Table

2025

Unit: NT\$

Item	Subtotal	Total
Cash dividend per share		1
Beginning undistributed profits		2,178,654,925
Disposal of investments in equity instruments at fair value through other comprehensive income		100,416,544
Actuarial gains (losses) of defined benefit plan		7,579,407
Adjustment of share-based payment transaction		-
Undistributed profits after adjustment		2,286,650,876
Net profit before tax of 2025	413,469,271	
Income tax expense	(64,398,497)	
Net profit after tax of 2025		349,070,774
Legal reserve		(45,706,672)
Special reserve		(21,533,577)
Accumulated distributable profits		2,568,481,401
Distributed items		
Shareholders' dividend		(198,000,000)
Ending undistributed profits		2,370,481,401

Note 1: Pursuant to the the decree of no.871941343 issued by Ministry of Finance on April 30, 1998, when distributing profits, the individual identification shall be adopted. The Company's profit distribution principle is to distribute accumulated profits from previous years based on the rule of last-in, first-out.

Chairman: Wei-Han Chen

President: Shu-Hsuan Tsai

Chief Accountant: En-Tzu Liu

Nien Hsing Textile Co., Ltd. Rules for Election of Directors

1. The election of the Directors of the company shall be conducted in accordance with the Rules.
2. The election of the Directors takes place in Shareholders' Meetings.
3. The election of the Directors adopts the single registration and cumulative voting system.

In the process of electing Directors, the number of votes exercisable in respect of one share shall be the same as the number of Directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.

The election of the Directors adopts the candidate nomination system specified in Article 192-1 of the Company Act, to elect the Directors by the Shareholders' Meetings from the candidate list. Independent Directors and non-Independent Directors shall be elected together and the number of elected seats should be counted separately.

4. Directors shall be elected from the persons with legal capacity at the Shareholders' Meeting, and these who win more voting rights pursuant to the Company's Articles of Incorporation and the number of seats determined by the Board of Directors are elected. Where any elected Director is confirmed that he/she personal data disqualified, or deemed incompetent pursuant to laws and regulations, the vacancy is filled by the candidate has the votes next to him/her. Where more than two candidates win the same votes but no seat available for all of them, these candidates win the same votes shall draw lots; if any of them is absent, the chairperson draws lot for him/her.

The qualification of the Independent Directors shall meet the recognition criteria of the competent authority; the election of Independent Directors shall comply with the requirements of the competent authority.

5. Before the beginning of the election, the chairperson shall appoint a number of scrutineers and counting personnel to perform the respective duties of vote.
6. The tasks of scrutineers are as below:
 1. Examine the ballot box publicly before casting votes, and seal the ballot.
 2. Maintain the order and monitor if any negligence or violation of voting.
 3. After votes are casted, open the seal to take ballots, and check the number of ballots.
 4. Check if any invalid ballot, and count and sign-off the valid ballot.
 5. Monitor the counting personnel to record the voting rights won by each candidate.
7. If the candidate is a shareholder, the voter must fill in the name in the "Candidate" column of the ballot with the candidate's shareholder account name and number noted. If the candidate is not a shareholder, the name and the ID number of the candidate should be filled in the column of the ballot. However, when the government or corporate shareholder is a candidate, the name and uniform number of the government or corporate should be filled in the "Candidate" column of the ballot or the name of its representative stated. If there is more than one representative appointed, their names shall be filled in separately, and then insert the ballots in the ballot box.
8. An election ballot is invalid under any of the following circumstances:
 1. The ballot is not prepared in accordance with the provisions of the "Rules."
 2. More candidates are entered in than the assigned seats.
 3. Other than the account name (name) and account number (ID No.) of the candidate, other words or marks are entered.
 4. The writing is unclear and indecipherable.
 5. The candidate who is a shareholder, his/her account name and shareholder

account number entered in the ballot does not match the shareholder roster, or the candidate who is not a shareholder, his/her name and ID number provided does not match.

6. The account name (name) of the candidate is the same as other shareholders, and there is no candidate account number (ID No.) available for identification.
9. Ballot boxes shall be set up for the elections of Directors.
10. After all ballots have been put into the boxes, the scrutineers and the counting personnel shall open the boxes together, and the ballots shall be counted publicly at the meeting venue.
11. The vote counting is monitored by the scrutineers.
12. For any questionable ballot, the scrutineers shall examine if the ballot shall be invalidated, and these invalidated ballots shall be placed aside. Once the number and voting rights represented are counted, the scrutineers shall indicate "invalid" on the ballots with their seals and signatures.
13. The results of the calculation shall be firstly checked by the scrutineers by calculating the sum of the valid votes and voting rights, invalid votes and voting rights, which are entered in the record respectively. Then the chairperson announces the names, account number (ID No.) and number of votes for election.
14. The Board of Directors shall issue notifications to the persons elected as Directors.
15. These Rules shall be adopted by the approval of the Shareholders' Meeting. The same applies to the amendments.
16. The Rules were established on March 25, 1992.
The 1st amendment was made on May 2, 2002.
The 2nd amendment was made on June 13, 2013.
The 3rd amendment was made on June 15, 2015.
The 4th amendment was made on June 16, 2020, and enforced up on the resolution of the Shareholders' Meeting.

Nien Hsing Textile Co., Ltd.

Rules and Procedures of Shareholders' Meetings

1. (Basis of establishment)

To establish a well governance system and sound supervisory capabilities for the Company's Shareholders' Meetings and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

2. Unless otherwise stipulated by laws, regulations, or the Company's Articles of Incorporation, the rules of procedure for the Company's Shareholders' Meetings shall be governed by these Rules.

3. (Convening Shareholders' Meetings and meeting notification)

Unless otherwise stipulated by laws or regulations, the Company's Shareholders' Meetings shall be convened by the Board of Directors.

To convene a General Shareholders' Meeting, Shareholders shall be notified 30 days before the date of a General Shareholders' Meeting; for the Shareholders holding less than 1,000 registered shares, the meeting notification may be announced on the Market Observation Post System (MOPS) before 30 days; for an Extraordinary Shareholders' Meeting, Shareholders shall be notified 15 days before the date of an Extraordinary Shareholders' Meeting; for the Shareholders holding less than 1,000 registered shares, the meeting notification may be announced on the MOPS before 15 days.

The cause of convention shall be specified in the meeting notification and announcement.

Election or dismissal of Directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, removal non-competition restrictions on Directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter in each subparagraph under Article 185, Paragraph 1 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out in the meeting notification and the essential contents shall be explained. None of the above matters may be raised by an extraordinary motion. The main content shall be placed on the website(s) designated by the securities competent authority or the Company, and specify the link on the meeting notification.

Where an election of new Directors and their inauguration date are stated in the notification of a Shareholders' Meeting, after the completion of the election, such inauguration date may not be altered by any extraordinary motion or otherwise in this meeting.

A Shareholder holding 1% or more of the total number of the issued shares may submit to the Company a proposal in writing for discussion at a General Shareholders' Meeting. The number of items proposed is limited only to one, and no proposal containing more than one item will be included in the meeting agenda. However, proposals proposed by Shareholders to promote the Company's promotion of social public interests or fulfillment of social responsibilities may still be included in the list of proposals to be discussed at the meeting by the Board of Directors. A Shareholder's proposal in alignment with any circumstance in Paragraph 4, Article 172-1 of the Company Act shall not be included in the meeting agenda by the Board of Directors.

Prior to the book closure date before an Annual General Shareholders' Meeting is held, the Company shall publicly announce its acceptance of Shareholders' proposals in writing or electronically and the location and time period for their submission; the period for acceptance of Shareholders' proposals may not be fewer than 10 days.

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

Prior to the date for issuance of notice of a Shareholders' Meeting, the Company shall inform the Shareholders who submitted proposals the results of their proposals and shall list the proposals that conform to the provisions of this article in the meeting notification. With the proposals submitted by Shareholders but not included in the meeting agenda, the Board of Directors shall explain the reasons for rejecting such proposals at a General Shareholders' Meeting.

To convene a Shareholders' Meeting, the Company shall prepare a handbook for the meeting and shall disclose the handbook together with other information related to the meeting in public prior to the scheduled meeting date.

4. (Proxy and authorization)

For each Shareholders' Meeting, a Shareholder may appoint a proxy to attend the meeting by providing a written proxy issued by the Company and stating the scope of the proxy's authorization.

Each Shareholder may issue only one written proxy and appoint only one proxy for a Shareholders' Meeting, and the written proxy shall be delivered to the Company at least 5 days before the date of the Shareholders' Meeting. When duplicate written proxies are delivered, the one received earliest shall prevail, unless a declaration is made to cancel the previous written proxy.

In case a Shareholder who has submitted a written proxy intends to attend the Shareholders' Meeting in person, or exercising his/her voting rights in writing or electronically, a written proxy rescission notice shall be delivered to the Company at least 2 days before the date of the Shareholders' Meeting, otherwise, the voting rights exercised by the authorized proxy at the meeting shall prevail.

When the government or a juridical person is a Shareholder, it may be represented by more than one representative. However, the juridical person attended the Shareholder's Meeting by proxy can authorize only one representative to attend the meeting.

5. (Principles for the location and time of a Shareholders' Meeting)

A Shareholders' Meeting shall be held at the premises or at a place and time convenient for Shareholders to attend and suitable for holding Shareholders' Meetings. The meeting time shall not earlier than 9 a.m. and shall not later than 3 p.m.

6. (Preparation of a sign-in book and other documents)

In the meeting notification, the company shall specify the reporting time and place for Shareholders to sign in and other related information.

The Shareholder reporting time referred to in the preceding paragraph shall be 30 minutes prior to the meeting started. There should be clear signs at the reporting place with adequate staff assigned to handle the process.

Shareholders or the proxies appointed by Shareholders (hereinafter "Shareholders") shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting written proxies shall also bring identification documents for verification.

The Company shall furnish attending Shareholders with the handbook for the meeting, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, ballots shall also be furnished.

Shareholders shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting written proxies shall also be distinguished in a significant approach.

7. (Chairperson of the Shareholders' Meeting and attendees in a non-voting capacity)

Where a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman is on leave or for any reason unable to exercise the powers, the Vice Chairman shall act in place of the chairperson; if the Vice Chairman is also on leave or for any reason unable to exercise the powers, the Chairman shall

appoint one of the Directors to act as chairperson. If no such designation is made by the Chairman, Directors shall appoint one of themselves to act as chairperson..

When a Director acts as the said chairperson, the Director shall have held the position for at least six months with great understanding of the Company's financial position and business conditions. The same as a representative of a juristic person Director that acts as the chairperson.

Where a Shareholders' Meeting is convened by a convener other than the Board of Directors, the meeting shall be chaired by the convener. When there are two or more conveners, they shall appoint one of themselves to act as chairperson.

Where a Shareholders Meeting is convened by the Board of Directors, the meeting shall be attended by a majority of the Directors in person.

The Company may appoint its lawyers, certified public accountants, or related personnel to attend a Shareholders' Meeting in a non-voting capacity.

8. (The audio or video recording of the Shareholders' Meeting)

The Company shall make an uninterrupted audio and video recording of the entire process of the Shareholders' Meeting from Shareholders' sign-in, the proceedings of the meeting, as well as the process of voting and vote counting.

The audio and video recording in the preceding paragraph shall be kept for at least one year. If, however, a Shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

9. (The shares represented by Shareholders present at the Shareholders' Meeting)

Attendance at Shareholders' Meetings shall be counted based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in cards handed in, plus the number of shares whose voting rights are exercised in writing or electronically.

The chairperson shall call the meeting to order at the scheduled meeting time; however, the chairperson may have the meeting postponed if the attending Shareholders do not represent a majority of the total number of issued shares. The postponement shall be limited to two times for a total of less than 1 hour. If quorum of the attending Shareholders is still less than one third of the total number of issued shares after a second postponement, the chairperson shall declare the meeting adjourned.

If the quorum is still not present after a second postponement as referred to in the preceding paragraph, but the attending Shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all Shareholders shall be notified of the tentative resolution and another Shareholders' Meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending Shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the Shareholders' Meeting pursuant to Article 174 of the Company Act.

10. (Proposal discussion)

If a Shareholders' Meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on the proposals on the agenda one by one (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution by the Shareholders' Meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a Shareholders' Meeting convened by a convener other than the Board of Directors.

The chairperson shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution by the Shareholders' Meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, a new chairperson may be elected by

agreement of a majority of the votes represented by the attending Shareholders to continue the meeting.

After the meeting was adjourned, Shareholders shall not elect another chairperson to continue the meeting at the original meeting place or at another place.

The chairperson shall allow ample opportunity for explanation and discussion of proposals and the amendments or extraordinary motions proposed by the Shareholders during the meeting. When the chairperson considers that a proposal has been discussed sufficiently to put it to a vote, the chairperson shall announce the discussion closed, call for a vote and schedule sufficient time for voting.

11. (Speeches by Shareholders)

Before speaking, an attending Shareholder shall specify on a speaker's slip the subject of the speech, their Shareholder account number, attendance card number, and account name. The order in which Shareholders speak will be set by the chairperson.

An attending Shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech is not in alignment with the subject on the speaker's slip, the spoken content shall prevail.

When a Shareholder speaks, without the consent of the Chairperson or the speaking Shareholder, other Shareholders shall not interfere with the speaking Shareholder. The Chairperson may have the violating Shareholders stopped.

Except with the consent of the chairperson, a Shareholder shall not speak more than twice on the same proposal, and a single speech shall not exceed 5 minutes; if the Shareholder's speech violates the rules or exceeds the scope of the motion, the chairperson may have the Shareholder stopped.

If a corporate Shareholder designates two or more representatives to attend a Shareholders' Meeting, only one of the representatives can speak on the same proposal.

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

12. (Calculation of voting shares)

Votes cast at Shareholders' Meetings shall be calculated based on numbers of shares.

With respect to resolutions by a Shareholders' Meeting, the number of shares held by a Shareholder without voting rights shall not be calculated as part of the total number of issued shares.

When a Shareholder has a personal interest on a proposal and the relationship is likely to prejudice the interest of the Company, the Shareholder shall not vote on that proposal and shall not exercise voting rights as a proxy for any other Shareholder.

The number of shares for which voting rights shall not be exercised under the preceding paragraph shall not be counted toward the number of the voting rights represented by attending Shareholders.

With the exception of a trust enterprise or a stock affairs agency approved by the competent securities authority, when a person is concurrently appointed as a proxy by two or more Shareholders, the voting rights represented by that proxy shall not exceed 3% of the voting rights represented by the total number of the issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the counting.

13. (Methods for voting, scrutinizing, and vote counting)

Each Shareholder shall be entitled to one vote for each share held, except the restricted shares or the shares are deemed non-voting under Article 179, Paragraph 2 of the Company Act.

When the Company holds a Shareholders' Meeting, it shall adopt the exercise of voting rights in electronically or may adopt the exercise of voting rights in writing; the method of exercise of voting rights shall be specified in the meeting notification. A Shareholder's exercise of voting rights in writing or electronically will be deemed to have attended the meeting in person, but

to have waived their rights with respect to the extraordinary motions and amendments to original proposals of that meeting. Therefore, the Company shall best avoid the submission of extraordinary motions and amendments to original proposals.

A Shareholder exercising voting rights in writing or electronically shall deliver a written declaration of intention to the Company at least 2 days before the date of the Shareholders' Meeting. When duplicate declarations of intention are delivered, the one received earliest shall prevail, except a declaration is made to cancel the earlier declaration of intention.

In case a Shareholder who has exercised voting rights in writing or electronically intends to attend the Shareholders' Meeting in person, he/she shall revoke the declaration of intention in the same way previously used in exercising his/her voting rights at least 2 days before the date of the Shareholders' Meeting. If the previous declaration of intention is not revoked within the time limit, the voting rights previously exercised in writing or electronically shall prevail. In case a Shareholder has exercised voting rights in writing or electronically, and has also authorized a proxy to attend the Shareholders' Meeting on his/her behalf, it is deemed that the declaration of intent is revoked and the voting rights exercised by the proxy shall prevail.

The passage of a proposal, unless otherwise stipulated by laws, regulations, or the Company's Articles of Incorporation, shall require the approval of a majority of the voting rights represented by the attending Shareholders. When voting, for each proposal, the chairperson or the designated personnel shall first announce the total number of voting rights represented by the attending Shareholders, and then the Shareholders vote on a case-by-case basis. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be uploaded to the MOPS.

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

Scrutineers and counting personnel for the voting on proposals shall be appointed by the chairperson. All scrutineers must have the status of Shareholders of the Company.

Vote counting for proposals or elections at a Shareholders' Meeting shall be conducted in public at the place of the Shareholders' Meeting. After vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be reported immediately and recorded in writing.

14. (Elections)

The election of Directors at a Shareholders' Meeting shall be held in accordance with the Rules for Election of Directors adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the number of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be kept in proper custody for at least one year. If, however, a Shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

15. (Meeting minutes and documents to be signed)

Matters relating to the resolutions by a Shareholders' Meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each Shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The said distribution may be announced through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of votes won by each candidate in the event of an election of Directors. The minutes shall be retained during the existence of the Company.

16. (Public disclosure)

On the day of a Shareholders' Meeting, the Company shall prepare a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies in the prescribed format and shall disclose the statement at the meeting venue.

If any resolution by the Shareholders' Meeting is material information as stipulated by laws, regulations, or Taiwan Stock Exchange Corporation, the Company shall upload the content to the MOPS prior to a deadline.

17. (Maintenance of the order of the venue)

Staff handling administrative affairs of a Shareholders' Meeting shall wear an identification badge or an armband.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. Proctors or security personnel help maintain order at the meeting place shall wear an identification badge or an armband, as "Proctor."

At the meeting venue equipped with megaphone, if a Shareholder attempts to speak through any device not set up by the Company, the chairperson may prevent the Shareholder from so doing.

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

18. (Break and resumption of a Shareholders' Meeting)

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and, as appropriate, announce the resumption of the meeting.

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

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

19. Any matter not mentioned in the Rules shall comply with the related laws and regulations.

20. These Rules shall be adopted by the approval of the Shareholders' Meeting. The same applies to the amendments.

Nien Hsing Textile Co., Ltd.

Articles of Incorporation

Chapter I General Provisions

- Article 1:** The Company is incorporated in accordance with the Company Act and named Nien Hsing Textile Co., Ltd.
- Article 2:** The Company operates the business as follows:
1. C301010 Spinning of Yarn.
 2. C302010 Weaving of Textiles.
 3. C306010 Wearing Apparel.
 4. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories.
 5. F111090 Wholesale of Building Materials.
 6. F401010 International Trade.
 7. G801010 Warehousing.
 8. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1:** The Company may provide guarantee to and accepted guarantee from the affiliates if the business requires.
- Article 3:** The Company's headquarter is located in Taipei City, Taiwan, the Board of Directors may by resolution approve the establishment of domestic or international branches where it deems necessary.
- Article 4:** The Company's announcement methods shall be handled in accordance with the provisions of Article 28 of the Company Act.

Chapter II Shares

- Article 5:** The Company's authorized total capital is NT\$6,000,000,000, and divided into 600,000,000 shares, at the par value of NT\$10 each, and the Board of Directors is authorized to issue the un-issued shares in separate trenches.
- Article 6:** The shares of the Company are registered shares, which are signed or sealed by the three or more Directors, and issued after the certification.
- When the Company issues the shares, the total number of the issuance may be printed or exempted from printing, however, the registration shall be recorded at the Securities Central Depository Enterprises.
- Article 7:** Shareholders shall report their real names (in case of the names of corporate shareholders, the real names of each shareholder and/or the representatives) and addresses to the Company, and fill out the signature card and sent it to the Company for retention. When Shareholders want to receive dividends, other benefits or exercise their rights in writing, the signature card is the required proof.
- Article 8:** To transfer, pledge, report loss of, inherit shares, or report loss of or change signature cards, or change address, among other shareholder services, unless the laws and securities regulations provide otherwise, the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authorities shall be comply with.
- Article 9:** The registration of transferred shares shall be suspended within 60 days before a General Shareholders' Meeting, 30 days before an Extraordinary Shareholders' Meeting, or within 5 days before the Company distributes dividends, bonuses, or other benefits.

Chapter III Shareholders' Meetings

- Article 10:** Shareholders' Meeting shall be of two kinds, General or Extraordinary Shareholders' Meetings. General Shareholders' Meeting shall be held once a year within 6 months of the end of the Company's financial year, unless otherwise approved by the competent authority for good cause shown. Extraordinary Shareholders' Meetings shall be convened in accordance with the relevant laws, rules and regulations, if necessary.
- Article 11:** A notice shall be given to each shareholder no later than 30 days before a General Shareholders' Meeting, or 15 days before an Extraordinary Shareholders' Meeting. The said notice shall specify the date, location and reasons for calling the Shareholders' Meeting.
- Article 12:** A shareholder who is unable to attend the Shareholders' Meeting for reasons may appoint a proxy to attend the meeting by way of the written proxy issued by the company with a scope of authorization. The said written proxy shall be delivered to the Company 5 days before the meeting. Method for Shareholders to appoint a proxy to attend the meeting shall be in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders Meetings of Public Companies" promulgated by the competent authority. According to the regulations of the competent authorities, the Company's Shareholders may exercise the voting right at a Shareholders' Meeting by electronic transmission. A Shareholder who exercises one's voting right by electronic transmission shall be deemed to attend the said Shareholders' Meeting in person. The relevant matters shall be conducted in accordance with laws and regulations.
- Article 13:** Where a Shareholders Meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman is absent, the Vice Chairman shall be the chairperson. When both Chairman and Vice Chairman are absent, the Chairman shall appoint one of the Directors to act as chairperson, or, if no appointment, Directors shall appoint one of themselves to act as chairperson. Where a Shareholders' Meeting is convened by a convener other than the Board of Directors, the meeting shall be chaired by the convener. When there are two or more conveners, they shall appoint one of themselves to act as chairperson.
- Article 14:** A shareholder shall have one voting right per share, except in the circumstances otherwise provided for in Article 179 of the Company Act.
- Article 15:** Resolutions at a Shareholders' Meeting shall, unless otherwise stipulated by laws or regulations, be adopted by a majority of the attending Shareholders, who represent more than one-half of the total number of voting shares.

Chapter 4 Directors

- Article 16:** There shall be 7 to 9 Directors of the Company with a term of 3 years. Directors shall be elected and appointed from the persons with legal capacity at the Shareholders' Meeting, and may be re-elected and re-appointed. The total shares number of the Company's registered shares held by all Directors shall meet the required standards of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the competent authority.

Among the said seats of Directors, at least 3 Independent Directors shall be elected, and shall not be less than one-fifth of all Directors seats. The election of the Directors adopts the candidate nomination system specified in Article 192-1 of the Company Act, to elect the Directors by the Shareholders' Meetings from the candidate list. Independent Directors and non-Independent Directors shall be elected together and the number of elected seats should be calculated separately. The professional qualifications, shareholding, restrictions on positions held concurrently, nomination, election methods, and other matters to be followed for Independent Directors shall be handled in accordance with the relevant regulations of the competent securities authority.

Article 16-1: The Company has established the Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee composes by all Independent Directors and responsible for performing duties of Supervisors under the Company Act, the Securities and Exchange Act, and other laws and regulations.

The members, exercise of powers, and other matters to be abided by the Audit Committee shall comply with the related laws, or the Company's regulations. The organization regulations of the Audit Committee shall be adopted by the Board of Director separately.

Article 17: In case the Chairman is on leave or is unable to exercise his power, the Vice Chairman shall act on his behalf. In case the Vice Chairman is also unavailable, the Chairman shall designate one of the Directors to act on his behalf. In the absence of such a designation, the Directors shall elect one of themselves to act as the chairman of the Company. If the term of Directors expires and no new Directors are elected, the term of current Directors shall be extended until new Directors have been elected and appointed. However, the competent authority may order the Company to elect new Directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the current Directors shall certainly be discharged from the expiration date. In case a Director appoints another Director to attend a Board of Directors Meeting in his or her behalf, he or she shall, in each time, issue a written proxy stated a scope of authorization with reference to the subjects to be discussed at the meeting. Each Director is limited to accept one appointment to act as the proxy referred to in the preceding Paragraph of one other Director only.

Article 18: The Board of Directors is composed by Directors, with the following powers:

1. Preparing the business plans.
2. Proposing the distribution of profits and deficit compensation.
3. Proposing increase or decrease in capital.
4. Reviewing important regulations and contracts.
5. Appointment or discharge of the President, Management and CPA.
6. Establishing or withdrawing branches.
7. Reviewing budgets and settlements.
8. Determine reinvestment in various businesses; the total investment amount is not subject to the restriction of 40% of paid-in capital provided in Article 13 of the Company Act.
9. Other powers empowered pursuant to the Company Act and the resolutions of shareholders' meetings.

Where convening a Board of Directors Meeting, the reasons for convening shall be given to each Director 7 days before the meeting; however, in emergency circumstances, the meeting may be convened at any time. The meeting notification may be made in the manner of writing, fax, or e-mail.

Article 19: The Board of Directors shall be organized by the Directors. The Chairman who represents the Company externally shall be elected by a majority of the attending Directors at a Board of Directors Meeting attended by two-thirds of the total number of Directors. Additionally, a Vice Chairman may be elected.

Article 20: Regardless the profit or loss, the Directors' remunerations are based on their degree of participation and contribution to the Company's operations, while referring to peers' standards and the Board of Directors is authorized to determine the remunerations after the recommendations are made by the Remuneration Committee based on its authority.

Chapter V Managements

Article 21: The Company may have managements in place. Their appointment, dismissal, and compensation shall be handled in accordance with Article 29 of the Company Act.

Chapter VI Accounting

- Article 22:** At the end of each fiscal year, the Board of Directors shall prepare (I) business report; (II) financial statements; and (III) proposal of distribution of profits and deficit compensation, to be submitted for approval in the General Shareholders' Meeting.
- Article 22-1:** Where the Company makes profit for a year, shall provide the compensation to basic-level employees as 1% or more of such profit; however, the Company's accumulated losses shall have been covered. The Employees' compensation may in the form of shares or in cash, by a resolution adopted by a majority of the attending Directors at a Board of Directors Meeting attended by two-thirds of the total number of Directors; and in addition, a report of such distribution shall be submitted to the Shareholders' Meeting.
- Article 23:** After paying income taxes in the case where there are profits for the current year, the Company shall make up for accumulated losses in past years. Where there is still balance, 10% shall be set aside as legal reserve and the special reserves pursuant to the competent authorities' requirements. For the remaining balance, with the undistributed profits in previous years it shall be set aside as the accumulated distributable profits for the Board of Directors to draft the proposal of distribution of profits. If the payment is made in cash, in accordance with Paragraph 5, Article 240 of the Company Act, a resolution to pay all or part of dividends and bounes in cash should be approved by a majority of the attending Directors at a Board of Directors Meeting attended by more than two-thirds of the total number of Directors, and a resolution should be reported to the shareholders' meeting; if the payment is made by issuing new shares, distribution shall be made after a resolution of the shareholders' meeting.
- Article 23-1:** The distribution of dividends may be based on the considerations of finance, business, and operation. Except the capital demands for improving the financial structure, and funding the reinvestment, production capacity expansion, or other major capital expenditures, the Company may distribute no less than 50% of the balance of net profit after tax of the year netting the compensation of deficits, surplus reserve and special reserves. The distribution of profits may be made in cash or in shares. Based on the Company's operating environment and industrial development are in a mature and stable stage, the distribution of profits is given priority to cash dividends rather than share dividends. However, the percentage of share dividends distributed shall not be higher than 50% of the total amount of dividends.
- In the current year, where the Company has no profits to distribute, or the amount of profits is far lower than the actual profits distributed by the Company in the previous year, or based on the consideration of the Company's finance, business and operating, all or part of the reserve may be distributed pursuant to laws or regulations of competent authorities. If the payment is made in cash, in accordance with Article 241 of the Company Act, a resolution should be approved by a majority of the attending Directors at a Board of Directors Meeting attended by more than two-thirds of the total number of Directors, and a resolution should be reported to the shareholders' meeting; if the payment is made by issuing new shares, distribution shall be made after resolution of the shareholders' meeting.

Chapter VII Supplementary Provisions

- Article 24:** Matters not specified in the Articles of Incorporation shall be handled in accordance with the Company Act.
- Article 25:** The Articles of Incorporation were established on September 4, 1986; the 33rd amendment was made on June 17, 2025, and implemented after the resolution of the Shareholders' Meeting.

Appendix 6 Shareholding of Directors

Number of shares held by individual and all directors recorded in the shareholder roster as of April 18, 2026.

The minimum statutory required shareholding of all directors: 11,880,000 shares

Date: April 18, 2026

Title	Name	Number of shares recorded in the shareholder roster at the book closure date	
		Number of shares	Percentage
Chairman	Panda Investment Co., Ltd. Representative: Wei-Han Chen	28,892,146	14.59%
Director	Shu-Hsuan Tsai	24,150	0.01%
Director	Chu Chen Investment Co., Ltd. Representative: Jen-Chou Chen	9,253,292	4.67%
Director	Tai-Yuan Chou	0	0%
Director	Rong-Hwa Fang	0	0%
Director	Jih-Chao Li	0	0%
Independent Director	Chu-Feng Yang	0	0%
Independent Director	Wen-Hsiung Chan	0	0%
Independent Director	Chia-Hong Hung	0	0%
Total		38,169,588	19.27%

Note: The Company's issued shares as of April 18, 2026 are 198,000,000 shares.

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