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2025 Annual General Meeting Meeting Handbook

(The Meeting Handbook is the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language Meeting Handbook, the Chinese version shall prevail.)

Meeting method : Physical Meeting

Meeting time : 9:00 a.m. on Tuesday, May 27, 2025

Meeting place : No.29, Hongzhou St., Guishan Dist., Taoyuan City 333, Taiwan R.O.C.
(Meeting Room of Guishan Factory)

Kwang Ming Silk Mill Co., Ltd.
2025 Annual General Meeting Handbook
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Kwang Ming Silk Mill Co., Ltd
2025 Annual General Meeting Procedures

- Meeting Commencement Announced

- Reported Items

- Approval Items

- Discussion and Election Items

- Extemporaneous Motion

- Meeting Adjourned

Kwang Ming Silk Mill Co., Ltd
2025 Annual General Meeting Agenda
(Translation)

Date : 09:00 a.m., Tuesday, May 27, 2025

Place : No.29, Hongzhou St., Guishan Dist., Taoyuan City 333, Taiwan R.O.C.
(Meeting Room of Gueishan Factory)

Type : Physical Meeting

1. Report Items

- 1.1 2024 Business Report
- 1.2 2024 Audit Committee's Review Report on Financial Accounting Books and Statements
- 1.3 2024 Directors' Remuneration Report
- 1.4 2024 Distribution of Employees' and Directors' Compensation
- 1.5 2024 Cash Dividends Distribution of Earnings

2. Approval Items

- 2.1 2024 Business Report, Financial Statements and Earnings Distribution Table

3. Discussion and Election Items

- 3.1 Amendments to the Articles of Incorporation
- 3.2 Election of the 18th Session of Directors
- 3.3 Releasing Newly-Elected Directors and its Authorized Representative from Non-competition Restrictions

4. Extemporaneous Motion

5. Meeting Adjourned

【Report Items】

1. 2024 Business Report

2024 Business Report , please refer to Attachment 1.

2. 2024 Audit Committee's Review Report on Financial Accounting Books and Statements

2024 Audit Committee's Audit Report, please refer to Attachment 2.

3. 2024 Directors' Remuneration Report

For the 2024 directors' remuneration, including the remuneration policy, the details and amount of the remuneration received by individual directors, etc., please refer to Attachment 3.

4. 2024 Distribution of Employees' and Directors' Compensation

As approved by the Board of Directors on March 10, 2025, the amount of employee and director remuneration to be distributed in cash was NT\$2,940,000 and NT\$1,200,000, respectively.

5. 2024 Cash Dividends Distribution of Earnings

The following table summarizes the distribution of cash dividends from earnings in 2024.

Item	Dividend period	
	The first half of 2024	The second half of 2024
Date of Board Resolution	August 2, 2024	March 10, 2025
Cash dividend per share (NTD)	16.0	5.5
Total Cash Dividends (NTD)	647,280,000	222,502,500
Ex-dividend date	September 23, 2024	April 2, 2025
Payment Date	October 9, 2024	April 30, 2025

【Approval Item】

1. 2024 Business Report, Financial Statements and Earnings Distribution Table (Proposed by the Board of Directors)

Explanation: (1) The 2024 financial statements of the Company have been audited by CPA Ryan Pan and CPA Maggie Chang of KPMG Taiwan who issued unqualified opinion report.

(2) For 2024 Business Report, Independent Auditors' Report, the aforementioned Financial Statements and the Earnings Distribution Table, please refer to Attachment 1, 4 and 5.

(3) Please approve.

Resolved:

【Discussion and Election Items】

1. Amendments to the Articles of Incorporation. (Proposed by the Board of Directors)

Explanation: (1) In response to the revision of laws and regulations and the needs of the Company's practical operation, it is proposed to amend certain provisions of the Company's Articles of Incorporation. Please refer to Attachment 6 for the comparison table of the amendments.

(2) Please discuss.

Resolved:

2. Election of the Company's 18th Session of Directors (Proposed by the Board of Directors)

Explanation: (1) The term of the Company's directors will expire on June 22, 2025. In accordance with the Company's Articles of Incorporation, it is planned to elect nine directors (including three independent directors). The newly elected directors will assume office on the date of election at the Annual General Meeting and will serve a three-year term, from May 27, 2025, to May 26, 2028.

(2) In accordance with the Company's Articles of Incorporation and the Article 192-1 of the Company Act, the Company's directors (including independent directors) shall be elected by adopting candidate nomination system. The list of candidates of the director and independent directors has been approved by the Board on March 10, 2025. Shareholders shall elect candidates from the list of director candidates. The List of Candidates for Directors and Independent Directors, please refer to Attachment 7.

(3) Please vote.

Election Result:

3. Releasing Newly-Elected Directors and its Authorized Representative from Non-competition Restrictions (Proposed by the Board of Directors)

Explanation: (1) According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain at the shareholders' meeting the essential contents of such conduct and obtain its approval.

(2) The directors of the Company may have invested in or operated other companies with the same or similar scope of business as the Company and acted as directors. On the premise that there is no damage to the Company's interests, we intend to seek the approval of the shareholders' meeting to lift the restriction on the prohibition on competition of the new directors and their legal representatives in accordance with the law. Please refer to Attachment 8 for the Concurrent Positions

of Director and Independent Director Candidates.

(3) Please discuss.

Resolved:

【Extemporary Motion】

【Meeting Adjourned】

Kwang Ming Silk Mill Co., Ltd. 2024 Business Report

1. 2024 Business results

In recent years, with China, Vietnam, and other Southeast Asian countries heavily investing in the textile industry, issues such as industry overcapacity, intense price competition, and low profit margins have severely impacted Taiwan's textile export momentum. In response to the evolving era and the rapid advancement of product technology, our company has restructured its business strategy by formulating a vertical industrial transformation plan and establishing strategic alliances with upstream companies. This approach aims to enhance the production of functional processed yarns and eco-friendly processed yarns while leveraging vertical integration across upstream, midstream, and downstream operations. Functional processed yarns and eco-friendly processed yarns are our company's core products.

Upholding the principles of pragmatism and proactive innovation, we continuously pursue work rationalization and improvement. We closely assess industry prospects, accelerate industrial restructuring and transformation, and focus on developing high-tech, high-value-added products. Through proactive upgrades and transformation efforts, we strive to strengthen our global market competitiveness.

(1) Results of Business Plans Implemented

The net income from operations in 2024 will be NT\$835.6 million, net income before tax will be NT\$288.94 million, and net income per share will be NT\$6.18 after tax.

(2) Budget implementation

The Company did not disclose 2024 financial forecast, this information is not available.

(3) Financial Income and Profitability Analysis

Unit: NT\$ thousands

Analysis Items		2023	2024
Financial Income and Expenses	Income (including non-operating income and benefits)	2,524,165	1,191,949
	Expenses (including non-operating expenses and income tax)	888,085	941,757
	Net income after tax	1,636,080	250,192
Profitability	Return on assets %	47.10	8.27
	Return on equity %	84.39	11.83
	Ratio to paid-in capital %	Business Benefits	72.61
		Net income before tax	71.42
	Net Profit Rate %	237.48	29.94
	Earnings per share (\$) (Based on the weighted-average number of shares outstanding.)	40.44	6.18

(4) Research and development status

Due to the nature of the industry, the company does not have a dedicated R&D department. Instead,

personnel from the sales and manufacturing departments take on R&D responsibilities, leveraging their extensive experience, knowledge, and expertise in textiles to independently develop products or collaborate with clients. Currently, in response to market trends and customer demands for multifunctional and eco-friendly products, the company is actively enhancing the capabilities of its manufacturing equipment and developing functional products to align with market trends.

- A. Actively developing new yarns with special functionalities and differentiation, while also focusing on environmentally friendly ultra-fine fibers. Product diversification aims to improve gross profit margins.
- B. Completion of the acceptance process for three new TMT false-twist texturing machines, which have been put into production. This enhances product quality, increases production speed and capacity, and reduces equipment power consumption, achieving energy-saving and electricity conservation benefits.
- C. Weekly adjustments to production and sales planning, with a focus on promoting higher value-added products. The company continuously adapts to market changes to boost sales performance, optimize workforce allocation, pursue continuous improvement, enhance production efficiency, and reduce manufacturing costs to stay competitive in the market.

2. 2025 Business Outlines

In recent years, the volatility of raw material prices has made it difficult to manage costs, increasing the complexity of business operations. Additionally, factors such as the rise in domestic minimum wages and electricity rates have further driven up manufacturing costs, squeezing profit margins. Therefore, we will strengthen the development of high-value-added products by enhancing their value and quality. Moving forward, we remain committed to providing excellent quality and service to earn our customers' trust. By integrating group resources, improving operational efficiency, reducing costs, actively developing new technologies, expanding product lines, investing in new equipment, and seeking strategic partnerships, we aim to enhance our company's competitiveness and drive overall revenue growth.

(1) Business Policies

- A. In response to the changing demands of the global market, we continue to strengthen the internal research and development of high-tech products, strengthen our market sensitivity, respond quickly to customer needs, satisfy customers with new product development, continue to innovate and improve efficiency, and continue to develop differentiated products to create competitiveness in the market.
- B. Maintain a high level of productivity, strive to reduce production costs, increase the A-grade rate and gross profit margins, save expenses and reduce operating costs, and achieve the goal of profitability.
- C. Continuously promote fully automated production processes, production standardization, and operational automation to reduce the burden of labor costs. Continuously improve production processes, strengthen product research and development capabilities, and develop high value-added and differentiated products.
- D. Fully grasp the market pluses, continue to expand domestic and overseas marketing channels, improve the professional knowledge of employees, in line with the company's long-term development needs, strengthen the company's management structure, and further enhance the competitiveness of the international market.
- E. In response to the company's long-term development needs, we have strengthened our operation and management and cooperated with large-scale garment suppliers in the market upstream and

downstream, so as to steadily provide special functional materials to garment suppliers and further enhance our competitiveness in the international market.

(2) Expected sales volume and its basis

In accordance with the management's plan and assessment of the future business environment, the Company will make adjustments to its current production capacity and manpower based on the actual sales volume in the previous year, supplemented by the estimated volume from the market demand survey, in order to reduce the operating costs and actively develop functional products, enter into the brand name business and incorporate into the brand name business's supply chain, and to closely integrate upstream and downstream in order to move towards the quality and value-added development to minimize the impact of the uncertainties in the market. To minimize the impact of market uncertainty, we pray for a positive future and a new situation.

Based on our current machine capacity and market demand, we will continue to develop new brands and believe that our revenue in 2025 should be quite good.

(3) Important Production and Sales Policy

A. Production Policy

1. Through the concept of product production, we can provide customers with high-quality functional products and analyze the trend of fashionable materials for brand owners, which will surely create greater market opportunities.
2. Increase the proportion of high-value-added processed yarns and develop new products with differentiation and functionality. Our functional and eco-friendly products have already shown promising results and are continuously expanding in volume.
3. Continuously introduce the latest systematic automatic equipment to improve the production process and reduce the loss, to increase the unit production value and profitability.
4. Introduce ISO quality management system and set up staff education and training standards to enhance the ability of the cadres to improve efficiency and quality and reduce production costs.
5. Fully utilize the characteristics of production equipment, continuous development and innovation to produce differentiated and high value-added products.

B. Sales Policy

1. Develop new products with high profit margins to expand new customer sources and increase the proportion of high gross profit customers.
2. Strengthen the development and production of special yarns with differentiated margins to increase the added value of the products by utilizing the characteristics and advantages of new equipment.
3. Increase the diversity of products to continuously increase the proportion of branded customers' orders to the overall revenue, to deeply penetrate the apparel market, to gain new customers, and to increase the gross profit margin.
4. Research and develop innovative processing silk products, change the previous sales method, take the initiative to promote and develop more innovative customers to increase total sales.
5. Market development, regardless of domestic and international markets, focusing on high value-added products, strengthening the development of new materials for industrial and home decorative uses as well as casual apparel, and strengthening cooperation with international brand names through product differentiation and market segregation to enhance competitiveness in the international market.
6. Continuously develop high-performance, high-functionality, and high-value-added products. Only through the development of differentiated product markets can we have core

competitiveness, which in turn will enhance the Company's profitability.

In response to global fashion trends, environmental sustainability and functionality have gradually become key focuses of future apparel. By incorporating our commitment to environmental protection into our products, we emphasize the eco-friendly attributes of these items during business promotions, gradually educating customers on the importance of protecting the planet. Our processed yarn industry will continue to grow in high-value-added applications that prioritize sustainability and functionality. In light of the global transformation and competition in the textile industry, enhancing production processes and developing new fibers have become inevitable trends.

The future is a fast-changing world, we must adjust at any time to cope with this fast-changing environment, to increase the versatility and high value-added products, to strengthen the rapid transformation and change of business strategy, and to re-create the competitive advantage; environmental protection, green trend and functional high-value-added products, there is still a lot of room for development and profit, the brand owners of environmental protection and the demand for functional textiles is growing in the future. In the future, we will gradually increase the proportion of our business strategy. In the future, we will continue to adhere to our corporate culture of integrity, responsibility, proactivity, and pragmatism, and will continue to pay attention to the impact of the global trend of regional economic integration on our industries, develop new markets in a timely manner, research and develop new products of the profit-margin type, and cooperate more closely with brands in order to create a new niche for the company.

Chairman :

Chan, Cheng-Tien



Manager :

Li, Yeh-Chen



Accounting Officer :

Liu, Hsiao-Chun



【Attachment 2】

Kwang Ming Silk Mill Co., Ltd.
2024 Audit Committee's Review Report

The Board of Directors has prepared the Company's Business Report, Financial Statements, and Profit Distribution Proposal for the year 2024. The Financial Statements have been audited by KPMG Taiwan and have been duly verified, with an audit report issued accordingly.

The above Business Report, Financial Statements, and Profit Distribution Proposal have been reviewed by the Audit Committee and found to be without discrepancies. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review and verification.

Kwang Ming Silk Mill Co., Ltd.

Convenor of the Audit Committee: *Yang, Hsiao-Chin*



Date: March 10, 2025

【Attachment 3】

Kwang Ming Silk Mill Co., Ltd.
2024 Directors' Remuneration Report

Unit: NT\$ thousands

Title / Name	Directors' Remuneration								Total Remuneration (A+B+C+D), and to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Total Compensation (A+B+C+D+E+F+G), and to Net Income (%)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company
	Base Compensation (A)		Severance Pay and Pensions (B)		Directors' Compensation (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employee Compensation (G)						
	Kwang Ming	All Consolidated Entities	Kwang Ming	All Consolidated Entities	Kwang Ming	All Consolidated Entities	Kwang Ming	All Consolidated Entities	Kwang Ming	All Consolidated Entities	Kwang Ming	All Consolidated Entities	Kwang Ming	All Consolidated Entities	Kwang Ming		All Consolidated Entities		Kwang Ming	All Consolidated Entities	
															Cash	Stock	Cash	Stock			
Director Yi Jinn Industrial Co., Ltd.	0	0	0	0	400	400	0	0	400	400	0	0	0	0	0	0	0	0	400	400	N/A
Authorized representative Chan, Cheng-Tien	180	180	0	0	0	0	0	0	180	180	0	0	0	0	0	0	0	0	180	180	5,007
Authorized representative Huang, Li-Hsuan	180	180	0	0	0	0	0	0	180	180	0	0	0	0	0	0	0	0	180	180	N/A
Director Cheng, Yu-Jing	180	180	0	0	200	200	0	0	380	380	0	0	0	0	0	0	0	0	380	380	954
Director Li, Yeh-Chen	180	180	0	0	200	200	0	0	380	380	1,471	1,471	107	107	0	0	0	0	1,958	1,958	N/A
Director Chan, Yi-Chin	180	180	0	0	200	200	0	0	380	380	0	0	0	0	0	0	0	0	380	380	1,543
Director Fangzhou Asset Management Co., Ltd.	0	0	0	0	200	200	0	0	200	200	0	0	0	0	0	0	0	0	200	200	N/A
Authorized representative Chin, Chien-Chang	180	180	0	0	0	0	0	0	180	180	0	0	0	0	0	0	0	0	180	180	N/A
Independent Director Yang, Hsiao-Chin	360	360	0	0	0	0	0	0	360	360	0	0	0	0	0	0	0	0	360	360	N/A
Independent Director Liu, Yung-Fu	360	360	0	0	0	0	0	0	360	360	0	0	0	0	0	0	0	0	360	360	N/A
Independent Director Hsu, Chi-Sheng	360	360	0	0	0	0	0	0	360	360	0	0	0	0	0	0	0	0	360	360	N/A

The Company's policy, system, standard and structure for the payment of honoraria to directors and independent directors, and the correlation between the amount of honoraria and the responsibilities, risks, and time commitment of the directors, etc., are described below :

- In accordance with the Company's Articles of Incorporation, the Company's Board of Directors shall appropriate no more than 5% of the Company's net income before income tax as remuneration to the directors of the Company if the Company makes a profit during the year. In addition to the results of the evaluation of the performance of directors, the remuneration of directors is based on the Company's Articles of Incorporation. The Salary and Remuneration Committee considers the extent of each director's participation in the Company's operations and the value of his or her contributions and makes recommendations to the Board of Directors for a resolution, considering the Company's operating performance.
- No director receives remuneration for services rendered (e.g., serving as a consultant to the parent company/all companies in the financial statements/reinvested enterprises that are not employees, etc.).

Kwang Ming Silk Mill Co., Ltd.
Independent Auditors' Report and Financial Statements



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Independent Auditors' Report

To the Board of Directors of Kwang Ming Silk Mill Co., Ltd.:

Opinion

We have audited the financial statements of Kwang Ming Silk Mill Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Kwang Ming Silk Mill Co., Ltd. as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“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 auditing standards. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statement section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the individual financial statements for the year ended December 31, 2024. 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. The key audit matters we judge that shall be communicated in the audit report are as follows:

1. Revenue recognition

Please refer to Note 4(14) to the individual financial statements for the accounting policies related to revenue recognition. Please refer to Note 6(18) to the individual financial statements for

explanations on revenue from contracts with customers.

Explanation on the key audit matter:

Revenue of the Company is primarily engaged in manufacture and sales of fiber products relevant to polyester drawn textured yarn. As the Company operates in the highly competitive industry, operating revenue is highly affected by economic fluctuations, testing of revenue recognition is one of the items to be evaluated in audit of the Company's financial statements.

Audit procedures in response:

Major audit procedures used in the aforementioned key audit matter include obtaining an understanding to primary categories of revenue and internal control relevant to transaction models and transaction terms, etc.; taking samples to do detail tests, verifying each documents to confirm the authenticity of transactions; conducting cut-off test during a certain period before and after the reporting date, taking samples and verifying the relevant documents, to assess the rationality of the point of time recognizing revenue.

2. Inventory valuation

Please refer to Note 4(7) Inventories to the individual financial statements for the accounting policies related to inventory valuation. Please refer to Note 5 to the individual financial statements for uncertainty of accounting estimates and assumptions of inventory valuation. Please refer to Note 6(5) to the individual financial statements for explanations on inventories.

Explanation on the key audit matter:

Inventories of the Company are exposed to the risk of costs exceeding the net realizable value and obsolescence and slow-moving due to the fluctuations in the prices of international raw materials and the market supply and demand. Therefore, testing of inventory valuation is one of the items to be evaluated in audit of the Company's financial statements.

Audit procedures in response:

Major audit procedures used in the aforementioned key audit matter include obtaining an understanding to the management and valuation policies on inventories, and assessing whether management and valuation of inventories are conducted in accordance with existing policies, conducting sampling and verifying procedures to test the rationality of the net realizable value adopted by the management and the correctness of the inventory aging reports, to assess the adequacy of inventory valuation allowances at the reporting date.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
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 Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial reports, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on individual financial statements. We are responsible for the direction, supervision and performance of the Company 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, 2024, and are therefore the key audit matters. We describe these matters in our auditor's 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.

KPMG

Taipei, Taiwan (Republic of China)

March 10, 2025

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

Kwang Ming Silk Mill Co., Ltd.
Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Assets		2024.12.31		2023.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note 6(1))	\$ 54,487	4	76,036	2
1110	Financial assets at fair value through profit or loss – current (Note 6(2) and 6(21))	75,918	4	94,285	2
1150	Notes receivables, net (Note 6(4), 6(18), and 7)	7,453	-	33,595	-
1170	Accounts receivables, net (Note 6(4), 6(18), and 7)	106,430	5	82,574	2
1200	Other receivables (Note 6(9))	11,055	1	1,830,012	42
1220	Current tax assets	50	-	6,911	-
1310	Inventories – manufacturing (Note 6(5))	72,971	4	79,039	2
1410	Prepayments	1,556	-	2,255	-
1460	Non-current assets held for sale (Note 6(9) and 9)	349,723	17	-	-
1470	Other current assets (Note 6(13))	<u>4,855</u>	<u>-</u>	<u>22,377</u>	<u>1</u>
		<u>684,498</u>	<u>35</u>	<u>2,227,084</u>	<u>51</u>
Non-current assets:					
1510	Financial assets at fair value through profit or loss – non-current (Note 6(2) and 6(21))	9,768	-	8,368	-
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6(3) and 6(21))	17,500	1	-	-
1551	Investments accounted for using equity method (Note 6(6))	261,880	13	265,171	6
1600	Property, plant and equipment (Note 6(7))	129,551	6	146,072	3
1755	Right-of-use assets (Note 6(8) and 7)	87,234	4	109,042	3
1760	Investment properties, net (Note 6(9) and 8)	826,493	41	1,601,327	37
1840	Deferred tax assets (Note 6(15))	454	-	1,739	-
1932	Long-term receivables (Note 6(13))	276	-	587	-
1990	Other non-current assets – others (Note 9)	<u>12</u>	<u>-</u>	<u>467</u>	<u>-</u>
		<u>1,333,168</u>	<u>65</u>	<u>2,132,773</u>	<u>49</u>
Total assets		<u>\$ 2,017,666</u>	<u>100</u>	<u>4,359,857</u>	<u>100</u>

Kwang Ming Silk Mill Co., Ltd.
Balance Sheets (Cont.)
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		2024.12.31		2023.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities					
2100	Short-term borrowings (Note 6(10))	\$ 50,000	2	-	-
2130	Contract liabilities – current (Note 6(18))	16,133	1	4,056	-
2150	Notes payables	4,472	-	9,494	-
2160	Notes payables – related parties (Note 7)	57,306	3	36,619	1
2170	Accounts payables	1,306	-	1,281	-
2180	Accounts payables – related parties (Note 7)	584	-	2,779	-
2200	Other payables (Note 6(9) and 6(19))	35,199	1	94,803	2
2220	Other payables – related parties (Note 7)	13,411	1	309,590	7
2230	Current tax liabilities	36,641	2	-	-
2322	Current portion of long-term borrowings (Note 6(11))	9,204	-	29,650	1
2280	Lease liabilities – current (Note 6(12) and 7)	22,365	1	21,973	1
2300	Other current liabilities (Note 9)	<u>1,490</u>	<u>-</u>	<u>12,160</u>	<u>-</u>
		<u>248,111</u>	<u>11</u>	<u>522,405</u>	<u>12</u>
Non-current liabilities					
2540	Long-term borrowings (Note 6(11))	188,852	10	1,027,594	24
2580	Lease liabilities – non-current (Note 6(12) and 7)	69,511	3	91,875	2
2645	Guaranteed deposits received	<u>922</u>	<u>-</u>	<u>1,525</u>	<u>-</u>
		<u>259,285</u>	<u>13</u>	<u>1,120,994</u>	<u>26</u>
Total liabilities		<u>507,396</u>	<u>24</u>	<u>1,643,399</u>	<u>38</u>
Owners' equity (Note 6(6) and 6(16)):					
3110	Ordinary shares	404,550	20	404,550	9
3200	Capital surplus	203,158	10	203,158	5
3310	Legal reserve	356,476	18	192,868	4
3320	Special reserve	463	-	463	-
3350	Unappropriated earnings	546,086	28	1,915,882	44
3400	Other equity interests	<u>(463)</u>	<u>-</u>	<u>(463)</u>	<u>-</u>
Total equity		<u>1,510,270</u>	<u>76</u>	<u>2,716,458</u>	<u>62</u>
Total liabilities and equity		<u>\$ 2,017,666</u>	<u>100</u>	<u>4,359,857</u>	<u>100</u>

Kwang Ming Silk Mill Co., Ltd.
Statements of Comprehensive Income
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(13), 6(18), and 7)	\$ 835,597	100	688,933	100
5000	Operating costs (Note 6(5), 6(12), 6(14), and 7)	<u>835,131</u>	<u>100</u>	<u>696,200</u>	<u>101</u>
	Gross profit (loss) from operation	<u>466</u>	<u>-</u>	<u>(7,267)</u>	<u>(1)</u>
	Operating expenses (Note 6(12), 6(14), 6(19), and 7):				
6100	Selling expenses	20,227	2	18,028	3
6200	Administrative expenses	<u>27,077</u>	<u>3</u>	<u>51,848</u>	<u>8</u>
	Total operating expenses	<u>47,304</u>	<u>5</u>	<u>69,876</u>	<u>11</u>
	Other gains and losses:				
6500	Other gains and losses, net (Note 6((9))	<u>340,621</u>	<u>41</u>	<u>1,824,706</u>	<u>265</u>
	Total other gains and losses	<u>340,621</u>	<u>41</u>	<u>1,824,706</u>	<u>265</u>
	Net profit from operation	<u>293,783</u>	<u>36</u>	<u>1,747,563</u>	<u>253</u>
	Non-operating income and expenses (Note 6(6), 6(9), 6(12), 6(20), and 7):				
7100	Interest income	2,843	-	179	-
7010	Other income	6,582	1	10,347	2
7020	Other gains and losses	6,306	1	(16,058)	(2)
7050	Finance costs	(17,285)	(2)	(30,254)	(4)
7060	Share of profit or loss of associates accounted for using equity method	<u>(3,291)</u>	<u>-</u>	<u>(8,914)</u>	<u>(1)</u>
	Total non-operating income and expenses	<u>(4,845)</u>	<u>-</u>	<u>(44,700)</u>	<u>(5)</u>
	Net profit before tax	288,938	36	1,702,863	248
7950	Less: income tax expenses (Note 6(15))	<u>38,746</u>	<u>5</u>	<u>66,783</u>	<u>10</u>
	Net profit	<u>250,192</u>	<u>31</u>	<u>1,636,080</u>	<u>238</u>
8300	Other comprehensive income (net of tax)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total comprehensive income	<u>\$ 250,192</u>	<u>31</u>	<u>1,636,080</u>	<u>238</u>
	Earnings per share (NT\$) (Note 6(17))				
9750	Basic earnings per share	<u>\$ 6.18</u>		<u>40.44</u>	
9850	Diluted earnings per share	<u>\$ 6.17</u>		<u>40.06</u>	

Kwang Ming Silk Mill Co., Ltd.
Statements of Changes in Equity
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Other equity interests	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total equity
Balance as of January 1, 2023	\$404,550	243,191	192,868	80	320,640	513,588	(463)	1,160,866
Net profit	-	-	-	-	1,636,080	1,636,080	-	1,636,080
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,636,080	1,636,080	-	1,636,080
Appropriation and distribution of earnings								
Special reserve	-	-	-	383	(383)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(40,455)	(40,455)	-	(40,455)
Cash dividends paid by capital surplus	-	(40,455)	-	-	-	-	-	(40,455)
Changes in associates accounted for using equity method	-	422	-	-	-	-	-	422
Balance as of December 31, 2023	404,550	203,158	192,868	463	1,915,882	2,109,213	(463)	2,716,458
Net profit	-	-	-	-	250,192	250,192	-	250,192
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	250,192	250,192	-	250,192
Appropriation and distribution of earnings								
Legal reserve	-	-	163,608	-	(163,608)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,456,380)	(1,456,380)	-	(1,456,380)
Balance as of December 31, 2024	\$404,550	203,158	356,476	463	546,086	903,025	(463)	1,510,270

Kwang Ming Silk Mill Co., Ltd.
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities:		
Net profit before tax	\$ 288,938	1,702,863
Adjustments:		
Items of income and expenses		
Depreciation expenses	56,231	62,862
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(6,628)	7,298
Interest expenses	17,285	30,254
Interest revenue	(2,843)	(179)
Dividend revenue	(4,903)	(7,616)
Lease revenue	134	(1,084)
Share of loss of associates accounted for using equity method	3,291	8,914
Gains on disposal of property, plant and equipment	(694)	(255)
Gains on disposal of investment properties	(340,621)	(1,824,706)
Losses on termination of lease contracts	158	9,112
Total items of income and expenses	<u>(278,590)</u>	<u>(1,715,400)</u>
Net changes in assets / liabilities relevant to operating activities:		
Net changes in assets relevant to operating activities:		
Financial assets mandatorily measured at fair value through profit or loss	23,595	(3,000)
Notes receivables	26,142	(12,717)
Accounts receivables	(23,856)	(16,539)
Inventories	6,068	34,150
Prepayments	699	783
Other receivables	(11,046)	-
Other current assets	<u>17,541</u>	<u>(18,389)</u>
Total net changes in assets relevant to operating activities	<u>39,143</u>	<u>(15,712)</u>
Net changes in liabilities relevant to operating activities:		
Contract liabilities	12,077	495
Notes payables	15,665	(65)
Accounts payables	(2,170)	(2,675)
Other payables	(29,843)	47,427
Other current liabilities	<u>85</u>	<u>(164)</u>
Total net changes in liabilities relevant to operating activities:	<u>(4,186)</u>	<u>45,018</u>
Total net changes in assets and liabilities relevant to operating activities:	<u>34,957</u>	<u>29,306</u>
Total adjustments	<u>(243,633)</u>	<u>(1,686,094)</u>
Cash flows generated from operations	45,305	16,769
Interests received	2,846	167
Dividends received	4,903	7,616
Interests paid	(18,627)	(29,598)
Income tax refunded	<u>6,592</u>	<u>2,607</u>
Net cash flows generated from (used in) operating activities	<u>41,019</u>	<u>(2,439)</u>

Kwang Ming Silk Mill Co., Ltd.
Statements of Cash Flows (Cont.)
For the Years Ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(17,500)	-
Acquisition of investment accounted for using equity method	-	(12,319)
Acquisition of property, plant and equipment	(5,019)	(10,935)
Disposal of property, plant and equipment	1,524	9,716
Acquisition of investment properties	(24,598)	-
Disposal of investment properties	2,582,474	145,284
Increase in prepayments for equipment	-	(455)
Income tax paid	(551)	(71,909)
Net cash flows generated from investing activities	2,536,330	59,382
Cash flows from financing activities:		
Increase in short-term borrowings	50,000	-
Decrease in short-term borrowings	-	(205,000)
Increase in long-term borrowings	321,100	-
Decrease in long-term borrowings	(1,180,288)	(23,953)
Decrease in guaranteed deposits received	(11,358)	(1,865)
Increase (decrease) in other payables – related parties	(300,000)	300,000
Repayment of lease principals	(21,972)	(21,590)
Cash dividends paid	(1,456,380)	(80,910)
Net cash flows used in financing activities	(2,598,898)	(33,318)
Increase (decrease) in cash and cash equivalents	(21,549)	23,625
Beginning balance of cash and cash equivalents	76,036	52,411
Ending balance of cash and cash equivalents	\$ 54,487	76,036

Kwang Ming Silk Mill Co., Ltd.
2024 Earnings Distribution Table

Kwang Ming Silk Mill Co., Ltd.

2024

Earnings Distribution Table

Unit: NT\$

Items	Amount
Beginning of period undistributed earnings	943,174,104
Add: Net profit (loss) after tax for the fiscal year	250,192,109
Less: Statutory surplus reserve (10%)	(25,019,211)
Total distributable earnings	1,168,347,002
Distribution: Cash dividend to shareholders [Note 1].	
"Cash Dividends Distributed for the Interim Period of 2024"	(647,280,000)
Cash dividends to be distributed (\$5.5 per share)	(222,502,500)
Undistributed earnings at the end of the period	298,564,502

【Note 1】 The cash dividends distributed for the interim period of 2024 were allocated from the earnings of 2023. The remaining cash dividends to be distributed shall be prioritized from the earnings of 2024, and if insufficient, will be sequentially allocated from the earnings of previous years.

【Note 2】 The amount of cash dividends is calculated up to the nearest NT dollar, and the total amount of any aberrant amount less than NT\$1.00 is included in the Company's other revenues.

【Note 3】 In accordance with Article 18 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve that all or a portion of the dividends and bonuses payable shall be paid in cash.

Chairman
Chan, Cheng-Tien



Manager
Li, Yeh-Chen



Head of Accounting
Liu, Hsiao-Chun



Kwang Ming Silk Mill Co., Ltd.
Comparison Table of Amendments to the Articles of Incorporation

Current Provisions	Amended Provisions	Description
<p>Article 11: The Company shall have five to nine directors with a term of office of three years, who shall be elected under a candidate nomination system by the shareholders' meeting from the list of candidates, and shall be eligible for re-election.</p> <p>The number of independent directors shall not be less than three and shall not be less than <u>one-fifth</u> of the total number of directors. The professional qualifications, shareholding, restrictions on concurrent employment, method of nomination and election, and other matters to be complied with by the independent directors shall be in accordance with the relevant regulations of the competent securities authorities.</p> <p>(Omitted)</p>	<p>Article 11: The Company shall have five to nine directors with a term of office of three years, who shall be elected under a candidate nomination system by the shareholders' meeting from a list of candidates, and shall be eligible for re-election.</p> <p>The number of independent directors shall not be less than three and shall not be less than <u>one-third</u> of the total number of directors. The professional qualifications, shareholdings, restrictions on concurrent positions, method of nomination and election, and other matters to be complied with by the independent directors shall be in accordance with the relevant regulations of the competent securities authorities.</p> <p>(Omitted)</p>	<p>In Compliance with Amendments to Corporate Governance Regulations</p>
<p>Article 18: The Company shall allocate 1% to 5% of its annual profits as remuneration to its employees, which shall be distributed in the form of stock or cash as resolved by the Board of Directors, and the target recipients may include employees of controlled or subordinate companies who satisfy certain conditions, and the conditions and manner of distribution shall be authorized to be resolved by the Board of Directors. The Board of Directors is authorized to approve the method of distribution; the Company may distribute up to 5% of the above profits as remuneration to the directors as approved by the Board of Directors. The distribution of employees' and directors' remuneration shall be reported to the shareholders in the shareholders' meeting.</p>	<p>Article 18: The Company shall allocate 1% to 5% of its annual profits as remuneration to its employees, which shall be distributed in the form of stock or cash as resolved by the Board of Directors, and the target recipients may include employees of controlled or subordinate companies who satisfy certain conditions, and the conditions and manner of distribution shall be authorized to be resolved by the Board of Directors. The Board of Directors is authorized to approve the method of distribution; the Company may distribute up to 5% of the above profits as remuneration to the directors as approved by the Board of Directors. The distribution of employees' and directors' remuneration shall be reported to the shareholders in the shareholders' meeting.</p> <p><u>Not less than 30% of the foregoing amount of staff remuneration should be allocated</u></p>	<p>In accordance with the amendment of the Securities and Exchange Act, the amount of grassroots employees was increased.</p>

Current Provisions	Amended Provisions	Description
<p>However, if the Company has accumulated losses, the Company shall retain the amount of such losses in advance and appropriate the same percentage for employees' and directors' remuneration.</p> <p>The appropriation of the Company's earning or losses may be made after the end of each semi-annual fiscal year. (...omitted).</p>	<p><u>for the distribution of remuneration to grass-roots staff.</u></p> <p>However, if the Company has accumulated losses, the Company shall reserve the amount to be covered in advance and then make contributions to the employees' and directors' remuneration in accordance with the ratio.</p> <p>The appropriation of the Company's earning or losses may be made after the end of each semi-annual fiscal year. (...omitted).</p>	
<p>Article 21: These Articles of Incorporation were established on May 26, 1966. The 1st amendment was made on May 10, 1968. (...omitted...) The 26th amendment was made on June 23, 2022. The 27th amendment will be made on May 28, 2024.</p>	<p>Article 21: These Articles of Incorporation were established on May 26, 1966. The 1st amendment was made on May 10, 1968. (...omitted...) The 26th amendment was made on June 23, 2022. The 27th amendment will be made on May 28, 2024. <u>The 28th amendment will be made on May 27, 2025.</u></p>	<p>The addition of the number of revisions and dates.</p>

【Attachment 7】

Kwang Ming Silk Mill Co., Ltd.
List of Candidates for Directors and Independent Directors

Nominee Type	Nominee Name (Gender)	Educational Background/ Experience	Current position	Shareholdings
Director	Representative of Yi Jinn Industrial Co., Ltd.: Chan, Cheng-Tien (Male)	Chia Yang High School Director, Yi Jinn Industrial Co., Ltd. Independent Director, Oriental Union Chemical Corporation	Representative of the Chairman, Kwang Ming Silk Mill Co., Ltd. Chairman, Yi Jinn Industrial Co., Ltd. Chairman, Hung Chou Fiber Ind. Co., Ltd. Chairman, Yi Tong Fiber Co., Ltd. Chairman, Xin Mao Investment Co., Ltd. Representative of the Chairman, Yi Shin Textile Industrial Co., Ltd. Representative of the Chairman, Da Yi International Development Co., Ltd. Representative of the Chairman, Tien International Development Co., Ltd. Representative of corporate directors, Everest Textile Co., Ltd. Chairman, Jinn Hsien Foundation Chairman, Yuan Zen Medical Foundation Chairman, Cheng Tien SME Foundation	15,586,193
Director	Representative of Yi Jinn Industrial Co., Ltd.: Lin, Tse-Hua (Male)	Dept. of Finance, Cleveland State University, USA Vice President, Sales Division, Yi Jinn Industrial Co., Ltd. Representative of the Chairman, Hung Chou Fiber Industrial Co., Ltd.	Vice President, Sales Division, Yi Jinn Industrial Co., Ltd.	15,586,193
Director	Cheng, Yu-Jing (Female)	National Taiwan Normal University Supervisor, Yi Jinn Industrial Co., Ltd.	Director, Kwang Ming Silk Mill Co., Ltd. Director, Yi Jinn Industrial Co., Ltd. Representative of corporate directors, Hung Chou Fiber Industrial Co., Ltd. Director, Yi Tong Fiber Co., Ltd. Supervisor, Xin Mao Investment Co., Ltd. Supervisor, Da Tien International Development Co., Ltd. Representative for Supervisor, Da Yi International Development Co., Ltd. Director, Cheng Tien SME Foundation	0
Director	Li, Yeh-Chen (Male)	Dept. of Nautical, China Maritime College Chairman, Kwang Ming Silk Mill Co., Ltd.	Director and General Manager, Kwang Ming Silk Mill Co., Ltd. Director, Cheng Tien SME Foundation	700,000

Nominee Type	Nominee Name (Gender)	Educational Background/ Experience	Current position	Shareholdings
Director	Representative of Fangzhou Asset Management Co., Ltd.: Chin, Chien-Chang (Male)	Dept. of Business Administration, Chinese Culture University Supervisor, Kwang Ming Silk Mill Co., Ltd.	Representative of corporate directors , Kwang Ming Silk Mill Co., Ltd.	600,165
Director	Chan, Yi-Chin (Female)	Graduated from Monterey Institute of International Studies, USA Representative for Supervisor, Kwang Ming Silk Mill Co., Ltd.	Director, Kwang Ming Silk Mill Co., Ltd. Director, Yi Jinn Industrial Co., Ltd. Representative of corporate directors, Hung Chou Fiber Industrial Co., Ltd. Director, Cheng Tien SME Foundation	0
Independent Director	Lai, Sun-Quae (Male)	Ph.D. in Business Administration, National Taipei University M.B.A., Indiana University of Pennsylvania, U.S.A. Chairman, TOPCO SCIENTIFIC Co. Ltd. Chairman, CSBC Corporation, Taiwan Director, Dept. of Small and Medium Enterprises, Ministry of Economic Affairs Deputy Director, Dept. of Commerce, Ministry of Economic Affairs	Vice President/CSO of TOPCO SCIENTIFIC Co. Ltd. Representative of the Chairman, ECO Technical Services Co., Ltd. Representative of the Chairman, Unitech New Energy Engineering Co., Ltd. Representative of the Chairman, Thermaltake Green Power Corporation Representative of the Chairman, Yun Yuei Technology Co., Ltd. Independent Director, Yi Jinn Industrial Co., Ltd. Independent Director, PhytoHealth Corporation. Independent Director, Metaage Corporation.	0
Independent Director	Tai, Hung-I (Male)	Dept. of International Trade, National Chengchi University Chairman, Taiwan Silk Weaving Industry Association (TSA)	Industrial Consultant, National Federation of Industries (NFI) Chairman, Taiwan Industrial Competitiveness Promotion Association (TICPA) Chairman Emeritus, Taiwan Textile Industry Association (TTIA) President, Lovetex Industrial Corp.	0
Independent Director	Hsu, Chi-Sheng (Male)	Ph.D., Dept. of Industrial Engineering and Management, National Chiao Tung University M.S. in Management, Arthur D. Little School of Management, U.S.A. Manager, Strategic Planning Dept., Institute of Electronics, Industrial Technology Research Institute (ITRI), Special Assistant to the Director, Institute of Electronics, Director of International Cooperation, Director of Cross-Strait and Asia-Pacific, ITRI	Independent Director, Kwang Ming Silk Mill Co., Ltd. Secretary General, Association of Corporate Managers of the Republic of China (Taiwan) Supervisor, Golden Smart Home Technology Corp. Director, Lightwave Link Inc., Ltd. Director, Self Pick Inc.	0

【Attachment 8】

Kwang Ming Silk Mill Co., Ltd.

List of Positions of the Candidates for Directors and Independent Directors in other Companies

Title / Name	Important positions in other companies
Director Yi Jinn Industrial Co., Ltd.	Director, Hung Chou Fiber Ind. Co., Ltd. Director, Xin Mao Investment Co., Ltd. Director, Yi Tong Fiber Co., Ltd. Chairman, Da Tien International Development Co., Ltd. Chairman, Da Yi International Development Co., Ltd.
Representative Director Chan, Cheng-Tien	Chairman, Yi Jinn Industrial Co., Ltd. Chairman, Hung Chou Fiber Ind. Co., Ltd. Chairman, Yi Tong Fiber Co., Ltd. Chairman, Xin Mao Investment Co., Ltd. Representative of the Chairman, Yi Jinn Industrial Co., Ltd. Representative of the Chairman, Da Yi International Development Co., Ltd. Representative of the Chairman, Da Tien International Development Co., Ltd. Representative of Directors, Everest Textile Co., Ltd.
Director Cheng, Yu-Jing	Director, Yi Jinn Industrial Co., Ltd. Representative of Directors, Everest Textile Co., Ltd. Director, Yi Tong Fiber Co., Ltd.
Director Chan, Yi-Chin	Director, Yi Jinn Industrial Co., Ltd. Representative of Directors, Everest Textile Co., Ltd.
Independent Director Lai, Sun-Quae	Representative of the Chairman, ECO Technical Services Co., Ltd. Representative of the Chairman, Unitech New Energy Engineering Co., Ltd. Representative of the Chairman, Thermaltake Green Power Corporation. Representative of the Chairman, Yun Yuei Technology Co., Ltd. Independent Director, Yi Jinn Industrial Co., Ltd. Independent Director, PhytoHealth Corporation. Independent Director, Metaage Corporation.

Kwang Ming Silk Mill Co., Ltd.
Rules of Procedures for Shareholder' Meeting

Amended by the Shareholders' Meeting on June 4, 2020

1. Kwang Ming Silk Mill Co., Ltd. (hereafter “the Company”) The shareholders meeting shall be proceeded with in accordance with these Rules, unless the law provides otherwise.
2. Shareholders (or proxies) attending the shareholders' meeting are required to wear an attendance card and pay an attendance card in lieu of signing in. The number of shares present shall be calculated according to the number of cards paid. The shareholders (or proxies) listed on the signature card shall be deemed to have attended the meeting in person if the signature card is submitted to the Company, and the Company shall not be responsible for recognizing the presence of such shareholders (or proxies).
3. The presence of shareholders in a shareholders meeting and their voting thereof shall be calculated in accordance with the number of shares.
4. The place for convening a shareholders meeting shall be held inside the premises of the Company, or any other place convenient for presence of shareholders, and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9 o'clock in the morning or later than 3 o'clock in the afternoon.
5. If a shareholders meeting is called by the board of directors, the board chairman shall preside at the said shareholders meeting. In case the chairman is on leave of absence, or cannot exercise his powers and authority, the vice chairman shall act in lieu of him. there is no vice chairman, or the vice chairman is also on leave of absence, or cannot exercise his powers and authority, the chairman shall designate a managing director to act in lieu of him; if there is no managing director, the chairman shall designate a director to act in lieu of him. the chairman does not designate a director, the managing directors or directors shall elect one from among themselves to act in lieu of the chairman.
If a shareholders meeting is called by any other person than the board of directors, who has the right to call the meeting, said person shall preside at that meeting.
6. The Company may designate its lawyer, certified public accountant or other relevant persons to attend the shareholders meeting. Those handling the business of a shareholders meeting shall wear an identification card or a badge.
7. The Company shall record with an audio or video tape the whole proceedings of the shareholders meeting, and said video tape or audio tape shall be kept for at least one year.
8. When it is time to convene a shareholders meeting, the chairman shall immediately convene the meeting, provided, however, that if the shareholders present do not represent a majority of the total amount of issued shares, the chairman may postpone the meeting, provided, however, that the postponement of the said meeting shall be limited to two times, and the total time postponed shall not exceed one hour. If the meeting has been postponed for two times, but the shareholders present still do not represent a majority of the total amount of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the Company Law by shareholders representing one-third of the total amount of issued shares. Before the close of the said meeting if the shareholders present represent a majority of the total amount of issued shares, the chairman may present the tentative resolution so adopted to the meeting for resolution in

accordance with the provisions of Article 174 of the Company Law.

9. If a shareholders' meeting is convened by the Board of Directors, its agenda shall be set by the Board of Directors, and the relevant motions (including extraordinary motions and amendments to the original motions) shall be put to a vote by ballot, and the meeting shall be conducted in accordance with the scheduled agenda, which may not be changed without the resolution of the shareholders' meeting. If a shareholders meeting shall be called by any other person than the board of directors, the preceding provisions shall apply mutatis mutandis to the said meeting. The chairman shall not adjourn a meeting without resolution adopted by shareholders if the motions (including extraordinary motions) covered in the proceedings so arranged in the above two Paragraphs shall not have been resolved.
After close of the said meeting, shareholders shall not elect another chairman to hold another meeting at the same place or at any other place.
10. A shareholder wishing to speak in a shareholders meeting shall first fill out a slip, specifying therein the major points of his speech, his serial number as a shareholder (or number of attendance) and his name, and the chairman shall determine his order of giving a speech. A shareholder who submits his slip for a speech but does not actually speak shall be considered as not having given a speech. If the contents of his speech shall be different from those specified on the slip, the contents of his speech shall prevail.
When a shareholder is giving a speech, the other shareholders shall not interrupt unless they have obtained the prior consent from the chairman and the said shareholder, and the chairman may prevent others from interrupting.
11. A shareholder shall not speak more than two times for one motion, unless he has obtained the prior consent from the chairman, and each speech shall not exceed 5 minutes. If a shareholder violates the above provisions or his speech exceeds the scope of the motion, the chairman may prevent him from doing so.
12. A corporate shareholder being entrusted to attend in a shareholders meeting may designate only one representative to represent it in the meeting. If a corporate shareholder which designates two or more representatives to represent it at the shareholders meeting, only one of the representatives so designated may speak on any one motion.
13. After a shareholder has given a speech, the chairman may personally or designate relevant person to respond.
14. When the chairman considers that the discussion of a motion has reached the extent for making a resolution, he may announce discontinuance of the discussion and submit the motion for resolution, and arrange for an appropriate time for voting.
15. The persons for supervising the casting of votes and the counting thereof for resolutions shall be designated by the chairman, provided, however, that the person supervising the casting of votes shall be a shareholder.
The results of resolution(s) shall be announced in the meeting, and recorded in the meeting minutes.
16. During the proceedings of a meeting, the chairman may consider the schedule and announce for a break.
17. Unless otherwise specifically provided for in the Company Law or the Articles of Incorporation of the Company, resolutions shall be adopted by a majority vote at a meeting attended by the shareholders. During voting, if the committee chair solicits and receives no dissents, the motion is

deemed passed, with equivalent force as a resolution by vote.

18. If there shall be an amendment or alternative to one motion, the chairman may combine the amendment or alternative into the original motion, and determine their orders for resolution. any one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.
19. The chairman may direct disciplinary personnel (or security personnel) to maintain the order of the meeting. For doing so they shall wear a badge bearing the words of "disciplinary personnel".
20. These rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Kwang Ming Silk Mill Co., Ltd.
Article of Incorporation

Amended by the Shareholders' Meeting on May 28, 2024

Chapter 1. General Provision

Article 1 : The Company is organized in accordance with the Company Act, named “Kwang Ming Silk Mill Co., Ltd”.

Article 2 : The Company’s operating business is as follow :

- (1) C302010 fabric mills
- (2) C399990 other textiles and textile products manufacturing
- (3) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (4) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (5) H701020 development, lease and sale of industrial plants
- (6) H703090 real estate trading
- (7) 703100 real estate lease
- (8) C301010 yarn spinning mills
- (9) C801120 Manufacture of Man-made Fibers
- (10) ZZ99999 except licensing business, all business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3 : The Company established the head office in Taipei City, shall establish domestic and overseas branches approved by the solution of board of directors when it’s necessary.

Chapter 2. Shares

Article 4 : The Company’s total capital was set as NT\$ 600 million, separated into 60 million shares, the price per share was NT\$10, and were issued by authorized board of directors in several times. The exemption from printing share certificates for the aforementioned shares shall be in accordance with the provisions of the Company Law of the R.O.C. and other relevant laws and regulations.

Article 5 : The transfer of stock is closed until 60 days prior to the date of the regular stockholders' meeting, 30 days prior to the date of the extraordinary stockholders' meeting, or 5 days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Chapter 3. Shareholders’ meeting

Article 6 : Shareholders' meetings have two kinds: regular meetings and special meetings. Regular meetings are convened at least once a year, within six months after the end of each fiscal year. Special meetings shall be convened when necessary.
Unless otherwise provided for in the Company Law, the previous shareholders' meeting shall be convened by the Board of Directors.

Article 7 : In accordance with Article 177 of the Company Act, the method for shareholders to present proxies shall be in accordance with the Rules Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the competent authorities.

Article 8 : The shareholders of the Company shall have one vote per share, unless otherwise provided by law.

Article 9 : Unless otherwise provided for in the Company Act, resolutions of the shareholders' meeting shall be approved by a majority of the shareholders representing a majority of the total number of issued shares present and voting rights of the shareholders present.

Article 10 : Unless otherwise provided by the Company Act, a shareholders' meeting shall be chaired by the Chairman of the Company. If the Chairman is on leave of absence or is unable to exercise his or her duties for any reason, his or her proxy shall act in accordance with Article 208 of the Company Act.

Chapter 4. Directors

Article 11 : The Company has five to nine directors, who are elected for a term of three years under a candidate nomination system, and are elected by the shareholders from a list of candidates, and are eligible for re-election.

The number of independent directors shall not be less than three and shall not be less than one-fifth of the total number of directors. The professional qualifications, shareholding, restrictions on concurrent positions, nomination and selection methods, and other matters to be complied with by the independent directors shall be in accordance with the relevant regulations of the securities authorities.

In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee composed of all independent directors. The exercise of the Audit Committee's authority and other matters of compliance shall be governed by the relevant laws and regulations or the Company's bylaws.

The Company may purchase liability insurance for its directors.

Article 12 : The Board of Directors is organized by the directors, and a chairman is elected by and from among the directors by a two-thirds majority of the directors present and a majority of the directors present, and represents the Company externally.

The preparation and distribution of notices of convocation and minutes of meetings of the Board of Directors shall be in accordance with the provisions of the Act and shall be done by electronic transmission.

Article 13 : The chairman of the board of directors shall be the chairman of the board of directors of the Company. If the chairman of the board of directors is on leave of absence or is unable to exercise his/her duties for any reason, his/her proxy shall be in accordance with the provisions of Article 208 of the Company Act.

Article 14 : A Director may authorize in writing another Director to attend on his behalf at a meeting of the Board but shall in each case issue a proxy stating the scope of the authorization and shall be limited to one proxy.

Article 15 : The remuneration of the directors of the Company shall be authorized to be determined by the Board of Directors after considering the Company's long-term operating results and business risks, and by making reference to the level of the industry.

Chapter 5. Managerial Officer

Article 16 : The Company may establish a manager, whose appointment, termination, and compensation shall be governed by the provisions of Article 29 of the Company Act.

Chapter 6. Accounting

Article 17 : The company shall use the fiscal year-end as the closing period. The Board of Directors shall prepare the following documents: (1) Business Report, (2) Financial Statements, and (3) Proposals for Profit Distribution or Loss Compensation, among other relevant reports. These documents shall be submitted for approval at the Annual General Meeting of Shareholders in accordance with legal procedures.

Article 18 : The Company shall set aside 1% to 5% of the Company's annual profits as employees' remuneration, which shall be distributed in the form of stock or cash as resolved by the Board of Directors, and the target recipients may include employees of controlled or subordinate companies who satisfy certain conditions, and the conditions and manner of distribution shall be authorized to be resolved by the Board of Directors. The Board of Directors is authorized to approve the method of distribution; the Company may distribute up to 5% of the above profits as remuneration to the directors as approved by the Board of Directors. The distribution of employees' and directors' remuneration shall be reported to the shareholders in the shareholders' meeting.

If the Company has accumulated losses, the Company shall retain the amount to cover such losses in advance, and then make contributions to employees' and directors' remuneration in accordance with the aforementioned ratio.

The appropriation of the Company's earnings or losses may be made after each semi-annual fiscal year-end.

If the Company has a surplus in its annual accounts, in addition to paying taxes and making up for past losses in accordance with the law, 10% of the legal reserve should be appropriated first, followed by the appropriation or reversal of the special reserve in accordance with the law, and then the remainder, together with the undistributed earnings at the beginning of the same period, should be appropriated as dividends and bonuses, or as a distribution of all or a portion of the legal reserve and the capital surplus by a resolution of the Board of Directors. If the distribution is to be made in the form of cash, the Board of Directors is authorized to distribute such dividends and bonuses or all or a portion of the legal reserve and capital surplus in the form of cash by the Board of Directors in the presence of at least two-thirds of the directors and with the approval of a majority of the directors present, and to report the same to the shareholders in the shareholders' meeting.

The Company will consider the environment and growth stage of the Company, taking into account future capital requirements and long-term financial planning, and to satisfy the shareholders' demand for cash inflow, the amount of shareholders' dividend should not be less than 10% of the current year's distributable earnings, and the cash dividend should not be less than 50% of the total amount of the dividend.

Chapter 7. Supplemental Provisions

Article 19 : The Company may invest more than 40% of the paid-in capital and authorize the Board of Directors to execute such investment.

The Company may provide endorsement and guarantee for external investments in connection with its business or investment.

Article 20 : Unsettled affairs of the Articles of Incorporation shall be handled in accordance with the Company Act and related decrees.

Article 21 : The Articles of Incorporation was drawn up on May 26, 1966

The 1st amendment was made on May 10, 1968

The 2nd amendment was made on August 20, 1968

The 3rd amendment was made on August 20, 1974

The 4th amendment was made on January 10, 1976

The 5th amendment was made on July 15, 1978

The 6th amendment was made on August 10, 1981

The 7th amendment was made on May 18, 1982

The 8th amendment was made on December 10, 1983

The 9th amendment was made on January 3, 1987
The 10th amendment was made on April 10, 1991
The 11th amendment was made on May 7, 1997
The 12th amendment was made on May 28, 1998
The 13th amendment was made on May 11, 2000
The 14th amendment was made on June 18, 2002
The 15th amendment was made on April 14, 2006
The 16th amendment was made on May 15, 2007
The 17th amendment was made on June 16, 2009
The 18th amendment was made on June 9, 2010
The 19th amendment was made on June 9, 2011
The 20th amendment was made on December 23, 2013
The 21st amendment was made on November 27, 2015
The 22nd amendment was made on June 20, 2016
The 23rd amendment was made on June 5, 2019
The 24th amendment was made on June 4, 2020
The 25th amendment was made on August 4, 2021
The 26th amendment was made on June 23, 2022
The 27th amendment was made on May 28, 2024

Kwang Ming Silk Mill Co., Ltd.
Procedures for Election of Directors

Amended by the Shareholders' Meeting on June 23, 2022

Article 1 : Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.

Article 2 : The overall composition of the board of directors shall be taken into consideration in the selection of the Company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 3 : The qualifications and election for the independent directors of the Company shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

Article 4 : Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and procedures of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the Company's articles of incorporation, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

- Article 5 : The cumulative voting method shall be used for election of the directors at the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 6 : The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 7 : The directors of the Company shall be elected in accordance with the number of positions stipulated in the Company's Articles of Incorporation. The voting rights of independent directors and non-independent directors shall be counted separately. Candidates who receive the highest number of votes representing voting rights shall be elected in order of their categories. If two or more candidates receive the same number of votes and the number of candidates exceeds the number of positions to be elected, lots shall be drawn to determine the successful candidate. If any candidate is absent, the Chairman shall draw lots to determine the candidates.
- Article 8 : Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 9 : A ballot is invalid under any of the following circumstances:
1. The ballot was not prepared by a person with the right to convene.
 2. A blank ballot is placed in the ballot box.
 3. The writing is unclear and indecipherable or has been altered.
 4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 5. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 10 : The voting results shall be announced on the site by the Chairman of the Board of Directors.
- The ballots of the previous election shall be sealed and signed by the scrutineers and kept in a safe place for at least one year. However, if a shareholder has filed a lawsuit, the ballot shall be kept until the lawsuit is concluded.
- Article 11 : These procedures shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

【Appendix 4】

Kwang Ming Silk Mill Co., Ltd.
Shareholdings of All Directors

Book closure date : March 30, 2024

1. As of the book closure date for this shareholders' meeting, the total issued shares by the Company is 40,455,000.
2. Minimum statutory shareholding required for all directors: 3,600,000 shares.
3. Since the Company has established an Audit Committee, the statutory shareholding requirement for supervisors is not applicable. °

Unit: Share

Title	Name	Date elected	Shareholding when elected	Current shareholdings
Chairman	Yi Jinn Industrial Co., Ltd. Representative: Chan, Cheng-Tien	June 23, 2022	15,586,193	15,586,193
Director	Yi Jinn Industrial Co., Ltd. Representative: Huang, Li-Hsuan	June 23, 2022	15,586,193	15,586,193
Director	Cheng, Yu-Jing	June 23, 2022	0	0
Director	Li, Yeh-Chen	June 23, 2022	946,000	725,000
Director	Fangzhou Asset Management Co., Ltd. Representative: Chin, Chien-Chang	June 23, 2022	700,165	600,165
Director	Chan, Yi-Chin	June 23, 2022	0	0
Independent Director	Yang, Hsiao-Chin	June 23, 2022	0	0
Independent Director	Liu, Yung-Fu	June 23, 2022	0	0
Independent Director	Hsu, Chi-Sheng	June 23, 2022	0	0
Total shareholding by all directors			17,232,358	16,911,358