

--Important Disclaimer--

For the convenience of readers, the procedure, agenda, attachments, and appendix of Jinli Group Annual Shareholders' meeting have been translated into English from the original Chinese version prepared and used in Taiwan. 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 version shall prevail.

JINLI GROUP
Stock Code : 8429

JINLI GROUP HOLDINGS Limited

Annual Report 2024 (Translation)

Jinli Group annual report is available at :

<http://mops.twse.com.tw>

<http://www.jinligroup.com.tw>

Printed on May 23, 2025

I. Name, Title, Contact Number and Email Address of Spokesperson, Deputy Spokesperson:

<u>Spokesperson</u>		<u>Deputy Spokesperson</u>	
Name	: CHONG Chun Lung	Name	: Simon POON
Title	: Chairman of the Board / Spokesperson	Title	: Chief Financial Officer / Corporate Governance Officer
Tel	: (886)7-322-3642	Tel:	: (886)7-322-3642
Email	: lung555@jinligroup.com.tw	Email	: simonpoon@jinligroup.com.tw

II. Address, Contact Number of Headquarters, Branch Office and Factory

Headquarter : Jinli Group Holdings Limited (Cayman)
Address : PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
Tel : (852) 3707 1812

Subsidiary : Jinli Group Holdings Limited (Bermuda)
Address : Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
Tel : (852) 3707 1812

Subsidiary : Leads Biotechnology Limited
Address : 11F, No. 189, Bo'ai 1st Rd., Sanmin Dist., Kaohsiung City 807363 ,
Taiwan (R.O.C.)
Tel : (886)7-322-3642

Subsidiary : Topoint Group Limited
Address : P.O. Box 933, 3rd Floor, Omar Hodge Building, Wickhams Cay 1, Road
Town, Tortola, British Virgin Islands
Tel : (852) 3707 1812

Subsidiary : Dragon Flair Limited
Address : P.O. Box 933, 3rd Floor, Omar Hodge Building, Wickhams Cay 1, Road
Town, Tortola, British Virgin Islands
Tel : (852) 3707 1812

Subsidiary : Gold Apple (HK) Int'l Trading Co. Limited

Address	: Room 803, 8th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Tel	: (852) 3707 1812
Subsidiary	: Million Win Creation Limited
Address	: Room 803, 8th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong
Tel	: (852) 3707 1812
Subsidiary	: Gold Apple (China) Co., Ltd
Address	: Shuanggou Industrial Zone, Meiling Street, Jinjiang City, Fujian Province, China
Tel	: (86) 595-85655777
Subsidiary	: Aiqi (Fujian) Shoes Model Co., Ltd
Address	: Shuanggou Industrial Zone, Meiling Street, Jinjiang City, Fujian Province, China
Tel	: (86) 595-85655777
Subsidiary	: Changtai Gold Apple Co., Ltd (China)
Address	: Xingtai Industrial Park, Changtai Economic Development Zone, Zhangzhou City, Fujian Province, China
Tel	: (86) 595-85655777
Office	: Jinli Group Holdings Limited (Cayman) – Taiwan Office
Address	: 11F, No. 189, Bo'ai 1st Rd., Sanmin Dist., Kaohsiung City 807363 , Taiwan (R.O.C.)
Tel	: (886)7-322-3642

III. Names, Titles, Contact numbers and E-mail Address of Litigation, Non-litigation Agents in the Republic of China (Domestic Designated Agent):

Name: Tsai Yunglung Title: Director of the Company

Phone: (886)7-322-3642

Email: ron720917@gmail.com

IV. Name of Entities, Address, Website URL, and Contact Number of Handling Stock Transfers

Name of Entity: Sinopac Securities Co., Ltd.- Stock Affairs

Website: <http://www.sinopacsecurities.com>

Address: 3F, 17 Bo-Ai Road, Taipei Phone: (02)2381-6288

V. Name of Certified Public Accountants, Firm, Address, Website, and Contact Number of Most Recent Annual Report

Name of Firm: ShineWing Taiwan

Accountant: Alex Kuo, Zoe Chen

Address: 11F., No. 1, Sec. 4, Nanjing E. Rd., Songshan Dist., Taipei City 105609 , Taiwan (R.O.C.)

Website: <http://www.swtw.com.tw/>

Phone: (886) 2- 7706 4888

VI. Name of stock exchange for overseas securities, and method of inquiry for overseas securities information:

None

VII. Corporate website:

<http://www.jinligroup.com.tw>

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I. Letter to Shareholders

Dear Shareholders:

1. 2024 business results, external competition, regulations and general environment

According to the 2024 Statistical Communiqué on National Economic and Social Development released by the National Bureau of Statistics, the income of urban residents will continue to increase in 2024. The per capita disposable income of residents nationwide was CNY41,314, an increase of 5.3% over the previous year, or 5.1% in real terms after deducting price factors. The per capita consumption expenditure of residents nationwide was CNY28,227, an increase of 5.3% over the previous year, or 5.1% in real terms after deducting price factors, and the total retail sales of consumer goods in 2024 reached CNY48.3345 trillion, an increase of 3.5% over the previous year. The global economy in 2024 has experienced a year full of challenges and volatility, mainly affected by the US Federal Reserve's policy changes, inflation trends, unemployment fluctuations, and international policy uncertainty. In 2024, China will face a complex and severe situation of increasing external pressure and internal difficulties, and it will be more difficult for China to operate a stable economy. The competition in China's brand footwear and apparel market is fierce, and the company is transforming and transitioning, changing its products to outsourced production, reducing orders from foreign traders, and mainly selling its own brand products with high gross profit margin. In terms of financial performance, the Company's consolidated revenue for 2024 was NT\$133 million, a decrease of 36.87% from the consolidated revenue of NT\$210 million in 2023. Net loss before tax in FY 2024 was NT\$03 million, a significant decrease from NT\$13 million in FY 2023, and loss per share after tax in FY 2024 was NT\$0.02.

2. Financial Income, Expense and Profitability Analysis

Unit: in thousands of NTD; %

Year		2024	2023	Increase (Decrease) (%)
Category of Analysis				
Profit & Loss	Operating Income	132,576	209,995	(36.87%)
	Operating Gross Profit	22,489	8,413	167.31%
	After-tax Net Profit	(3,353)	(14,483)	76.85%
Profitability	Return Rate of Asset (%)	(0.04)	(0.19)	81.29%
	Return on shareholders' equity (%)	(0.05)	(0.23)	76.71%
	Pre-tax net profit as a percentage of paid-up capital (%)	(0.14)	(0.69)	80.04%
	Net profit rate (%)	(2.53)	(6.90)	63.33%
	Earnings Per Share (NTD)	(0.02)	(0.08)	76.85%

3. Research on the development status and future development strategy of the company

The company currently has three brands, namely G-apple, E.T and MegustaMe, the first two brands are casual footwear and clothing products, and the MegustaMe brand is beauty products. In 2024, due to the adjustment of the real estate market and weak domestic demand, China's economic environment has not yet fully recovered, the Company will consolidate the distribution of casual footwear and apparel brand agents and footwear production, and the company's development will be transformed into an e-commerce sales channel in the future. In terms of new products, especially the demand for youth leisure markets, the Company adjusted the style direction of footwear and reduced the proportion of sports series.

4. 2025 Business Prospects

In 2025, the world has generally entered an interest rate cutting cycle. With the new president of the United States taking office, the United States' domestic and foreign policies will usher in another major shift. Geographical conflict hot spots will continue, and global economic and political uncertainty and instability will intensify. Looking back, the subsequent momentum of China's economic recovery was not as strong as expected. In 2025, it was still affected by factors such as the deep adjustment of the real estate market, weak domestic demand, and low social expectations. The Chinese National

People's Congress also mentioned that this year's GDP growth target is set at around 5%, which is consistent with 2024. Chinese think tanks and international organizations believe that the GDP will be between 4.5% and 5%. According to the forecast of the International Monetary Fund (IMF), the global economic growth in 2025 will be affected by the uncertainty of economic policies in some countries, which will affect the world economic trend. The global economic growth is expected to be 3.3%, but China's GDP growth rate is expected to reach 4.6%, indicating that the Chinese economic market will operate smoothly. This year, the company will focus on online e-commerce, product research and development, design and brand management, and strengthen the development of potential agents to accumulate the company's long-term competitiveness. The Company will maintain a steady pace of sustainable operation and continue to develop new customers, design new products, improve production processes, and create the greatest interests for shareholders. I believe that with the support of all shareholders, the Company's operating performance will once again achieve new heights.

Best regards,

Chong, Chun Lung

Chairman



II. Report on Corporate Governance

2.1 Directors, General Managers, Deputy General Managers, Assistant Managers, and Branch Heads

2.1.1 Directors

2.1.1.1 Name, gender, age, nationality or place of registration education and work experience backgrounds, ownership of shares and nature of shares of directors and supervisors

April 20, 2025

Name	Gender age	Nationality	Title	Date Elected	Term	Date First Elected	Shares held upon Election		Current Shares held		Current Shares held by the Spouse and Minor		Current Shares held in the name of others		Education and Work Experiences	Current Positions in the Company and Other Companies	Remarks		
							Shareholding %	Share	Shareholding %	Share	Shareholding %	Share	Shareholding %	Share			Title	Relationship	
Chong, Chun Lung	M (51-60)	Hong Kong	Chairman	2023/6/21	3 years	2010/12/15	—	1	16.86%	31,308,883	—	—	5.83% (Remark 1)	10,824,408 (Remark 1)	Graduates of Fourth Senior High School of Jinjiang City. General Manager of Jinjiang Shuanggou Longfei Shoe Factory. Vice President of Jinjiang City Footwear Chamber of Commerce. Vice President of Quanzhou Footwear Chamber of Commerce. President of The Young Entrepreneurs Association and the Youth Chamber of Commerce.	Chairman of the Company Chairman of Dragon Million Limited (BVI). Chairman of Jinli Group Holdings Limited (Bermuda). Chairman of Topoint Group Limited (BVI). Chairman of Dragon Flair Limited (BVI). Chairman of Gold Apple (HK) Int'l Trading Co. Limited. Chairman of Million Win Creation Limited. Chairman of Aiqi (Fujian) Footwear Co., Ltd. Chairman of Gold Apple (China) Co., Ltd. General Manager of Jinjiang Aiqi Plastic Products Co., Ltd. Chairman of Changtai Gold Apple Industrial Co., Ltd. Chairman of LEADS BIO CO., LTD.	General Manager of Gold Apple (China) Co., Ltd.	Brothers	—
Chen Honglin	Male (21-30)	China	Director	2023/6/21	3 years	2023/6/21	—	—	—	—	—	—	—	—	Graduates of Xiamen University of Technology. Purchasing Manager of Leading (China) Biotechnology Co., Ltd. Chief Operation Officer of Heyi Advertising Media Co., Ltd. E-Commerce Sales Director of Gold Apple (China) Co., Ltd.	Director and general manager of the Company. E-Commerce Sales Director of Gold Apple (China) Co., Ltd.	—	—	—

Remarks		—	—
Executives, Directors or Supervisors who are spouses or within two degrees of kinship	Relationship	—	—
	Name	—	—
	Title	—	—
Current Positions in the Company and Other Companies		Director of the Company Deputy General Manager, Baumer Industrial Co., Ltd. Management Consultant of Yue Sheng Co., Ltd. Deputy General Manager of Yue Ting Investment Co., Ltd.	Director of the Company. Special Assistant to the Chairman, Asia Plastic Recycling Holding Limited General Manager of Chongzheng Management Consultant Co., Ltd.
Education and Work Experiences		Graduate from International Trade Department of Chinese Culture University. Special Assistant to General Manager, Home Jui International Corp. Manager of Distribution Business Department at Hong Kong Lerado Group. Master of Accountancy from Tamkang University. Manager of Deloitte & Touche Special Assistant to Chairman of Asia Plastic Recycling Holding Limited. General Manager of Chongzheng Management Consultant Co., Ltd.	
Current Shares held in the name of others	Shareholding %	—	—
	Share	—	—
Current Shares held by the Spouse and Minor	Shareholding %	—	—
	Share	—	—
Current Shares held	Shareholding %	—	—
	Share	—	—
Shares held upon Election	Shareholding %	—	—
	Share	—	—
Date First Elected		2023/6/21	2023/6/21
Term		3 years	3 years
Date Elected		2023/6/21	2023/6/21
Gender age		Male (51-60)	Male (51-60)
Name		Tsai Yunglung	Shiue You-Wei
Nationality		Republic of China	Republic of China
Title		Director	Director

Remarks					
Executives, Directors or Supervisors who are spouses or within two degrees of kinship	Relationship				
	Name				
	Title				
Current Positions in the Company and Other Companies					
Education and Work Experiences					
Current Shares held in the name of others	Shareholding %				
	Share				
Current Shares held by the Spouse and Minor	Shareholding %				
	Share				
Current Shares held	Shareholding %				
	Share				
Shares held upon Election	Shareholding %				
	Share				
Date First Elected		2023/6/21		2023/6/21	
Term		3 years		3 years	
Date Elected		2023/6/21		2023/6/21	
Gender age		Male(61-70)		Male(51-60)	
Name		Chen Jinde		Yeh Ming	
Nationality		Republic of China		Republic of China	
Title		Independent Director		Independent Director	

Remarks																	
Executives, Directors or Supervisors who are spouses or within two degrees of kinship	Relationship																
	Name																
	Title																
Current Positions in the Company and Other Companies		Independent Director of the Company. Co-founder of Lingmei (Cosmetics) Fujian Co., Ltd.															
Education and Work Experiences		Dual Degree in Business Administration and Chinese Language and Literature from Hubei University. Deputy General Manager of Xiamen Hongji Weiye Industrial Co., Ltd. Sales channel Director and Retail project Director of Xiamen Seebest Technology Co., Ltd. Marketing Director of Zhejiang Mengna Co., Ltd. Marketing Director of Aipule Technology Co., Ltd. Marketing Director of Yonggaoren Sports Products Co., Ltd. Marketing Director of Joyoye Sports Products Co., Ltd. Marketing Director of Bigwasp Sports Products Co., Ltd. Brand Manager of Xtep (China) Co., Ltd.															
Current Shares held by the Spouse and Minor	Shareholding %																
	Share																
Current Shares held	Shareholding %																
	Share																
Shares held upon Election	Shareholding %																
	Share																
Date First Elected		2023/6/21															
Term		3 years															
Date Elected		2023/6/21															
Gender age		Male(41-50)															
Name		Luo Ping															
Nationality		China															
Title		Independent Director															

Remark 1: Chong, Chun Lung's other shareholdings, are 10,824,408 shareholdings of the Company, gained through Dragon Million (Asia) Limited.

Remark 2: The Company Chairman and the President or manager of equivalent position (the highest manager) are the same person or spouses or of kinship in the first degree, related information regarding the arrangements in terms of reasons, rationale, necessity and response measures shall be provided: None.

2.1.1.2 Major shareholders of the Company's corporate shareholder:

Not applicable. All directors of the Company are not legal representative of shareholders. There is no government agency or single legal entity and its subsidiaries.

2.1.1.3 Major Shareholders as Legal Entities: None.

2.1.1.4 Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Name	Condition	Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors of other public companies
Chong, Chun Lung		● More than five years of work experience required by the Company's business. ● Currently serves as the chairman of Jinli Group Holdings Co., Ltd. ● Served successively as a director of the Company. ● Expertise: marketing and business management. ● None of the items in Article 30 of the Company Law.		0
Chen Honglin		● More than five years of work experience required by the Company's business. ● Currently serving as the general manager of Jinli Group Holdings Co., Ltd.. ● Expertise: marketing and business management. ● None of the items in Article 30 of the Company Law.		0
Tsai Yunglung		● More than five years of work experience required by the Company's business. ● Currently serving as the deputy general manager of Baumer Industrial Co., Ltd. and Yue Ting Investment Co., Ltd. ● Expertise: marketing and business management. ● None of the items in Article 30 of the Company Law.	Not applicable	0
Shiue You-Wei		● More than five years of work experience required by the Company's business. ● Currently serving as the Special Assistant to the Chairman, Asia Plastic Recycling Holding Limited and the general manager of Chongzheng Management Consultant Co., Ltd.. ● Expertise: securities and accounting. ● None of the items in Article 30 of the Company Law.		0

Condition		Professional qualifications and experience (Note 1)	Independence situation (Note 2)	Number of independent directors of other public companies
Name				
Chen Jinde	● More than five years of work experience required by the Company's business.	● Personnel not employed by the Company or its affiliates ● Not a Director or Supervisor of the Company or its affiliates. (However, this does not apply to the circumstance where the person is an Independent Director of the company or its parent company, subsidiary who has more than fifty percent of the total number of outstanding shares are set up according to this Act or local country ordinances). ● Not a natural-person shareholder who holds shares, and not the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings. Not a spouse, second-degree relative or third-degree relative of those listed in the above three items	● Not a Director or Supervisor of the Company or its affiliates. (However, this does not apply to the circumstance where the person is an Independent Director of the company or its parent company, subsidiary who has more than fifty percent of the total number of outstanding shares are set up according to this Act or local country ordinances). ● Not a natural-person shareholder who holds shares, and not the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings. Not a spouse, second-degree relative or third-degree relative of those listed in the above three items	1
	● Currently serving as Senior advisor of Jiu Hua Real Estate Co., Ltd.			
	● Expertise: securities and accounting..			
	● None of the items in Article 30 of the Company Law.			
Yeh Ming	● More than five years of work experience required by the Company's business .	● Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings. ● Not a director, supervisor, manager or a shareholder holding five percent or more of the shares of a company or institution that has a business or financial relationship with the Company. ● Not a Business owner, partner, director, supervisor, manager or professional who provide business, legal, financial, accounting and other services or consulting services for companies or related companies, sole proprietorships, partnerships, companies or institutions. However, the members of the salary remuneration committee that are listed on the stock market or in the establishment of the salary and remuneration committee of the securities company's business premises and the exercise of the powers of the seventh party are not part of such restriction.	● Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings. ● Not a director, supervisor, manager or a shareholder holding five percent or more of the shares of a company or institution that has a business or financial relationship with the Company. ● Not a Business owner, partner, director, supervisor, manager or professional who provide business, legal, financial, accounting and other services or consulting services for companies or related companies, sole proprietorships, partnerships, companies or institutions. However, the members of the salary remuneration committee that are listed on the stock market or in the establishment of the salary and remuneration committee of the securities company's business premises and the exercise of the powers of the seventh party are not part of such restriction.	0
	● Currently serving as the Director of of Everterminal Co., Ltd.			
	● Expertise: business management.			
	● None of the items in Article 30 of the Company Law.			
Luo Ping	● More than five years of work experience required by the Company's business .	● Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. ● Has not been a person of any of the conditions defined in Article 30 of the Company Act. ● Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law. ● Not having any of the conditions defined in Article 30 of the Company Law	● Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. ● Has not been a person of any of the conditions defined in Article 30 of the Company Act. ● Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law. ● Not having any of the conditions defined in Article 30 of the Company Law	0
	● Currently serving as the Co-founder of Lingmei (Cosmetics) Fujian Co., Ltd.			
	● Expertise: marketing and business management			
	● None of the items in Article 30 of the Company Law.			

2.1.1.5 Diversity and independence of the Board of Directors:

A. Diversity of the Board of Directors

The structure of the Company's Board of Directors is based on the scale of the Company's operations and development and the shareholdings of its major shareholders, as well as the operational needs of the Company to determine the appropriate number of directors. In addition to the fact that the number of directors who are also managers should not exceed one-third of the total number of directors, the Board of Directors has also formulated an appropriate diversification policy with respect to its own operation, business model and development needs, which is mainly presented in two major aspects:

- Basic requirements and values: gender, age, nationality and culture.
- Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors as a whole should possess competencies including operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market view, leadership, and decision-making ability.

The Company has actively cooperated with the Financial Supervisory Commission in promoting the five major axes of the Corporate Governance 3.0 blueprint for sustainable development, and has achieved the goals of having no less than one-third of the board of directors as independent directors, setting up a head of corporate governance, taking out directors' liability insurance, and having its quarterly financial statements approved by the audit committee and electronically voted on by the board of directors. The Company has achieved the following major axes. In addition, in line with the policies of the competent authorities, the Company will prepare and file a sustainability report for 2024 starting from 2025, and it is expected that at least one female Director will be appointed during the general re-election of directors in 2026, so as to gradually implement gender diversity and achieve the situation:

management goals	Achievement
The number of independent directors exceeds one third of the number of directors	Reached
Directors who also serve as company managers should not exceed one-third of the number of directors	Reached
Adequate and diverse professional knowledge and skills	Reached

The implementation of diversified Board members is described below:

The implementation of environmental due diligence is described below.																		
Name	Diversified Core	Nation	Gender	Basic component					Term and tenure of independent directors	Professional ability				Industrial experience				
				As an employee	21-30	41-50	51~60	61~70		Less than 3 years	7-9 years	Accounting	Operation and management	Marketing	Investment and M&A	Securities	Finance	Marketing
Director	Chong Chun Lung	HK	Male				V					V				V		V
	Chen Honglin	China	Male	V								V	V			V	V	V
	Tsai Yunglung		Male				V					V				V		V
	Shiue You-Wei	TW	Male				V											V
Independent director	Chen Jinde		Male					V				V				V		V
	Yeh Ming		Male				V					V				V		V
	Luo Ping	China	Male			V						V	V			V	V	V

B. Independence of the Board of Directors:

The current Board of Directors of the Company consists of 7 members, including 3 Independent Directors, 3 Directors without employee status and 1 Director with employee status (42.86%, 42.86% and 14.28% of the total number of directors). The Independent Directors and the exercise of their duties and powers are in compliance with the Securities and Exchange Act and the "Regulations Governing the Establishment and Compliance of Independent Directors of Public Companies". There are no Directors who are related to each other as stipulated in items 3 and 4 of Article 26-3 of the Securities and Exchange Act, i.e., the Directors of the Company are not related to any other directors within the meaning of spouse or consanguineous within the meaning of consanguineous within the meaning of consanguineous within the meaning of spouse or consanguineous within the meaning of second degree of consanguinity.

General Manager, Deputy General Manager, Coordinators, and Branch Heads

April 20, 2025

Title	Nationality	Name	Gender	Date Elected	Current Shares Held		Current Shares Held by the Spouse and Minor		Current Positions in the Company and Other Companies		Education and Work Experiences	Current Positions in the Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
General Manager	China	Chen, Honglin	Male	2023.06	—	—	—	—	—	—	Xiamen University of Technology Purchasing Manager of Leading (China) Biotechnology Co., Ltd. Chief Operation Officer of Heyi Advertising Media Co., Ltd. E-Commerce Sales Director of Gold Apple (China) Co., Ltd.	Director of the Company, E-Commerce Sales Director of Gold Apple (China) Co., Ltd.	—	—	—	—
Chief Accounting Officer and Corporate Governance Officer	Hong Kong	Simon POON	Male	2010.01	—	—	—	—	—	—	Graduated from the Department of Accounting, Shue Yan University, Hong Kong. Audit Manager, BDO Limited Senior Auditor, Philip Poon & Partners CPA Ltd. Member of the Association of International Accountants	—	—	—	—	—
Internal Audit Officer	China	Lian, Hua-Jin	Male	2022.12	—	—	—	—	—	—	Finance Manager of Leads China Bio. Co., Ltd	—	—	—	—	—

Title	Nationality	Name	Gender	Date Elected	Current Shares Held		Current Shares Held by the Spouse and Minor		Current Positions in the Company and Other Companies		Education and Work Experiences	Current Positions in the Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
					Shares	Shareholding %	Shares	Shareholding %	Shares	Shareholding %			Title	Name	Relation	
General Manager of Gold Apple (China) Co. Ltd.	China	Li, Chun Fei	Male	2005.01	9,808.65 ₂	5.28%	—	—	1,336,136 ₆	0.72% (Note 1)	Graduates of Fourth Senior High School of Jinjiang City. Production Manager, Fuqing Jingxin Taiping Shoes Co., Ltd.	Director of Jinli Group Holdings (Bermuda) Limited Director of Dragon Million (Asia) Limited (BVI) Director of Gold Apple (HK) Int'l Trading Co. Limited General Manager of Aiqi (Fujian) Shoes & Plastic Co., Ltd. General Manager, Gold Apple (China) Co., Ltd. Deputy General Manager of Jinjiang Aiqi Plastic Products Co., Ltd.	Chairman	Chong Chun Lung	Second degree relationship	—
Deputy General Manager of Gold Apple (China) Co., Ltd.	China	Chong Jianwei	Male	2005.01	—	—	—	—	—	—	Graduates of Fourth Senior High School of Jinjiang City. Deputy General Manager of Gold Apple (China) Co., Ltd.	—	Chairman	Chong Chun Lung	Second degree relationship	—
Accounting Officer of Gold Apple (China) Co., Ltd.	China	Chen Huanzhang	Male	2017.08	—	—	—	—	—	—	Graduate of Nanping Economic and Trade School. Quanzhou Hongyuan Industry and Trade Co., Ltd. Fujian Eastern Trade Co., Ltd.	—	—	—	—	—

Remark 1: Li, Chun Fei's other shareholdings, are 1,336,136 shareholdings of the Company, gained through Dragon Million (Asia) Limited.

Remark 2: The Company Chairman and the President or manager of equivalent position (the highest manager) are the same person or spouses or of kinship in the first degree, related information regarding the arrangements in terms of reasons, rationale, necessity and response measures shall be provided: None.

2.2 Remunerations of Directors, General Manager, and Deputy General Manager in the Most Recent year
2.2.1 Remunerations of Directors and Independent Directors

Unit: in thousands of NTD

Title	Name	Director's Remuneration						Compensation to a Director Who is an Employee of the Company or Consolidated Entities				Amount and Ratio of Total A, B, C, D, E, F, and G to Net Income				Compensation to Directors from Non-consolidated Affiliates or Parent Company			
		Base Compensation(A)		Pensions(B)		Compensation to Directors(C)		Allowances(D)		Total A, B, C, and D to Net Income		Base Compensation, Bonuses, and Allowances(E)		Pensions(F)			Profit Sharing(G)		
		The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities			The Company	From All Consolidated Entities	
												Cash	Stock (Fair Market Value)	Cash	Stock (Fair Market Value)				
Chairman	Chong Chun Lung	321	321	-	-	-	-	-	-	321	-9.74%	-	2,330	-	-	-	-	321	2,651
Director	Chen Honglin	321	321	-	-	-	-	-	-	321	-9.74%	-	-	-	-	-	-	321	-80.40%
Director	Tsai Yunglung	321	321	-	-	-	-	-	-	321	-9.74%	-	-	-	-	-	-	321	-9.74%
Director	Shiue You-Wei	321	321	-	-	-	-	-	-	321	-9.74%	-	-	-	-	-	-	321	-9.74%
Independent Director	Chen Jinde	321	321	-	-	-	-	-	-	321	-9.74%	-	-	-	-	-	-	321	-9.74%
Independent Director	Yeh Ming	321	321	-	-	-	-	-	-	321	-9.74%	-	-	-	-	-	-	321	-9.74%
Independent Director	Luo Ping	321	321	-	-	-	-	-	-	321	-9.74%	-	-	-	-	-	-	321	-9.74%

Note:

1. Pursuant to Article 30.2 of the Company's Articles of Association, the Directors may be paid remuneration only in cash. The amount of such remuneration shall be determined by the Directors and take into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.

2. Pursuant to Article 34.1 of the Company's Articles of Association, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute 1% or more of the profits for such year to the employees of the Company as the compensation in the form of shares and/or in cash, above and may distribute not more than 2% hereof to the Directors as the compensation.

3. It is distributed as mentioned above are not different from the amount estimated for 2023

4. This case was approved by a resolution of the Board of Directors and reported to the Shareholders' Meeting.

5. Except as disclosed in the table below, the remunerations received by the directors of the Company for services included in the financial statements (e.g. acting as consultants to non-employees, etc.) for the most recent year are as follows: None.

Note:

- Pursuant to Article 30.2 of the Company's Articles of Association, the Directors may be paid remuneration only in cash. The amount of such remuneration shall be determined by the Directors and take into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.
- Pursuant to Article 34.1 of the Company's Articles of Association, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute 1% or more of the profits for such year to the employees of the Company as the compensation in the form of shares and/or in cash, above and may distribute not more than 2% hereof to the Directors as the compensation.
- It is distributed as mentioned above are not different from the amount estimated for 2023
- This case was approved by a resolution of the Board of Directors and reported to the Shareholders' Meeting.
- Except as disclosed in the table below, the remunerations received by the directors of the Company for services rendered to all the companies included in the financial statements (e.g. acting as consultants to non-employees, etc.) for the most recent year are as follows: None.

Remuneration Range Table:

Ranges of remuneration paid to each of the Company's Directors	Name of Director(s)			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 8 items (A+B+C+D+E+F+G+H)	
	The Company	All consolidated entities	The Company	Parent Company and all consolidated entities
Less than TWD1,000,000	Chong Chun Lung, Chen Honglin, Tsai Yunglun, Shiue You-Wei, Chen Jinde, Yeh Ming, Luo Ping	Chong Chun Lung, Chen Honglin, Tsai Yunglun, Shiue You-Wei, Chen Jinde, Yeh Ming, Luo Ping	Chong Chun Lung, Chen Honglin, Tsai Yunglun, Shiue You-Wei, Chen Jinde, Yeh Ming, Luo Ping	Chen Honglin, Tsai Yunglun, Shiue You-Wei, Chen Jinde, Yeh Ming, Luo Ping
TWD1,000,000 (incl.) to TWD2,000,000 (excl.)	—	—	—	—
TWD2,000,000 (incl.) to TWD3,500,000 (excl.)	—	—	—	Chong Chun Lung,
TWD3,500,000 (incl.) to TWD5,000,000 (excl.)	—	—	—	—
TWD5,000,000 (incl.) to TWD10,000,000 (excl.)	—	—	—	—
TWD10,000,000 (incl.) to TWD15,000,000 (excl.)	—	—	—	—
TWD15,000,000 (incl.) to TWD30,000,000(excl.)	—	—	—	—
TWD30,000,000 (incl.) to TWD50,000,000(excl.)	—	—	—	—
TWD50,000,000 (incl.) to TWD100,000,000(excl.)	—	—	—	—
More than TWD100,000,000	—	—	—	—
Total	7 people	7 people	7 people	7 people

2.2.2 Remunerations of Supervisors: Not Applicable.

2.2.3 Remunerations of General Manager and Deputy General Manager

Unit: in thousands of NTD

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income after tax (%) (Note 4)		Remuneration received from investee enterprises other than subsidiaries or parent company
		The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company	All companies in the consolidated financial statement	The Company		All companies in the consolidated financial statement		The Company	All companies in the consolidated financial statement	
								Cash	Stock	Cash	Stock			
General Manager	Chen Honglin													
Chief Accounting Officer and Corporate Governance Officer	Simon POON	-	4,828	-	-	-	-	-	-	-	-	-	4,828 (-143.99%)	-
Internal Audit Officer	Lian, Hua-Jin													
Deputy General Manager, Gold Apple (China) Co., Ltd	Chong Jianwei													

Remuneration Range Table

Tiers of remuneration paid to each General Manager and Deputy General Manager		Name of the General Manager and Deputy General Manager	
		The Company	All companies in the consolidated financial statement (E)
Less than TWD1,000,000		—	Chen, Honglin, Chong Jianwei
TWD1,000,000 (incl.) to TWD2,000,000 (excl.)		—	Li, Chun Fei, Simon POON
TWD2,000,000 (incl.) to TWD3,500,000 (excl.)		—	—
TWD3,500,000 (incl.) to TWD5,000,000 (excl.)		—	—
TWD5,000,000 (incl.) to TWD10,000,000 (excl.)		—	—
TWD10,000,000 (incl.) to TWD15,000,000 (excl.)		—	—
TWD15,000,000 (incl.) to TWD30,000,000(excl.)		—	—
TWD30,000,000 (incl.) to TWD50,000,000(excl.)		—	—
TWD50,000,000 (incl.) to TWD100,000,000(excl.)		—	—
More than TWD100,000,000		—	—
Total		—	4 people

2.2.4 Comparison and explanation of the total remuneration paid to the company's directors, supervisors, general managers, and deputy general managers in the past two years in the company's and consolidated financial statements, as a percentage of the after-tax net profit, and explanation of the policy, standards, and combination of remuneration, the process of determining remuneration, and the relationship between business performance and future risks:

2.2.4.1 Analysis of the proportion of the total remuneration paid to the Company's directors, supervisors, general managers, and deputy general managers in the past two years in the Company's and consolidated financial statements as a percentage of the after-tax net profit

Unit: in thousands of NTD

Category	Consolidated Statement			
	2024		2025	
	Amount	%	Amount	%
Directors	4,578	(138.85)	6,625	(47.44)
General Manager and Deputy General Manager	4,828	(146.44)	2,252	(16.13)
Net Income(loss) after tax	(3,297)	100.00	(13,965)	100.00

Explanation of increase and decrease change analysis:

The total remuneration for Directors, General Manager, and Deputy General Manager in 2024 accounted for a higher percentage of net loss after tax compared to 2023. This is mainly due to the transition period during the transformation in 2024, the outsourcing of production, a decrease in net losses, and changes in the positions of directors and the general manager following the board election in 2023.

2.2.4.2 The policy, standards, and combination of remuneration, the process of determining remuneration, and the relationship between business performance and future risks:

- The Company has set up a compensation committee, consisting of all independent directors, responsible for formulating and reviewing policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers, as well as periodically evaluating and determining their remuneration.
- According to Article 30.2 of the Company's Articles of Association, director compensation can only be paid in cash. The amount of compensation should be determined by the Board of Directors, taking into account the scope and value of the director's services to the Company and the level of compensation paid to peers in domestic and overseas industries. In accordance with Article 4.2.2 of the organization regulations of the compensation committee, the compensation paid should be based on the usual level of compensation in the industry, the time and responsibilities invested by the individual, the achievement of personal goals, performance in other positions, the compensation paid to individuals in similar positions by the Company in recent years, and the evaluation of individual performance, company business performance, and future risks based on the company's short-term and long-term business objectives and financial condition.
- The manager's salary and compensation are based on the current scale of the Company's operations and the past salary and compensation distribution.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

The Board of Directors held 6 【A】 meetings in the most recent year. The attendance of Directors is as follows:

Position	Name	Actual Attendance 【B】	Attendance by Proxy	Actual Attendance Rate(%) 【B/A】	Remark
Chairman	Chong, Chun Lung	6	0	100%	Note : The in-person attendance rate shall be calculated based on the number of Board meetings held and the number of times each Director has attended during their term of office.
Director	Chen Honglin	6	0	100%	
Director	Tsai Yunglung	6	0	100%	
Director	Shiue You-Wei	5	1	83%	
Independent Director	Chen Jinde	6	0	100%	
Independent Director	Yeh Ming	6	0	100%	
Independent Director	Luo Ping	6	0	100%	

Other notes:

1. For Board of Directors meetings that meet any of the following descriptions, shall state the date, session, the discussed topics, Independent Directors' opinions and how the company has responded to such opinions:

(1) Conditions described in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established the Audit Committee. Regarding the matters described in Article 14-5 of the Securities and Exchange Act, please refer to the operation of the Audit Committee.

(2) Any other documented objections or qualified opinions raised by Independent Directors against the resolutions by Board of Directors in relation to matters other than those described above: None.

2. Regarding the execution of recusal by Director(s) from motions involving conflict of interest, shall state

the name(s) of Director(s), the content of the resolution, the reason(s) for recusal due to conflicts of interest and the participation of voting for the resolution.

Meeting Held On	Content of resolution	Name of Director(s) of Recusal	Reason of recusal	Participation of voting for the resolution
2024/6/11	Group company funds loan	Chong, Chun Lung	Served as the Chairman of the subsidiary	The relevant Directors recused themselves from the discussion and voting due to the conflict of interest. The resolution was adopted after the convener solicited opinions from the rest of the Directors present and received no objections. None
2024/8/28	Group company funds loan and lease contract of right-of-use asset to related party	Chong, Chun Lung	Served as the Chairman of the subsidiary	
2024/12/18	2025 Board of Directors Remunerations	Chong, Chun Lung and other Directors	Discussion of disbursement amount for themselves	
2025/3/11	2024 Board of Directors Remunerations	Chong, Chun Lung and other Directors	Discussion of disbursement amount for themselves	
2025/5/6	Group company funds loan	Chong, Chun Lung	Served as the Chairman of the subsidiary	

3. Public listed companies shall disclose the frequency and timing of self-evaluation (or peer evaluation), scopes, methodology and content of assessment conducted by the Board of Directors, as well as the implementation status for self-evaluation of the Board of Directors.

The Board adopted a resolution for the establishment of “Procedures of Performance Evaluation of the

Board of Directors and Functional Committees”. In February 2025, the performance evaluation for 2024 has been completed and reported to the Board:

Nature	Assessment duration	Evaluation period	Scope of assessment	Assessment method	Results of evaluation
The Board of Directors	At the end of each year.	2024.1.1-2024.12.31	Internal self-assessment of the board of directors, self-assessment of board members, and peer evaluation	Performance evaluation indicators for the Board of Directors: 1.Degree of participation in company Operations 2. Improving the quality of Board decision-making 3.Composition and structure of the Board 4.Selection and ongoing education of Directors	Above standard

					5. Internal control Performance assessment measurement items for Board members (self or peer): 1.Understanding the company's goals and missions 2.Understanding of Board Responsibilities 3.Degree of participation in company Operations 4.Internal relationship management and communication 5.The professionalism and continuing education of directors 6.Internal control Items for the Performance Evaluation of Functional Committees: 1.Degree of participation in company Operations 2.Awareness of the responsibilities of the functional committee 3. Improving the quality of functional committee decision-making 4. Composition of Functional Committees and Member Selection 5. Internal control	
--	--	--	--	--	--	--

4.The goals for strengthening the functions of the Board of Directors in the current and most recent year (such as establishing an Audit Committee, improving information transparency, etc.) and the evaluation of their implementation:

- (1) The company has established an Audit Committee (established in 2014) and a Remuneration Committee (established in 2014).
- (2) Board Meeting Efficiency and Evaluation: Our company has established 'Rules of Procedure for Board Meetings.' Board meetings are held in accordance with these regulations and current laws, and the attendance of our company's Directors and Independent Directors is good.
- (3) Board Continuing Education: Encourage board members to continue their education to continuously enrich their knowledge. The total continuing education hours for all board members in 2024 is 42 hours.
- (4) Improve information transparency: Our company values the interests of investors and stakeholders. After each board meeting, we promptly announce important resolutions made during the meeting and participate in corporate briefings on an irregular basis.

- (5) Director's liability insurance: In order to protect the risks that directors and managers undertake while executing their duties, our company purchases "Directors and Officers Liability Insurance" for Directors and managers every year.
- (6) Our company completed the revision of relevant laws or regulations in 2024 as follows: 'Measures for the Exercise of Powers by the Audit Committee', 'Rules of Procedure for the Board of Directors', 'Measures for the Establishment and Exercise of Powers by the Board of Directors', 'Sustainable Development Practice Guidelines', 'Risk Management Policies and Procedures', 'Organization Regulations for the Audit Committee', 'Corporate Governance Practice Guidelines', 'Articles of Incorporation', and 'Internal Control System'.
- (7) The Board of Directors is scheduled for a complete re-election in 2026, and will plan in advance for female director nominees to establish a Board with the necessary expertise and practical experience, ensuring sustainable operations.
- (8) In order to establish a comprehensive risk management system and achieve sustainable business objectives, our company has set the 'Risk Management Policies and Procedures' on November 12, 2024, which will be overseen by the Audit Committee.

The Company conducts training courses for Directors and encourages Directors and managers to participate in corporate governance. The training in 2024 is as follows :

Position	Name	Course date	Organizer	Course Title	Course hours
Chairman	Chon, Chun Lung	2024/12/18	Taiwan Corporate Governance Association	Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3
Director	Chen Honglin			Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3
Director	Tsai Yunglung			Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3
Director	Shiue You-Wei			Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3
Independent Director	Chen Jinde			Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3
Independent Director	Yeh Ming			Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3
Independent Director	Luo Ping			Strategies and Compliance Issues in Non-Conventional Mergers and Acquisitions	3
				Management Rights Controversy and Case Analysis	3

2.3.2 Implementation status of Audit Committee

The Audit Committee consists of three members, all of whom are independent directors, with two of them being financial experts. They hold regular meetings each quarter before the Board of Directors to review the Company's internal control systems and the execution of internal audits, as well as significant financial

activities. They also communicate and exchange ideas with the certified public accountants to effectively supervise the Company's operations and risk management. The Audit Committee held 6 【A】 meetings in the most recent fiscal year. The attendance of Independent Directors is as follows.

Position	Name	Actual Attendance 【B】	Attendance by Proxy	Actual Attendance Rate(%) 【B/A】	Remark
Director	Chen Jinde	6	0	100%	—
Director	Yeh Ming	6	0	100%	—
Director	Luo Ping	6	0	100%	—

Other notes:

1.If any of the following circumstances exists, specify the Audit Committee meeting date, meeting session number, content of the motion(s), the content of any objection or qualified opinion or significant recommendation of the Independent Directors, the outcomes of Audit Committee resolutions, and the measures taken by the Company based on the opinions of the Audit Committee:

(1)Any matter under Article 14-5 of the Securities and Exchange Act:

Audit Committee	Date/Session	Content	Objections, qualified opinion or significant recommendations	Resolution	The Company’s action on the Audit Committee’s opinions
2024/6/11	The 7th meeting, 2024, the 5th Term	Group company funds loan	None	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.	The resolution was adopted after the convener solicited opinion from the attending members and received no objection.
2024/8/28	The 8th meeting, 2024, the 5th Term	2024 Q2 financial reports	None		
		Group company funds loan			
		Lease contract of right-of-use asset to related party			
2024/11/12	The 9 th meeting, 2024, the 5 th Term	2024 Q3 financial reports	None		
		Amendments to the “Internal Control System” and “Implementation Rules of Internal Audit”			
		Amendments to the "Audit Committee Organization Regulations," "Risk Management Policies and Procedures," and "Corporate Governance Practice Code".			
2024/12/18	The 10 th meeting, 2024, the 5 th Term	The internal audit plan for 2025	None		
		Assessment of the independence, competence and fees of the auditing CPAs.			
2025/03/11	The 11 th meeting, 2025, the 5 th Term	2024 financial reports and business reports	None		
		2024 Deficit Compensation Proposal			
		2024 statement of internal control system			

		Amendment “ARTICLES OF ASSOCIATION” of the Company			
2024/5/6	The 12 th meeting, 2025, the 5 th Term	2025 Q1 financial reports	None		
		Group company funds loan			

(2) Besides the aforementioned matters, other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all directors: None.

2. Regarding the execution of recusal by Independent Director(s) from motions involving conflict of interest, shall state the name(s) of Independent Director(s), the content of the resolution, the reason(s) for recusal due to conflicts of interest and the participation of voting for the resolution: None.

3. Communication between the Independent Directors and Internal Audit Officer and CPAs (shall include the major issues, methods and results of the company's financial and business conditions).

(1) By the end of the following month after completing the audited items, the Internal Audit Officer shall submit an written audit report to the Independent Directors. Should the Independent Directors require clarification of the audit and follow-up actions, they may contact the Internal Audit Officer at any time.

(2) The Internal Audit Officer and the Independent Directors shall hold at least one meeting every quarter, reporting the execution of internal audit and the operating status of internal control.

(3) If there are business needs, the audit supervisor and accountant shall submit a written report or explain orally to the members of the audit committee.

(4) Summary of the communication status and key communication matters between independent directors and CPAs:

Date	Communication Items	Communication Result
2024/08/28	Reporting of consolidated financial report and internal control conducted in Q2 2024	There were no objections or other instructions after all the Independent Directors reviewed.
2025/03/11	Reporting of consolidated financial report and internal control conducted in 2024	

(5) Summary of the communications between Independent Directors and Internal Audit Officer:

Date	Communication Items	Communication Result
2024/06/11	Reporting of internal audit conducted in May, 2024	There were no objections or other instructions after all the Independent Directors reviewed.
2024/08/28	Reporting of internal audit conducted in June and July, 2024	
2024/11/12	Reporting of internal audit conducted in August and September, 2024	
2024/12/18	Reporting of internal audit conducted in October and November, 2024	
	2025 internal audit plan	
2025/03/11	Reporting of internal audit conducted in December, 2024	
	2024 Internal Control Statement	
2025/05/06	Reporting of internal audit conducted in Q1, 2025	

2.3.3 Corporate Governance Implementation Status and Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the Reasons

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in the Company's Practice and Rules of Governance for Listed Company
	Y	N	Summary	
1.Has the Company established and disclosed its Corporate Governance Best Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”?	V		The company has currently established a corporate governance code and, in line with this code, is strengthening its internal control system, enhancing information transparency to protect the rights of shareholders and stakeholders, which will be disclosed on our company website. http://www.jinligroup.com.tw .	No major difference
2.Shareholding Structure and Shareholders' Equity				
(1)Does the Company have Internal Operation Procedures for handling shareholders' suggestions, queries, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		(1)The Company has a dedicated person and e-mail address to handle shareholder suggestions, doubts, disputes and litigation matters, and implement it according to procedures.	No major difference.
(2)Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2)The Company has appointed a share administration agency to renew register of shareholders and register of major shareholders periodically to closely monitor the list of shareholder(s).	No major difference.
(3)Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3)The Company has established the "Operating Procedures for Financial Business Related to Affiliated Enterprises", the "Operating Procedures for Transactions between Group Enterprises, Specific Companies and Related Parties", the "Measures for the Supervision and Administration of Subsidiaries", the "Operating Procedures for Lending Funds to Others", and the "Operating Procedures for Endorsement and Guarantee", and has implemented risk control and firewall mechanisms.	No major difference.
(4)Has the Company established internal rules prohibiting insider trading against non-public information?	V		(4)The Company has established “Internal Major Information Processing and Prevention of Internal Transactions Management Operation Procedures”, which prohibits insiders from using market unpublished information to buy and sell securities. When the new directors and managers take office, the company also provides relevant normative information for publicity, and reminds the precautions involved in insider trading.	No major difference.
3.Composition and responsibilities of the Board of Directors				
(1)Has the Board of Directors established a diversity policy, set specific management objectives and have them been fully implemented?	V		(1)Article 20 of the Company's “Code of Corporate Governance Practices” specifies the policy of diversity in the composition of the Board of Directors, and that members of the Board of Directors should generally possess the knowledge, skills, and qualities necessary for the performance of their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should possess the following competencies: (1) Operational judgment (2) Accounting and financial analysis (3) Business management (4) Crisis management (5) Industry knowledge (6) International market view (7) Leadership (8) Decision-making ability. The current composition of the Board of Directors of the Company includes professionals from diverse fields such as business administration, industry, and law, etc. Currently, each of the Company's directors and independent directors possesses a wealth of academic experience and a diversified composition, and the specific management objective of “no more than one-third of the directors who are also managers of the Company” enables the Company to fulfill its operational decision-making and supervisory	No major difference.

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in the Company's Practice and Rules of Governance for Listed Company
	Y	N	Summary	
(2)Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee? (3)Will the Company formulate rules governing performance assessment of the board of directors, conduct periodic performance assessment annually and submit results of such performance assessment to the board of directors and reference such result in determining salary and remuneration payment and nomination for consecutive terms of the individual directors? (4)Does the Company regularly evaluate its external auditors' independence?		V	functions. Please refer to "Implementation of Diversity in the Board of Directors". (2)Currently, the Company only sets up the Remuneration Committee and the Audit Committee. (3)On March 27, 2020, the Company established a Board of Directors' self-assessment or peer review methodology to conduct an internal board of directors' performance evaluation at the end of each year, with the evaluation period starting from January 1 and ending on December 31 of the current year. In addition, a Compensation Committee has been established to review the performance of directors and managers on a regular basis and to revise the policies, systems, standards and structure of compensation based on their performance evaluation. The results of the performance evaluation will be reported to the Board of Directors at that time and will be used as a reference for the compensation and nomination for reappointment of individual directors. (4)The Audit Committee of the Company evaluates the qualifications and independence of the certified public accountants annually and draws up the evaluation items with reference to the contents of the "ROC Statement of Ethics for Certified Public Accountants" (No. 10). In addition to obtaining a statement of independence from the certified public accountants, the Committee confirms that the certified public accountants do not hold any shareholdings in the Company and do not concurrently perform any duties for the Company, and submits the results of the evaluation to the Board of Directors.	it will be re-evaluated according to the needs of the company. No major difference. No major difference.
4.Does the TWSE/TPEX listed companies have Competent and appropriate number of corporate governance personnel that specializes (or is involved) in corporate governance and appoint management for corporate governance (including but not limited to providing information necessary for directors and supervisors to perform their duties, assist directors and supervisors to comply with the laws and regulations, organizing board meetings and general shareholders' meetings, and compiling minutes of board meetings and general shareholders' meetings)?	V		4.In accordance with the provisions of the Code of Corporate Governance Practices, the Company has appointed the Group Chief Financial Officer, Simon Poon, who is also the Head of Corporate Governance, to be responsible for the following: (1)To handle matters related to the board of directors, shareholders' meeting, and the press conference in accordance with the law, and to disseminate significant information. (2)Assisting directors in complying with laws and regulations, carrying out their duties and arranging for directors' training courses. (3)Report to the Board of Directors the results of the performance evaluations of the members of the Board of Directors, the Board of Directors, the Audit Committee, and the Compensation Committee in accordance with the "Regulations Governing the Evaluation of the Performance	No major difference.

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in the Company's Practice and Rules of Governance for Listed Company
	Y	N	Summary	
			of the Board of Directors”. (4)In accordance with the laws and regulations, the Company updates the relevant systems and regulations and supervises the registration of changes in the revised articles of incorporation. (5)Planning communication meetings between the independent directors and the head of internal audit and the accountants, and reviewing the independence and suitability of the accountants in order to implement corporate governance.	
5.Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?	V		In accordance with the Global Sustainability Reporting Initiative Standards (GRI Standards) and the Stakeholder Dialogue Standards, we have established a process for identifying the materiality of our corporate sustainability development, which is the basis for disclosure in our corporate sustainability report. Stakeholders are categorized into seven groups: customers, employees, shareholders/investors, suppliers/contractors, government/authorities, non-profit organizations/communities, and media. The Company has set up a stakeholder area and contact information for relevant counterparts on the Company's website in order to appropriately respond to stakeholders' concerns about corporate sustainability and social responsibility, as well as other related issues.	No major difference.
6.Has the Company appointed a professional shareholder services agent to handle matters related to its shareholders meetings?	V		The Company has appointed Sinopac Securities Co., Ltd.- Stock Affairs to handle the affairs of the Shareholders Meetings.	No major difference.
7. Information disclosure (1)Has the Company established a corporate website to disclose information regarding its financial, business, and corporate governance status? (2)Did the Company use other methods to disclose information (such as setting up an English website, having a dedicated person to be responsible to gather and disclose Company information, implementing the spokesperson system, and make Investors Conference accessible on the Company’s corporate website)? (3)Whether the company announces and reports its annual financial report within two months after the end of the fiscal year, and whether it announces and reports its first, second, and third quarter financial reports and operations for each month in advance before the prescribed deadline	V V	V	(1)The company has disclosed the implementation of relevant business, financial, and corporate governance on the company's website.. (2)The company is able to promptly disclose significant information that may affect shareholders and related parties, regularly and irregularly releasing relevant information on the public information observation station and our company website, and has established a spokesperson. Additionally, both the Chinese and English versions of our company's website have an investor section that fully discloses information related to financial operations, corporate presentations, and corporate governance for the reference of shareholders and the general public. (3)The company currently has no early announcement and filing of the financial reports for the first, second, and third quarters; however, all filings are made within the deadlines stipulated by law..	No major difference. No major difference. There is no significant difference. The feasibility of announcing and reporting the annual financial statements will be carefully assessed within two months after the end of the accounting year..
8.Does the Company have other important information that helps to understand the operation of corporate governance (including but not limited to: employee benefits, employee care, investor relations, supplier relationships, stakeholder rights, status of directors and supervisors going through educational	V		1.Employee rights and care: Our company has established internal control systems and various management measures, clearly stating employees' rights, obligations, and benefits. We regularly review the contents of the benefits to protect employee rights and care.. 2.Investor Relations: Our company convenes shareholder meetings annually in accordance with company law and related regulations, providing shareholders ample opportunities to ask	No major difference.

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in the Company's Practice and Rules of Governance for Listed Company
	Y	N	Summary	
training, policies of risk management, implementation of policy and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)			questions and make proposals. We also have a spokesperson system in place to address shareholder suggestions, concerns, and disputes. Currently, we disclose information sufficiently through the Public Information Observatory and our company website to keep investors informed about the company's operational status. 3.Supplier Relations: Our company emphasizes the reasonableness of procurement prices. The procurement staff make decisions after inquiring, comparing, and negotiating prices with multiple suppliers, fully comparing unit prices, specifications, payment terms, delivery times, product and service quality, and other information. Our company also establishes long-term close relationships with suppliers, collaborates cooperatively, builds mutual trust and benefit, and pursues sustainable win-win growth together. 4.Rights of stakeholders: Our company maintains open communication channels with past and present banks, employees, customers, and suppliers, and respects and safeguards their legitimate rights and interests. We have a spokesperson system in place to respond to investor inquiries, aiming to provide investors and stakeholders with transparent financial and business information. 5.The situation of the directors and supervisors' continuing education: The directors of the company all possess relevant professional knowledge and participate in relevant courses organized by the Securities and Futures Institute and other regulatory bodies to understand their responsibilities and obligations. 6,Implementation of risk management policies and risk measurement standards: During the meetings of the Board of Directors, attending directors provide professional opinions and insights on the risks faced by the company for the management's reference. The audit department prepares an annual audit plan based on risk assessment, which is submitted to the Board of Directors for approval and executed accordingly. The actual audit situations and reports are reviewed by each member of the Audit Committee. Additionally, after completing the internal control self-assessment annually, the company approves the internal control system declaration based on this self-assessment. 7.Execution of customer policy: To provide comprehensive service and protection for customers, our company promptly communicates with customers regarding complaints to understand their needs, in order to enhance interaction between the company and customers. Additionally, improvements are reviewed and discussed in internal company meetings on a regular basis. 8.The situation regarding the company purchasing liability insurance for directors and supervisors: Our company has purchased liability insurance for directors and key personnel from Cathay Century Insurance, with an insured amount of 4 million USD.	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (1). Major improvements in 2024: I Establish "Risk Management Policies and Procedures", supervised by the Audit Committee, and approved by the Board of Directors. Reports on the risk management organizational structure, risk management procedures, and their operational status are submitted to the Board of Directors. II Established a sustainable development team that reports to the Board at least once a year on the implementation status and will produce the corporate sustainability report for 2024 by 2025.				

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in the Company's Practice and Rules of Governance for Listed Company
	Y	N	Summary	
(2). The expected improvements in 2025:				
I The company will continue to cooperate with the competent authorities regarding the promotion of company policies in the future, enhancing corporate governance.				
II Upload the uninterrupted audio and video recording after the shareholders' meeting.				

The status of corporate governance implementation for 2024 is as follows:

1. Matters related to the Board of Directors, shareholders' meetings, and legal statements according to the law, and disclose significant information.
2. Assist the Directors in complying with laws, performing their duties, and arranging training courses for directors.
3. According to the 'Performance Evaluation Method for the Board of Directors', the results of the performance evaluations of the Board members, the Board of Directors, the Audit Committee, and the Compensation Committee are to be reported to the Board of Directors.
4. Coordinated with the updates of relevant laws and regulations, and supervise the handling of matters related to the amendment and registration of the articles of association.
5. Plan communication meetings between independent directors, internal audit managers, and accountants, and review the independence and qualifications of the accountants to implement corporate governance.

Note: Does the Company has other important information to help understand the operational status of corporate governance?

1. 2024 Continuing Education Situation of Governance Supervisor :

Period		Institution	Course Name	Education hours	Total hours
From	To				
2024/11/22	2024/11/22	Securities and Futures Market Development Foundation	2024 Annual Internal Equity Trading Legal Compliance Briefing Seminar	3	15
2024/12/18	2024/12/18	Chinese Corporate Governance Association	Defense strategies and legal compliance issues in non-consensual mergers and acquisitions	3	
			Management Rights Controversy and Case Analysis	3	
2024/12/31	2024/12/31	Accounting Research and Development Foundation	Latest compilation of related regulations on 'Annual Reports/Sustainability Information/Financial Reporting' and practical internal control management.	6	

2. 2024 Continuing Education Situation of Internal Audit Managers

Period		Institution	Course Name	Education hours	Total hours
From	To				
2024/11/16	2024/11/16	Accounting Research and Development Foundation	Investigation Practices and Case Analysis of Corporate Fraud	6	12
2024/12/03	2024/12/03	Accounting Research and Development Foundation	Latest revisions to the 'Internal Control System Establishment Guidelines' related to the compliance practices of internal audits and internal controls in financial reporting.	6	

2.3.4 Composition, responsibilities and operation on Remuneration Committee Members

On June 23, 2020, the Board of Directors decided to establish a Remuneration Committee. The Remuneration Committee aims to assist the Board in executing and evaluating the company's overall Remuneration and benefits policies, as well as the remuneration of managers. Additionally, the organizational regulations of the Remuneration Committee were approved by the Board of Directors on November 29, 2011, and were revised on August 12, 2020. The committee operates in accordance with these regulations to enhance corporate governance..

2.3.4.1 Information on Remuneration Committee Members

Identity	Qualifications	Professional qualifications and experience	Independence situation	Number of members who are concurrently members of the compensation and remuneration committees of other public offering companies
	Name			
Independent director (Convener)	Yeh Ming	Please refer to page 7 ~ 8 for information Disclosure on the professional qualifications of Directors and the independence of Independent Directors.	● Spouses, relatives within the second degree of kinship, or direct blood relatives within the fifth degree of kinship of persons not listed in the first three items. ● Directors, supervisors, or employees of corporate shareholders holding more than 5% of the total issued shares of the company, or directors, supervisors, or employees of the top five corporate shareholders. ● Directors, supervisors, managers, or shareholders holding more than five percent of shares from specific companies or institutions that do not have financial or business dealings with the company. ● Professionals, sole proprietors, partners, company or institution owners, board members (directors), supervisors (monitoring officers), managers and their spouses who do not provide business, legal, financial, accounting, or consulting services to the company or related enterprises. However, members of the salary compensation committee who exercise their powers in accordance with Article 7 of the Regulations for the Establishment and Exercise of Powers of the Salary Compensation Committee for Listed Companies or companies trading at brokerage offices are not subject to this limitation. ● Not a Business owner, partner, director, supervisor, manager or professional who provide business, legal, financial, accounting and other services or consulting services for companies or related companies, sole proprietorships, partnerships, companies or institutions. However, the members of the salary remuneration committee that are listed on the stock market or in the establishment of the salary and remuneration committee of the securities company's business premises and the exercise of the powers of the seventh party are not part of such restriction. ● Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. ● There is no spouse or relative relationship within the second degree of kinship with other directors. ● None of the circumstances under Article 30 of the Company Law apply. ● There is no provision in Article 27 of the Company Act for the election of government representatives, legal entities, or their representatives.	1
Independent director	Chen Jinde		0	
Independent director	Luo Ping		0	
			0	

2.3.4.2 Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee of our company are as follows:

- (1) Formulate and regularly review the policies, systems, standards, and structures for the annual and long-term performance goals and compensation of directors and managers.

- (2) Regularly assess the performance targets of directors and managers, and determine the content and amount of their individual salary remuneration.

2.3.4.3

Operation status of the Remuneration Committee:

- (1) Total of 3 members of the Remuneration Compensation Committee.
 (2) The current committee members: from June 21, 2023 to June 20, 2026. Recently the Remuneration committee has met 3 times (A), and the qualifications and attendance of the members are as follows:

Title	Name	Actual Attendance (B)	Attendance via Proxy	Actual Attendance Rate (%) (B/A)(Remark)	Remarks
Chairman	Yeh Ming	3	0	100%	—
Committee Member	Chen Jinde	3	0	100%	—
Committee Member	Luo Ping	3	0	100%	—
Other mandatory records: 1.If the board of directors does not adopt or amend the recommendations of the Remuneration committee, it should specify the date of the board meeting, the period, the content of the proposal, the resolution results of the board, and how the company handles the opinions of the Remuneration committee (for example, if the Remuneration approved by the board is better than the recommendation of the Remuneration committee, it should specify the differences and reasons): none.. 2.If any member of the Remuneration Committee has objections or reservations, and there is a record or written statement, the Remuneration Committee should specify the date, term, content of the motion, all members' opinions, and how those opinions were handled: none.					

- (3) Recently, the topics discussed and the decisions made by the Remuneration Committee, as well as how the Company addresses the members' opinions.:

Date	Meeting Content	Resolution situation	The company's intentions for members Seeing
March 12, 2024/ (The 2th Meeting of 2024, the 5th Term)	Review the company's 2023 employee and director remuneration distribution and payment methods.	After the chairman consulted all the members present, the proposal was passed without objection.	After the chairman consulted all the members present, the proposal was passed without objection
December 18, 2024/ (The 3th Meeting of 2024, the 5th Term)	1. Review the compensation and remuneration for the directors to be implemented by the Company in 2025. 2. Review the salary and remuneration for Managers to be implemented by the Company in 2025.		
March 11, 2025/ (The 4th Meeting of 2024, the 5th Term)	Review the company's 2024 employee and director remuneration distribution and payment methods		

2.3.5 Implementation Status and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the Reasons

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
1.Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of	V		1. The Company's Board of Directors approved the revision of the "Corporate Social Responsibility Code of Practice" on March 30, 2022 and changed its name to the "Sustainable Development Code of Practice". On June 11, 2024, the Board of Directors assigned the Group's Finance Department as a part-time unit to promote the sustainable development of the enterprise and established the "Sustainable Development Promotion Unit" which is the	In the future, a sustainable development committee will be set up depending on the Company's operational development.

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
Directors authorized senior management to handle related matters under the supervision of the board?			company's highest-level sustainable development decision-making center and promotes sustainable development plans with department heads. Senior managers from different fields jointly review the company's core operating capabilities, formulate medium- and long-term sustainable development plans, identify sustainability issues related to the company's operations and stakeholders' concerns, formulate corresponding strategies and work guidelines, compile relevant Budget, plan and implement annual plans related to sustainable development, and track implementation results to ensure that sustainable development strategies are fully implemented in the company's daily operations. 2. In response to the fact that sustainable development covers aspects such as environment, society and corporate governance, the responsible departments collect the concerns of stakeholders on issues such as environmental protection, occupational safety, supply chain management, labor rights, operational performance and corporate governance, and based on respect for stakeholder relationships rights and interests, set interests on the company website Contact the person area. 3. The "Sustainable Development Implementation Group" should hold at least one meeting every year, and the convener will report to the board of directors: (1) identify sustainability issues that require attention and formulate corresponding strategies and action plans; (2) revise goals and policies on sustainability-related issues; (3) supervise and evaluate the implementation of sustainable management matters. 4. The Board of Directors regularly supervises the team's reports, and the management must propose the company's strategy to the board of directors. The board of directors evaluates the possibility of the strategy's success, reviews the progress of the strategy, and urges the operating team to make adjustments when necessary.	
2.Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of	V		The Company conducts risk assessments of environmental, social and governance issues related to its operations based on the principle of materiality, and identify risk events that may have an impact on its business objectives.	No major differences.

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
materiality, and formulate relevant risk management policies or strategies?			We identify the risks and impacts of climate change on our operations, and develop application strategies and implementation plans for adaptation and mitigation, including environmental aspects: reduction of greenhouse gas emissions, energy and water conservation, and reduction of waste. The social aspect: the recruitment and retention of talents, career development, education and training, and occupational safety and health. The Company emphasizes the balanced development of employees and is committed to providing a safe and healthy working environment for employees by identifying possible risks in the daily operation of each unit, strengthening the preventive mechanisms such as operation management, and conducting hazard identification and risk assessment of the operation process on a regular basis to control the risks. We also regularly conduct hazard identification and risk assessment of operational processes to control risks. Corporate Governance: To ensure that all employees and operations of the Company comply with relevant laws and regulations through the establishment of a governance organization and the implementation of internal control mechanisms.	
3.Environmental issues (1)Whether the company has established an appropriate environmental management system according to its industrial characteristics ?	V		The company has established a complete environmental management system based on industrial characteristics and operational needs, and has won: - "2007 Fujian Province Quality Management Advanced Enterprise" and "Fujian Famous Brand Products" - Issued by Fujian Southeast Standard Certification Center ISO9001:2000 quality control system certification certificate - 2008 User Satisfaction Service SA 8000: 2008 Social Responsibility Standard Certification Certificate	No major differences.
(2)Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		The Company actively promotes various energy reduction measures to optimize energy usage efficiency. The raw materials used comply with Chinese standards to reduce pollution during the manufacturing process and reduce the impact on the environment. We also reduce unnecessary waste of resources in green manufacturing and seek to develop waste reduction and reuse technologies; we work together upstream and downstream in the value chain to recycle and share	No major differences.

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies															
	Yes	No	Summary description																
			packaging materials; in terms of products, we strive to recycle products with low impact on the environment. Material usage measurement maximizes the benefits of circular economy.																
(3)Has the company assessed the current and future potential risks and opportunities of climate change for the company, and taken relevant countermeasures?	V		The Company annually reviews the Company's climate change strategy and objectives, manages climate change risks and opportunities, and reviews the implementation status and discusses future plans at . The Company leads the five functional organizations, namely, environment, governance, supply chain, humanities, and society, to implement the management of climate change, and reports to the Board of Directors on a regular basis. Based on the operating conditions, the Company has formulated energy saving and carbon reduction and greenhouse gas reduction measures to minimize the impact of the Company's operating activities on the natural environment. A detailed description of the Company's climate change risk and opportunity analysis has been disclosed in the Company's Sustainability Report.	No major differences.															
(4)Has the company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, water use reduction or other waste management?		V	The Company fully implements energy conservation, environmental protection, resource reuse, cost reduction, and reduction of carbon dioxide and other greenhouse gas emissions, and continues to promote energy conservation and carbon reduction in the Company, enhance the efficiency of energy resource utilization, and reduce waste, details of which are disclosed in the Company's Sustainability Report: <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Scope 1</td><td>30.52 tons</td><td>0.13 tons</td></tr><tr><td>Scope 2</td><td>667.03 tons</td><td>57.89 tons</td></tr><tr><td>Greenhouse Gas Emission Intensity</td><td>3.32</td><td>0.54</td></tr><tr><td>Scope 3</td><td>6.9 tons</td><td>13.92 tons</td></tr></table> Water Consumption: Currently, production is outsourced, and there is no significant water demand. Most of the water usage is for domestic purposes, as well as for some factory equipment such as kitchens and cooling towers. After evaluation, the water sources for all the Jinli factories and offices are from tap water, which does not	Year	2023	2024	Scope 1	30.52 tons	0.13 tons	Scope 2	667.03 tons	57.89 tons	Greenhouse Gas Emission Intensity	3.32	0.54	Scope 3	6.9 tons	13.92 tons	Policies for greenhouse gas reduction, water use reduction and waste management will be discussed, including statistics, reduction targets, promotion measures and achievement status. The company's manufacturing process adopts outsourcing processing method, and there is no waste from production.
Year	2023	2024																	
Scope 1	30.52 tons	0.13 tons																	
Scope 2	667.03 tons	57.89 tons																	
Greenhouse Gas Emission Intensity	3.32	0.54																	
Scope 3	6.9 tons	13.92 tons																	

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEx Listed Companies									
	Yes	No	Summary description										
			cause any significant environmental impact on water resources and the ecological environment of the water sources. <table><tr><td>Year</td><td>2023</td><td>2024</td></tr><tr><td>Tap water</td><td>14,377</td><td>9,560</td></tr><tr><td>Water Intensity</td><td>68.46</td><td>72.11</td></tr></table>	Year	2023	2024	Tap water	14,377	9,560	Water Intensity	68.46	72.11	
Year	2023	2024											
Tap water	14,377	9,560											
Water Intensity	68.46	72.11											
4.Social issues (1)Does the company formulate relevant management policies and procedures in accordance with relevant laws and international human rights conventions?	V		The Company follows relevant labor laws and regulations and has established various management systems and norms, such as personnel management regulations and work rules for employees, to protect the basic rights and interests of employees and stakeholders, and to make the well-being of employees a priority for the Company's sustainability. In 2024, there were no major human rights violations.	No major differences.									
(2)Does the company formulate and implement reasonable employee benefit measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?	V		The Company has formulated and implemented reasonable employee welfare measures, which are adjusted in accordance with the relevant laws and regulations of each location and the actual market demand, and integrated with the sustainable development policy in a timely manner in order to fulfill its social responsibility. In addition, the Company's Articles of Incorporation stipulate that if the Company makes a profit during the year, it will set aside more than one-thousandth of the profit for employee compensation, which will be distributed to employees in the form of shares and/or cash. In terms of diversity and equality in the workplace, the Company offers equal pay for equal work and equal opportunities for advancement for both genders to promote sustainable and inclusive economic growth.	No major differences.									
(3)Does the company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	V		Our company has provided a safe and healthy working environment for employees in accordance with relevant regulations on public building safety and fire safety, and has conducted employee education and training. This aims to reduce the hazards posed by the work environment to employee safety and health, to foster a safety awareness among employees, effectively reduce disaster losses, and protect the safety of employees' lives and the company's property. In 2024, there were no major occupational disasters.	No major differences.									

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(4)Has the company established an effective career development training program for employees?	V		The company has established an annual staff training program to strengthen the career development capability of employees according to their positions and functions, in order to continuously enhance the competitiveness of the organization.	No major differences.
(5)Regarding issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the company follow relevant laws and international standards, and formulate relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	V		Beginning in 2024, the Company prepares a sustainability report (without a third-party assurance or assurance opinion) that is posted on the Company's website by the required date. The Company's sustainability report follows the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the Sustainability Accounting Standards Board (SASB) and the Sustainability Accounting Standards Board (SASB). The GRI Standards issued by the Global Sustainability Standards Board ("GSSB"), the Sustainability Accounting Standards Board ("SASB") and the Standards for Disclosure of Industry Indicators ("SIIs"), and the Guidelines for the Preparation and Reporting of Sustainable Reports by Listed Companies have been prepared for the purpose of disclosure of relevant information.	No major differences.
(6)Has the company formulated a supplier management policy that requires suppliers to comply with relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation status?	V		The Company's supplier management policy explicitly requires suppliers to comply with environmental protection, occupational safety and health, or labor and human rights regulations, etc. Currently, the Company conducts regular annual assessments of its suppliers' associations. Depending on the situation, we will sign a contract with major suppliers that includes a clause that allows us to terminate or cancel the contract at any time if it involves a violation of our CSR policy and has a significant impact on the environment and society. Achievement rate of supplier audit in 2024 is 100%. No significant deficiencies or risks were found in the audit results.	No major differences.
5.Does the company refer to internationally accepted reporting standards or guidelines to prepare sustainability reports and other reports that disclose the company's non-financial information? Has the previous disclosure report obtained	V		Beginning in 2024, the Company prepares a sustainability report (without a third-party assurance or assurance opinion) that is posted on the Company's website by the required date. The Company's sustainability report follows the GRI Standards issued by the Global Sustainability Standards Board (GSSB), the Sustainability Accounting Standards Board (SASB) and the Sustainability Accounting Standards Board (SASB). The GRI Standards issued by the Global Sustainability Standards Board	No major differences

Promotion Items	Implementation Status			Deviations and Reasons for Best Practice Principles of the Corporate Sustainable Development for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
the confidence or assurance opinion of a third-party verification unit?			(“GSSB”), the Sustainability Accounting Standards Board (“SASB”) and the Standards for Disclosure of Industry Indicators (“SIIs”), and the Guidelines for the Preparation and Reporting of Sustainable Reports by Listed Companies have been prepared for the purpose of disclosure of relevant information.	
6.If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company’s operations: The Company has formulated the “Code of Practice on Sustainable Development”, which emphasizes environmental protection, participation in social welfare and corporate governance while pursuing sustainable operation and profitability, and has incorporated them into the Company's management and operation, and has been gradually promoted and implemented, with no significant difference between the actual operation and the provisions of the Code.				
7.Other important information to help understand the implementation of promoting sustainable development: In accordance with the implementation schedule of the action plan for sustainable development of listed companies, the Company reviews the effectiveness of the Company's implementation of corporate sustainability and social responsibility in order to safeguard environmental, social and corporate governance issues.				

Implementation of Climate-Related Information:

Item	Execution situation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company's Board of Directors is the supervisory unit for climate-related issues, and the “Sustainable Development Functional Group” is a part-time unit of the Company's corporate governance, which is coordinated by the Company's Chief Financial Officer to fulfill the spirit of sustainable management. At least once a year, the Board of Directors reports to the Board of Directors on the management and implementation of climate-related issues, so that the Board of Directors can grasp the impact of climate change on the Company's business operations and response strategies.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company's “Sustainable Development Functional Group” plans to identify and discuss short-, medium-, and long-term operating strategies and responses to the operational and financial impacts of restructuring and physical risks as a matter of priority. Short-term is defined as within the next three years, medium-term as within the next 10 years, and long-term as more than 10 years. The next phase will focus on identifying and addressing climate change risks by 2025.
3. Describe the financial impact of extreme weather events and transformative actions.	Physical risks may result in outsourced OEMs being shut down due to power outages, production staff not being able to attend work due to weather, and transportation disruptions due to road damage. Transformation actions may result in higher operating costs, increased expenses, impacted or scrapped assets, and increased liabilities due to the introduction of the Carbon Boundary Adjustment Mechanism (CBAM) and the carbon tax. In realizing the transformation, we also aim to strike a balance between financial sustainability, environmental best practices, and social responsibility, while taking into account market demand and changes in regulatory regimes, and to bring about long-term profits and sustainable corporate development. and sustainable corporate development.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	We will coordinate with the relevant departments within the Company to jointly review the risks faced by the Company, compile various types of risk items, including strategic, operational, financial and disaster aspects, assess the likelihood of their occurrence and severity, and plan for risk response to ensure the effectiveness of the risk management program and related control operations. At the same time, we also work with internal

Item	Execution situation
	controls to ensure that risks associated with our operations are effectively controlled. It is expected that climate change risk identification and countermeasures will be proposed in 2025.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company does not currently utilize situational analysis assessments.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	In order to achieve the goal of net zero carbon emissions by 2050, the Company is actively and independently implementing a carbon reduction program, conducting annual greenhouse gas emissions and total water consumption by weight, and working to bring the Group one step closer to its goal of limiting the increase in global warming to less than 0.5 degrees Celsius by 2030. The Company is also committed to enhancing energy independence and stability by adopting the organizational boundary for solar power generation by 2040. Through the green energy transformation, we expect to achieve multiple benefits such as reducing carbon emissions, lowering energy costs, and increasing energy flexibility, with the goal of meeting our own electricity needs and further reducing energy expenses through green energy generation.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet used carbon pricing as a planning tool internally. In the future, the Company will actively consider the international carbon market price and greenhouse gas-related laws and regulations, and will set an internal carbon price based on the cost of carbon reduction, which will be used as a reference for planning carbon reduction management. We are committed to taking more determined action to reduce carbon emissions around the world, and we will do our part to respond appropriately, taking into account climate science, industry best practices, market developments, and the growing expectations of investors, customers, regulators, employees, and other stakeholders.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified	The Company plans to achieve net zero carbon emissions by 2050 and reviews the Group's climate change program and targets at least every three years. Determining factors include the evolution of climate and energy policies, and technological advances. It is expected that climate change risk identification and countermeasures will be proposed in 2025. In order to accelerate the pace of energy transition, it is initially planned to strengthen the implementation of climate-related targets, including reducing water consumption, energy use, and carbon reduction programs such as the Greenhouse Gas Emission Inventory, each year. Currently, we have not yet purchased Renewable Energy Certificates (RECs) for carbon reduction.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (filled in 1-1 and 1-2).	The greenhouse gas inventory and confirmation scenarios with reduction targets, strategies and specific action plans are listed in the table below.

1-1 Company's Greenhouse Gas Inventory and Confirmation for the Last Two Years

1-1-1 Greenhouse Gas Inventory Information

The most recent two years of GHG emissions (metric tons of CO₂e), intensity (metric tons of CO₂e per million), and data coverage are described.

Greenhouse gas emissions for the last two years:

Year	Scope 1 (tons)	Scope 2 (tons)	Total GHG Emissions (tons)	GHG Emissions Intensity
2023	30.52	667.03	697.55	3.32
2024	0.13	57.89	58.02	0.54

2024 Organizational Boundary: Consolidated Statement of Incorporation

Note 1:

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

Note 2:

The scope of information on direct emissions and indirect emissions from energy sources shall be handled in accordance with the timetable set forth in the order stipulated in Article 10, Paragraph 2 of this Standard, while information on other indirect emissions may be disclosed on a voluntary basis.

Note 3:

The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least the data calculated by turnover (NT\$ million) should be stated.

1-1-2 Greenhouse Gas Confirmation Information

A description of the status of assurance for the two most recent years ended on the date of the annual report, including the scope of assurance, the assurance organization, the assurance criteria, and the opinion of the assurance:

Not yet applicable.

According to the “Sustainable Development Roadmap for Listed Companies”, companies with capitalization of less than \$5 billion are required to conduct carbon inventory by 2026 and complete the verification by 2028. In order to stay ahead of the industry, we have been actively collecting carbon inventory data since 2024, and at this stage, we are mainly focusing on the carbon inventory report of the accounting organization.

Note 1:

In accordance with the timetable set forth in the order under Article 10, Paragraph 2 of this Standard, if the Company does not obtain a complete greenhouse gas assurance opinion by the publication date of the annual report, (it should be stated that “the complete assurance information will be disclosed in the perpetual report”, or if the Company does not prepare a perpetual report, it should be stated that “the complete assurance information will be disclosed in the public information observatory”, and disclose the complete assurance information in the next annual report), the company shall disclose the complete assurance information in the following annual report, which shall be published on the Internet. If the company does not prepare a perpetual report, the company should state “complete information will be disclosed in the public information observatory” and disclose complete information in the next annual report.

Note 2:

The confirming organization should comply with the requirements for confirming organizations of the sustainability report established by the Taiwan Stock Exchange Corporation and the Over-the-Counter Securities Trading Center of the Republic of China.

Note 3:

For the disclosure details, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation.

1-2 Greenhouse gas reduction targets, strategies and specific action plans

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

Not yet applicable, plan to disclose information in 2027.

Note 1:

It shall be handled in accordance with the schedule set forth in Paragraph 2 of Article 10 of these Guidelines.

Note 2:

The base year should be the year in which the inventory is completed at the boundary of the consolidated financial report, for example, according to the order stipulated in Paragraph 2 of Article 10 of this standard, a company with a capital of more than 10 billion yuan should complete the inventory of the consolidated financial report for the 113th year in 114, so the base year is 113 years.

Note 3:

The disclosure can be found in the Best Practice Reference Example on the website of the Center for Corporate Governance of the Taiwan Stock Exchange.

2.3.6 Status of how the Company fulfills integrity management and measures implemented.

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in Company's Practice Rule and Integrity Management Code of Listed Company
	Yes	No	Summary	
I. Establishing integrity management policies and plan of execution				
1. Does the Company disclose its commitment to integrity management policies and practices in its bylaws and external documents, as well as the commitment of the Board of Directors and management to actively implement business policies?	V		1. The Company has established a code and working procedure of integrity management, and a guide to conduct (referred to as the 'Code of Good Faith'). All of our employees and board members should believe in and practice the aforementioned integrity rules and implement them in internal management and external business activities.	No major difference.
2. Did the Company put together a plan to prevent dishonesty, and specify operating procedures, behavioral guidelines, disciplinary and grievance systems for violations in each program, and implement them?	V		2. Entire staff teams and board members of the Company follow the above-mentioned good faith rules, prohibiting dishonest actions as listed in the content of the code, and implementing them in internal management and commercial activities, as well as set up reporting and disciplinary and appeal systems.	No major Difference.
3. Did the Company implement preventive measures for the business activities in Article 7.2 of the "Code of Integrity of Listed Companies" or other business activities with high risk of dishonesty?	V		3. To ensure the implementation of integrity management, the Company has established a good and effective accounting and internal control system. The internal audit personnel has included dishonest behavior in operational activities and aforementioned matters into the auditing scope of various operational range, to ensure implementation of internal management control.	No major Difference.

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in Company's Practice Rule and Integrity Management Code of Listed Company
	Yes	No	Summary	
II. Implementation of integrity management				
1. Does the Company assess the integrity record of all point of contacts, and specify the terms of good faith in the contract signed with all partners involved in business transactions?	V		1. Employees of the Company shall avoid engaging in commercial transactions with agents, suppliers, customers or other business partners who operate dishonestly, and shall immediately cease business with them upon discovering any dishonest business dealings, and list them as debarred contacts, to implement the company's integrity specifications. The terms of good faith have not been stated in the contract before, signed by vendors in business transactions; policies will be added in the future as needed.	No major Difference.
2. Does the Company set up a special (part-time) position that promotes the integrity management of the Company, and report to the Board of Directors on a regular basis, regarding the status of its implementation?	V		2. The Company shall appoint the General Manager's Office a designated team to handle: amendment, implementation, explanation, and consultation of this work procedures and Code of Conduct. Furthermore, this team will also be responsible for record-keeping operation and supervising that it's been done properly, as well as reporting to the Board of Directors on a regular basis.	No major Difference.
3. Does the Company establish policies to prevent conflicts of interest, and provide proper channels to report a claim, and implement it?	V		3. The "Rules of Procedure of the Board of Directors" expressly stipulates that those who have an interest in the matters of the meeting with themselves or the legal person they represent may not participate in the discussion and voting if there is a risk of harming the interests of the company. In addition, it clearly stipulates the avoidance of interests in the integrity code, and establishes a proper statement channel mechanism.	No major Difference.
4. Has the company established an effective accounting system and internal control system for the implementation of credit management, and the internal auditing team that conducts regular checks or entrusts an accountant to perform the check?	V		4. The company shall establish an effective accounting system and internal control system, shall not have external accounts or keep secret accounts, and shall review it at any time to ensure the continued effectiveness of the design and implementation of the system. The internal audit unit of the company performs audit operations in accordance with the annual audit plan approved by the board of directors. Among the risk factors considered in the annual audit plan, the risk of non-compliance with laws and regulations of each operation has been included. Internal auditors should regularly check the compliance of the system in the preceding paragraph situation.	No major Difference.

Item for Evaluation	Status of Operation			Reason for Differences that Occurred in Company's Practice Rule and Integrity Management Code of Listed Company
	Yes	No	Summary	
5. Does the Company regularly hold education training inside and outside of the integrity management perimeter?	V		5. The Company has an Employee Handbook to ensure the integrity of employees, and is listed as the content of employee's on-the-job training.	No major difference
III. Status of the Company's Reporting System				
1. Does the Company have a specific report and reward system, establish an easy reporting channel, and designate appropriate personnel to attend the claims?	V		1. The Company has a staff mailbox, as a channel to file complaints against the Company's senior executives, and personnel for misconducts. Those who has misconduct of dishonesty, disciplinary actions will be taken, in order to implement the Code of Good Faith.	No major difference
2. Did the Company establish operational procedures for investigation and the relevant confidentiality mechanism while accepting the report?	V		2. The Company sets rules for reporting and disciplining in good faith, accepts the investigation standard operating procedures and related confidentiality mechanism for reporting matters. The Company has a designated personnel to take care of the related matters, and keeps personal information of the person who filed the claim, as well as the content of the report, confidential.	No major Difference
3. Does the Company take measures to protect the accuser from being subject to improper treatment, because he/she filed the claim?	V		3. The Company shall keep the personal information of those who filed a report, and the contents of the report confidential, to protect the accuser from being subject to improper treatment, because he/she filed the claim.	No major Difference.
IV. Strengthen information disclosure				
1. Does the Company disclose the content of the Code of Integrity Management, and the result of promoting such code, on its corporate website and market observatory post system?	V		1. The Company set up a corporate website to disclose directions of business operation and relevant contents of the Code of Integrity Management information; the Code of Integrity Management is also disclosed on the market observatory post system.	No major difference
V. If the Company has its own code of conduct in accordance with the Code of Conduct for the Listed Companies, please describe the difference between its operation and the code: no major difference.				
VI Other important information that helps to understand the Company's operation on integrity and honesty: (such as: the Company reviews and amends its Code of Conduct, etc.): The company complies with the Corporate Law, Securities Trading Law and the relevant regulations for listed companies. The Company takes integrity and honesty as the foundation of its business operations. The Company has an "Ethical Code of Conduct" that guides the conduct of directors and management personnel of the Company, to be aligned with ethical standards and enables the Company's stakeholders to better understand the Company's ethical standards. There is also an 'Internal Important Information Processing and Prevention of Internal Transaction of Management Procedures', requiring executives not to disclose important internal information to others. Employee must not inquire or collect important internal information that is not relevant to the execution of his or her job position, from those who have knowledge of.				

- 2.3.7 If the Company has established a corporate governance code and related regulations, it should disclose its inquiry method.
The Company has established a website. For the Company's established governance code and related regulations, investors can visit the company's website:
<http://www.jinligroup.com.tw>.
- 2.3.8 Other important information that is sufficient to enhance the understanding on the operation of corporate governance must be disclosed together: None.

2.3.9 Status of Implementation of the Internal Control System
(1) Statement on the Internal Control System

Jinli Group Holdings Limited

Management's Reports on Internal Control

Date: March 11, 2025

The Company hereby releases the statement regarding its 2024 Internal Control System, based on the results of the self-assessment, as follows:

1. The Company acknowledges that the establishment, implementation and maintenance of the Internal Control System is the responsibility of the Board of Directors and Management Personnel of the Company, with the purpose of: reasonably ensuring business operation results and efficiency (include: profitability, performance and asset security, etc.), providing feedback with reliability, timeliness, transparency, compliance to relevant government regulations, and adhering to relevant laws and regulations.
2. The Internal Control System has its limitations by nature. Regardless of how flawless the system may be designed, an effective Internal Control System can only provide reasonable assurance to reach the three objectives in the preceding paragraph. Furthermore, as the environment and status may change, the effectiveness of the Internal Control System may change. The Company's Internal Control System also contains a self-monitoring mechanism. Once a flaw has been recognized, the Company shall implement corrective measures.
3. The Company judges whether the design and implementation of the internal control system is effective based on the items for determining the effectiveness of the internal control system as stipulated in the "Guidelines for the Establishment of Internal Control Systems for Publicly Listed Companies" (hereinafter referred to as "Processing Guidelines"). The internal control system judgment project used in the "processing criteria" is based on the process of management control, which divides the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervised operations. Each component also includes several items. Please refer to the "Handling Guidelines" for the above items.
4. The Company has adopted the above internal control system to judge the project and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the previous assessment, the Company believes that its Internal Control System (including supervision and management of subsidiaries) as of December 31, 2023, including the understanding of the effectiveness and efficiency of the operation, and reporting the design and implementation of the system, is effective and can reasonably ensure the achievement of the above objectives.
6. This statement will become the main content of the Company's annual report and will be made public. If the content of the above disclosure is illegal or concealed, it will involve legal liabilities such as Articles 20.32.171 and 174 of the Securities Exchange Law.
7. This statement was approved by the Board of Directors of the Company on March 11, 2025. Among the 7 directors, 0 opposed, and the rest agreed to the contents of this statement.

Jinli Group Holdings Limited
(British Cayman Islands)

Chairman : Chong, Chun Lung

General Manager : Chen, Honglin

(2) Entrust accountants to review the internal control system report: none.

2.3.10 Status of: Company and Internal Personnel Penalized according to Lawful Regulations, Company and Internal Personnel Penalized for Violation of the Internal Control System, Primary Flaws and Improvement (in the most recent years up to the date of printing of this annual report): None.

2.3.11 Important Resolutions of Shareholders Meeting and Board of Directors Meeting (in the most recent years up to the date of printing of this annual report)

2.3.11.1 Important Resolutions of the Shareholders Meeting:

Date	Important Resolutions	Implementation
2024.06.24 Shareholders Meeting	- Approval of the Company's 2023 business report and consolidated financial statements. - Approval of the Company's 2023 profit and loss allocation. - Approval of the amendments to certain articles of the Company's "Rules of Shareholders' Meetings".	- This case was approved by a vote. - This case was approved by a vote. - Announcement on the Market Observation Post System and the Company website.

2.3.11.2 Important Resolutions of the Board of Directors Meeting:

Date	Important Resolutions
2024.6.11	- Approved the funding between companies in the Group. - Amendment of the company's "Sustainable Development Practice Code." - Designation of the group finance department as the part-time unit for promoting corporate sustainability.
2024.8.28	- Approved the consolidated financial statements for the second quarter of 2024. - Approved the funding between companies in the Group. - Approved the related party lease of right-of-use assets proposal. - Ratification of LEADS BIO CO., LTD.(Taiwan) application for business suspension extension with the National Tax Bureau.
2024.11.12	- Approved the consolidated financial statements for the third quarter of 2024. - Revised the "Internal Control System" and "Internal Audit System" for the Company. - Establishment of the company's "Risk Management Policy and Procedures." - Amendment of the company's "Audit Committee Organizational Regulations." - Amendment of the company's "Corporate Governance Practice Code."
2024.12.18	- Approved the budget plan for the year 2025. - Approved the internal audit plan for the year 2025. - Approved the independence and suitability of the certified public accountant and audit fee - Approved the directors remuneration recommended by the compensation committee. - Approved the managers remuneration recommended by the compensation committee. - Approved 2024 board performance evaluation.

Date	Important Resolutions
2025.03.11	1. Approved the allocation and distribution method for employee and director compensation for the company in 2024. 2. Approved the company's 2024 consolidated financial report and business report. 3. Approved the company's profit and loss allocation for 2024. 4. Approved the company's "Internal Control System Declaration" for 2024. 5. Amendment of certain articles of the company's "Articles of Incorporation." 6. Approved the annual shareholders' meeting to be held on June 18, 2025.
2025.05.06	1. Approved the profit and loss appropriation statement for the fiscal year 2025. 2. Approved the funding between companies in the Group.

2.3.12 Contents of records or written statements of Directors or Supervisors with different opinions on the Important Resolutions Consented to by the Board of Directors (in the most recent years up to the date of printing of this annual report):

None occurred within the Company

2.3.13 Summary of the resignation of Company's Chairman, General Manager, Accounting Supervisor, Financial Supervisor, Internal Audit Supervisor, Research and Development Supervisor (in the most recent years up to the date of printing of this annual report): None.

2.4 Information Regarding the CPA's Audit Fee

Amount unit: NT\$ thousand						
Name of Accounting Firm	Name of Accountants	Auditing Period	Audit public expenses	Non Audit public expenses	Total	Remarks
ShineWing Taiwan	Alex C. Y. Kuo	2024.01.01~2024.12.31	4,950	-	4,950	-
	Zoe Chen					

(i) Should the replacing Accounting Firm and change of audit fee paid was less than the audit fee paid in the previous year, the Company should disclose the audit fee paid before and after the change of Accountant, as well as the reason to change Accountants: none.

(ii) If the auditing fee is reduced by more than 15% compared to the previous year, the amount, ratio of fee change, and reasons for the reduction of the audit fee should be disclosed. The term "audit fee" mentioned in the previous paragraph, refers to the fee paid by the Company to the Certified Public Accountant for reviewing and secondary review of the Financial Report, review of financial forecast and Tax Compliance Audit: not applicable.

2.5 Replacement of CPA:
Regarding the former accountant
Non-applicable.

2.6 Chairman, General Manager, Management Personnel in Finance or Accounting Affairs of the Company (who has worked in the office of the certified public accountants or its affiliates during the past 1 year):
None.

2.7 For the Most Recent Year until the Publication Date of the Annual Report, the Transfer of Equity Interest and Change in Stock Pledge of Directors, Managers and Shareholders with Stake of 10% or More:

a. Changes in shareholding of Directors, managers and major shareholders

Unit: shares

Position	Name	2024		Year 2025 Up to the Date of Printing of this Annual Report	
		Shareholding Quantity increase (decrease)	Pledged shares Quantity increase (decrease)	Shareholding Quantity increase (decrease)	Pledged shares Quantity increase (decrease)
Director	Chong, Chun Lung	(2,238,000) (Remark 1)	–	(500,000)	(Remark 1)
Director	Chen, Honglin	–	–	–	–
Director	Tsai, Yunglung				
Director	Shiue, You-Wei	–	–	–	–
Independent Director	Chen, Jinde	–	–	–	–
Independent Director	Yeh, Ming				
Independent Director	Luo, Ping	–	–	–	–
Shareholder of more than 10%	Dragon Million (Asia) Limited	–	–	–	–
Shareholder of more than 10%	Chong, Chun Lung	(2,238,000) (Remark 1)	–	(500,000)	(Remark 1)
General Manager	Chen, Honglin	–	–	–	–
Director of Finance	Simon POON	–	–	–	–
Audit Manager	Lian, Hua-Jin	–	–	–	–
General Manager, Gold Apple (China) Co., Ltd.	Li, Chun Fei	–	–	–	–
Executive Deputy General Manager, Gold Apple (China) Co., Ltd.,	Lin, Zhao Wen	–	–	–	–
Director of Finance, Gold Apple (China) Co., Ltd.	Chen, Huan-Zhang	–	–	–	–
Director of Sales and Marketing, Gold Apple (China) Co., Ltd.	Chen, Honglin	–	–	–	–

Remark 1: The change in the number of shares was due to the disposal of stocks in the centralized trading market in 2024 and 2025 as of the publication date of the annual report.

- b. Directors, supervisors, managers and shareholder equity transfer information with a shareholding ratio of more than 10%:

Equity Transfer Information

Name (Remark 1)	Reasons for equity transfer (Remark 2)	Date of the Transaction	Counterparty of the Transaction	Relationship between the counterparty of the transaction and the company, directors, supervisors and shareholders of more than 10%	Number of shares (shares)	Trading price
Chong, Chun Lung	Traded	Year 2024	Centralized exchange market	Non-related party	2,238,000	10.51

Remark 1: The company's directors, supervisors, managers and shareholders of more than 10% are included.

Remark 2: Obtained or traded

- c. Directors, supervisors, managers and shareholder's equity pledge information with a shareholding ratio of more than 10%: none.

2.8 Relationship among the Top Ten Shareholders

April 20, 2025

Name	Shares owned by the Party		Spouse, minor children holding shares		Shares held in the name of others		The top 10 shareholders have the sixth person in the Financial Accounting Standards Bulletin or the relatives within the relationship of spouse, second parent, etc., their names or names and relationships		Remarks
	Share	Shareholding %	Share	Shareholding %	Share	Shareholding %	Entity (Name)	Relationship	-
Chong, Chun Lung	31,308,883	16.86%	—	—	10,824,408 (Remark 2)	5.83% (Remark 2)	(1) Dragon Million (Asia) Limited (2) Li, Chun Fei (3) KGI Bank Entrust Dragon Million (Asia) Limited Investment Account	(1) Chong, Chun Lung holds 89% equity for Dragon Million(Asia) Limited (2) Brother with Li, Chun Fei (3) Remark 1	-
Dragon Million (Asia) Limited president : Chong, Chun Lung	12,160,544	6.55%	—	—	—	—	(1) Chong, Chun Lung (2) Li, Chun Fei (3) KGI Bank Entrust Dragon Million (Asia) Limited Investment Account	(1) Chong, Chun Lung holds 89% equity for Dragon Million(Asia) Limited (2) Li, Chun Fei holds 11% of equity in Dragon Million(Asia) Limited (3) Remark 1	—
	31,308,883	16.86%	—	—	10,824,408 (Remark 2)	5.83% (Remark 2)	(1) Dragon Million (Asia) Limited (2) Li, Chun Fei (3) KGI Bank Entrust Dragon Million (Asia) Limited Investment Account	(1) Li, Chun Fei holds 11% of equity in Dragon Million(Asia) Limited (2) Brother with Li, Chun Fei (3) Remark 1	-
Li, Chun Fei	9,808,652	5.28%	—	—	1,336,136 (Remark 3)	0.72% (Remark 3)	(1) Dragon Million (Asia) Limited (2) Chong, Chun Lung (3) KGI Bank Entrust Dragon Million (Asia) Limited Investment Account	(1) Li, Chun Fei holds 19% of equity in Dragon Million(Asia) Limited (2) Brother with Chong, Chun Lung (3) Remark 1	-
Zheng Jinhong	4,708,000	2.53%	—	—	—	—	—	—	—

Name	Shares owned by the Party		Spouse, minor children holding shares		Shares held in the name of others		The top 10 shareholders have the sixth person in the Financial Accounting Standards Bulletin or the relatives within the relationship of spouse, second parent, etc., their names or names and relationships		Remarks
	Share	Shareholding %	Share	Shareholding %	Share	Shareholding %	Entity (Name)	Relationship	–
Berkeley Capital Securities Limited SBL/PB Investments	2,874,000	1.55%							
Ou Shuqing	1,930,000	1.04%	–	–	–	–	–	–	–
Tsai Zongdian	1,365,000	0.73%	–	–	–	–	–	–	–
MultiBank custody JP Morgan Securities Co., Ltd. investment account	1,125,641	0.61%	–	–	–	–	–	–	–
Chen Songqin	1,070,000	0.58%	–	–	–	–	–	–	–
Chen Yulian	875,446	0.47%	–	–	–	–	–	–	–

Remark 1: Investment account held by Dragon Million (Asia) Limited

Remark 2: Chong, Chun Lung's other shareholdings hold 10,824,408 shares of the Company is through the ownership of shares at Dragon Million (Asia) Limited.

Remark 3: Li, Chun Fei's other shareholdings of 1,336,136 shares of the Company is through the ownership of shares at Dragon Million (Asia) Limited.

2.9 Comprehensive Shareholding Information Relating to Company, Directors, Managers and Affiliated Companies through Direct and Indirect Investment

Comprehensive Shareholding Ratio

Unit: thousands of shares; %

Transfer investment (Remark)	Invested by the Company		Direct or Indirect Investment from Directors, Supervisors or Management Personal		Comprehensive Investment	
	Share	Shareholding %	Share	Shareholding %	Share	Shareholding %
Jinli Group Holdings Limited (Bermuda)	825,459	100%	-	-	825,459	100%
Topoint Group Limited(BVI)	41	100%	-	-	41	100%
Dragon Flair Limited	20	100%	-	-	20	100%
Gold Apple (HK) Int'l Trading Co. Limited	254,218	100%	-	-	254,218	100%
Million Win Creation Limited	10,000	100%	-	-	10,000	100%
Gold Apple (China) Co., Ltd	Remark 1	100%	-	-	Remark 1	100%
Aiqi (Fujian) Shoes Model Co., Ltd (China)	Remark 1	100%	-	-	Remark 1	100%
Changtai Gold Apple Co., Ltd (China)	Remark 1	100%	-	-	Remark 1	100%
LEADS BIO CO., LTD., (Taiwan),	1,326	51%	1,274	49%	2,600	100%

Remark 1: It is a limited company and therefore has no shares.

III. Fund Raising

3.1 Capital and shares 3.1.1 Source of equity

Unit: thousands of NTD/share

Year. Month	Issue price	Approved share capital		Paid-up share capital		Remarks		Others
		Shares	Amount in Value	Quantity of Stocks	Amount in Value	Source of the shares	Deducting shares from property other than cash	
2010.12	10	5,000	50,000	1	10	Establishment of a share capital at 1 share	None	-
2011.4	15.78	300,000,000	3,000,000,000	100,003,629	1,000,036,290	Capital increase and convertible issued new shares 100,003,628 shares (Remark 1)	None	-
2012.6	47.6	300,000,000	3,000,000,000	107,527,579	1,075,275,790	Convertible corporate bonds, convert to ordinary shares 7,523,950 shares	None	-
2012.12	70	300,000,000	3,000,000,000	120,968,579	1,209,685,790	Capital increase and share issue of new shares 13,441,000 shares	None	-
2015.9	-	300,000,000	3,000,000,000	128,831,537	1,288,315,370	Earnings to increase capital, for issuing 7,862,958 shares	None	-
2016.9	-	300,000,000	3,000,000,000	167,480,998	1,674,809,980	Earnings to increase capital, for issuing 38,649,461 shares	None	-
2017.2	71	300,000,000	3,000,000,000	174,358,462	1,743,584,620	Convertible corporate bonds, convert to ordinary shares 6,877,464 shares	None	-
2017.9	-	300,000,000	3,000,000,000	179,589,216	1,795,892,160	Earnings to increase capital, for issuing 5,230,754 shares	None	-
2018.9	-	300,000,000	3,000,000,000	182,642,233	1,826,422,330	Earnings to increase capital, for issuing 3,053,017 shares	None	-
2019.9	-	300,000,000	3,000,000,000	185,747,151	1,857,471,510	Earnings to increase capital, for issuing 3,104,918 shares	None	-

Remark : The Company is here to apply for listing in Taiwan, and has agreed to exchange shares with Jinli Group Holdings Co., Ltd. (Bermuda). In April 2011, the Company obtained a limited shareholding of Jinli Group with a ratio of 1:4.969, at 100% equity of the company (Bermuda).

April 20, 2025

Type of Shares	Approved Share capital			Remarks
	Circulated Share	Unissued Shares	Total	
Common stock	185,747,151	114,252,849	300,000,000	Stocks of listed company

Relevant information about the declaration: Not applicable

3.1.2 List of major shareholders

April 20, 2025

Name of Primary Shareholders	Share(s) in holding	Shareholding ratio
Chong, Chun Lung	31,308,883	16.86%
Dragon Million (Asia) Limited	12,160,544	6.55%
Li, Chun Fei	9,808,652	5.28%
Zheng Jinhong	4,708,000	2.53%
Berkeley Capital Securities Limited SBL/PB Investments	2,874,000	1.55%
Ou Shuqing	1,930,000	1.04%
Tsai Zongdian	1,365,000	0.73%
MultiBank custody JP Morgan Securities Co., Ltd. investment account	1,125,641	0.61%
Chen Songqin	1,070,000	0.58%
Chen Yulian	875,446	0.47%

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend policy as stipulated in the Articles of Incorporation

In accordance with the Articles of Association of the Company approved by the General Meeting of Shareholders on December 8, 2011 (hereinafter referred to as the "Articles of Association of the Listed Company"), and the Articles of Association of the Company approved by the resolution of the Audit Committee on May 7, 2012 and amended by the General Meeting of Shareholders held on June 23, 2020, Article 34.1 stipulates that if the Company makes a profit in the current year, it shall be present at more than two-thirds of the directors of the Board of Directors and the resolution of more than half of the directors present, and allocate more than one-thousandth of the employee remuneration in the form of shares and/ or in cash, which may be paid in accordance with the Employee Incentive Plan agreed to in accordance with Clause 11.1; It may be distributed to the directors by resolution of more than two-thirds of the directors present and a majority of the directors present, and not more than 2% shall be allocated as the remuneration of the directors. However, if the Company still has accumulated losses (including adjusting the amount of undistributed earnings), it shall reserve the amount of compensation in advance and then allocate the remuneration of employees and directors in accordance with the aforesaid proportion. The proposal for the distribution of remuneration of employees and directors shall be submitted to the shareholders' meeting. A director who is also an executive officer of the Company shall be remunerated for serving as an employee of the Company. The Company shall first pay all relevant taxes on the annual profits, make up for the losses (including the losses of previous years and adjust the amount of undistributed surpluses, if any), and then allocate the special surplus reserve in accordance with the provisions of the Act on Public Offering Companies or the requirements of the competent authorities, and if there is any surplus profit, it may pay dividends to the shareholders in accordance with the profit distribution plan drawn up by the Board of Directors and approved by the shareholders by ordinary resolution, in accordance with the provisions of the Laws and the Act on Public Companies, taking into account the surplus position of the current year and according to the capital structure of the Company, unless otherwise resolved by the shareholders' meeting. The amount of surplus to be distributed to shareholders shall not be less than 10% of the remaining after-tax surplus of the current year, and the amount of cash dividends shall not be less than 10% of the dividend to be distributed in the current year.

3.1.3.2 The proposed dividend distribution at this shareholders' meeting is: no cash dividends or stock dividends are planned to be distributed.

3.1.3.3 When there is an expectation of significant changes in the dividend policy, it should be explained: None.

- 3.1.4 The impact of this resolution on the company's business performance and earnings per share from the free allocation of shares: Not applicable.
- 3.1.5 Compensation of Employees and Remuneration of Directors
- 3.1.5.1 Employees' and Directors' compensation policies as stated in the Articles of Incorporation:
Except as otherwise provided by law, the Memorandum and Articles of Association and the Public Company Law, if the Company makes a profit during the **year**, the Company shall, by a resolution of the Board of Directors with two-thirds of the Directors present and a majority of the Directors present, set aside not more than one-thousandth of the total amount of the Company's profit as compensation for its employees to be distributed in the form of shares and/or cash to the employees in accordance with the employee incentive plan agreed upon in accordance with Article 11.1. The employees' compensation shall be distributed in the form of shares and/or cash in accordance with the employee incentive plan agreed upon pursuant to Article 11.1, and no more than two percent of the employees' compensation may be distributed to the directors by a resolution of the Board of Directors with more than two-thirds of the directors present and a majority of the directors present. However, if the Company has accumulated losses (including adjustments to unappropriated earnings), the Company shall retain the amount to cover such losses in advance, and then allocate the remaining balance to employees' and directors' compensation in accordance with the aforesaid ratio. The appropriation of employees' and directors' remuneration shall be reported to the shareholders in the shareholders' meeting. Unless otherwise provided in the Public Company Act, directors' remuneration shall not be in the form of shares. The term "profit" as used in this Article refers to the pre-tax profit before deduction of the distribution of employees' and directors' remuneration. A director who also serves as an executive officer of the Company shall be entitled to receive compensation for serving as an employee of the Company.
- 3.1.5.2 The basis for estimating the amount of employees', directors' and supervisors' remuneration, the basis for calculating the number of shares of employees' remuneration to be distributed by means of stock certificates, and the accounting treatment in the event that the actual amount of distribution is different from the estimated amount:
If the Company makes a profit, it shall set aside at least one-thousandth of such profit as employees' remuneration in the form of shares and/or cash and not more than two percent as directors' remuneration to be distributed to the directors upon the resolution of the board of directors with two-thirds of the board of directors present and a majority of the directors present; provided, however, that there is no Supervisory Committee of the Company.
- 3.1.5.3 Remuneration proposal adopted by the Board of Directors
- 3.1.5.3.1 Amount of employees' compensation and directors' and supervisors' compensation distributed in cash or stock: As approved by the Compensation Committee and the Board of Directors on March 11, 2025, there will be no distribution of employees' compensation and no distribution of directors' compensation.
- 3.1.5.3.2 Employee compensation distributed in the form of stock and as a percentage of the aggregate of net income after tax and total employee bonuses for the current period for individual or separate financial statements: Not applicable.
- 3.1.5.4 The actual distribution of employees', directors' and supervisors' remuneration in the previous year (including the number of shares distributed, the amount and the price of the shares), and the differences between the actual distribution and the remuneration recognized for the employees, directors and supervisors, together with the number of differences, the reasons thereof and the circumstances under which the differences were dealt with: None.
- 3.1.6 Company Buyback of Own Shares: None.
- 3.2 Corporate Bonds
None.
- 3.3 Preferred Shares
None.
- 3.4 Global Depository Receipts
None.
- 3.5 Employee Stock Option Plan
None.
- 3.6 Restricted Employee Shares Plan
None.
- 3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions
None.
- 3.8 Details and implementation status of previous issuances or private placements of securities that have not yet been completed or have been completed within the last three years and the benefits of the plan have not yet been realized
None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

4.1.1.1 Scope of business

(1) Primary content of business operation

The company mainly engaged in the design, production and sales of its own brand of casual shoes.

(2) Business share:

Unit: in thousands of NTD; %

Products \ Year	2023		2024	
	Value	%	Value	%
Casual footwear	209,995	100.00%	132,576	100.00%
Total	209,995	100.00%	132,576	100.00%

(3) The company's current product projects:

Product Categories	Content
Footwear	Brand casual shoes, OEM shoes

(4) New products planned for development:

- Casual shoes are designed to be innovative and stylish.
- Strengthen our G-Apple brand value.
- Continuous design and enhanced development of footwear technology.
- Feedback on consumer information and development of cross-discipline product brands.

4.2 Market and Sales Overview

4.2.1 Current status and development of the industry

The concept, content and function of footwear are closely related to the ideals and lifestyle of leisure and new life. People use the shape, brand and content of footwear to decorate and show themselves, from which they get an aesthetic pleasure and symbolic spiritual satisfaction. From the point of view of use, footwear has two basic functions: practical and aesthetic, and the lack of either will seriously affect the usability of footwear. Practical function is the prerequisite for the existence of footwear, and the aesthetic and symbolic functions are the important extended functions of footwear, and the consumer group, which is probably between the ages of 18 and 45, attaches great importance to the brand's culture and individuality, so various brand manufacturers have actively invested in the footwear market. In the leisure shoes market, the concept of leisure is becoming more and more important in the lives of Chinese consumers, and the market for leisure shoes is also growing significantly. "Fashion" and "comfort" are the two major selling points of leisure shoes. Consumers of casual shoes are basically between 18 and 45 years old, mainly students and white-collar workers, who have higher demands on brand culture and personalization.

As far as the Chinese market is concerned, the footwear manufacturing industry is a typical labor-intensive industry. With the progress of the society and the development of science and technology, people's requirements for shoes are getting higher and higher, from raw materials, auxiliary materials, processing and assembling techniques, styles and functions are all penetrating, borrowing from each other, complementing each other's strengths and weaknesses and competing with each other and impacting each other, thus prompting the new and ever-changing changes in shoes' shapes, styles, structural materials and functions, and so on.

With the vertical integration of the industrial chain in some areas, China's footwear industry has formed three important footwear production areas in Guangdong, Zhejiang and Fujian, with the combined annual output of the three provinces accounting for more than 70% of the country's total; among them, after the reform and opening up of the footwear industry in Quanzhou, Fujian Province, the Quanzhou Plastic Shoes Factory introduced technical equipment in 1981, and formally licensed the production of U.S. Nike sports shoes in September 1982 to become the first professional manufacturer in Fujian Province to produce sports shoes under an industrial and trade joint license. Since 1981, when Quanzhou Plastic Shoes Factory imported technical equipment and officially licensed the production of American Nike sports shoes in September 1982, and became the first professional manufacturer in Fujian Province to license sports shoes under the joint venture of industry and trade, the Quanzhou footwear industry has begun to take off with its wings, and the enterprises in the coastal area, especially those in Jinjiang and Shishi, have given full play to their overseas Chinese strengths by importing specialized equipment, absorbing and digesting the production technology, techniques and models of famous foreign brands, and developing all kinds of novel footwear products, which have been marketed to the whole of China. After two decades of efforts, Quanzhou footwear industry has developed rapidly, experienced the process of developing from small to large, from family processing to modernized enterprises, and has now entered the stage of transformation and upgrading in a comprehensive manner, with the features of large-scale enterprises, technological products, branding operation and modern management becoming more and more obvious, the scale of the industry is growing rapidly, and the quality and competitiveness of the industry is improving continuously, and Quanzhou has become an important base of China's footwear industry and a major base of the world's sports shoes, As a result, Quanzhou has become an important base for China's footwear industry and the world's major production base for sports shoes, travel shoes and casual shoes. In recent years, due to the continuous improvement of China's economy and the rapid growth of

the income of urban and rural residents, the demand for footwear has been rising year by year as a result of the rapid development of the consumer market.

After China's accession to the World Trade Organization (WTO), the footwear industry entered a golden age of development, with shoe production and export growing continuously, becoming the world's shoe manufacturing center. Since 2011, the recovery of the world economy has been slow, and China's footwear industry has begun a difficult period of restructuring and adjustment, entering a new normal era.

Adding to China's economic downturn, the global industry was hit hard in 2020 by the temporary closure of factories due to the new Crown Pneumonia outbreak. The footwear industry, which relies heavily on China for its production, has experienced a significant slowdown in capacity, which has also affected footwear production in other countries, posing a huge challenge to footwear retailers. According to the latest data of Footwear Distributors & Retailers of America (FDRA), in January 2020, the U.S. footwear imports from China dropped by 15.7% to a new low in the same period of more than 10 years, and the largest annual decline in nearly four years. FDRA data show that the United States sells up to 70% of the footwear imported from China. Previously, the U.S.-China trade war has made the U.S. footwear retailers suffered a blow, although the trade tensions in the end of 2019 has eased, but the industry still has to bear high additional tariffs, but also began to seek diversification of the supply chain, reduce reliance on China, and gradually shift production lines to Vietnam and other places.

In recent years, China's sports footwear and apparel market has maintained a sustained growth trend. According to the "China Sports Footwear and Apparel Market Operation Status and Consumer Demand Data Monitoring Report 2024-2025", a newly released report by iiMedia Research, a global new economy industry collaborator, China's sports footwear and apparel market has jumped to 492.6 billion yuan in 2023. Behind this significant growth, the rise of national trend elements has played an important role. With the gradual increase of consumers' sense of identification with local culture, the application of national trend style in sports shoes and apparel design has become more and more widespread and is well received by the market. This not only satisfies consumers' demand for personalized pursuit, but also brings new opportunities for brands to differentiate themselves from the competition, further enriching the cultural connotation of products and enhancing the influence of local brands in the international market. Looking into the future, the deep integration and innovation of national trend elements will become the key factor to promote the continuous rise of China's sports footwear and apparel market. It is estimated that by 2025, China's sports footwear and apparel market size is expected to climb to 598.9 billion yuan, signaling the rise of national brands and the huge potential of the market under the "national wave".

4.2.2 Trend of youthfulness and personalization is becoming more and more obvious.

Consumers' concept of consumption has changed, consumption has become more rational, consumers have become younger, personalized, international, pay more attention to the quality of the product and to meet the needs of individuality, aspire to more high-quality creative products, more reasonable prices and better shopping experience and services, especially young people pay more attention to personalization and fashion, they hope to establish a resonance with the brand and the emotional connection, to express their own lifestyle through the product. They want to express their lifestyles through the products.

4.2.3 Mobile Socialization Becomes New Consumption Engine

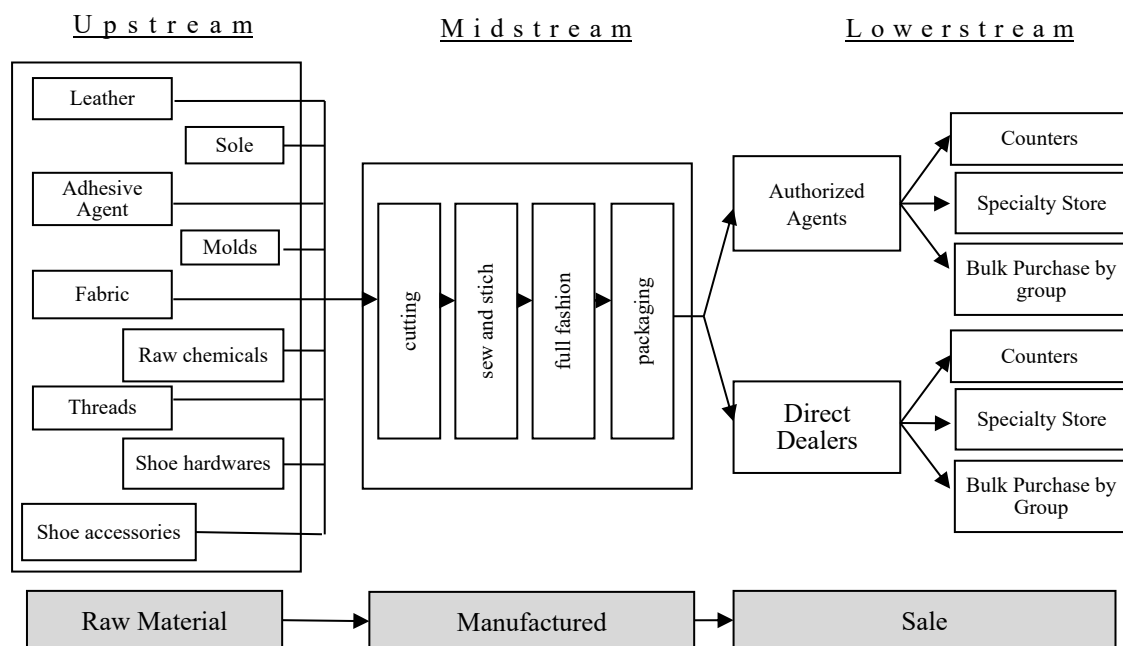
Mobile social networking can not only actively stimulate users' consumption demand, but also utilize the information sharing function of social platforms to form a fissure-type network propagation through users' "word of mouth", and acquaintances' experiential consumption experience and propagation can more effectively endorse the products, enhance users' trust and consumption confidence while continuously increasing the frequency and efficiency of purchase. It also enhances users' trust and confidence in consumption while continuously increasing the frequency and efficiency of purchasing, makes the communication between brands and customers more warm, establishes a close and direct link similar to social "friends", and better meets the personalized needs of consumer groups.

4.2.4 Online and Offline Pipeline Integration

With the development of e-commerce for several years, the e-commerce bonus period may be close to the end. Compared to the physical store, e-commerce requires huge promotional costs, as well as such as website operating costs, labor costs, etc., these costs add up to no less than the cost of opening a physical store, and even many areas of the shopping mall rents are gradually declining. Clothing industry pipeline is not limited to online or offline, but should be integrated pipeline. For example, Uniqlo, in the early years, opened the online and offline, the same models at the same price model, to guide consumers not only online consumption.

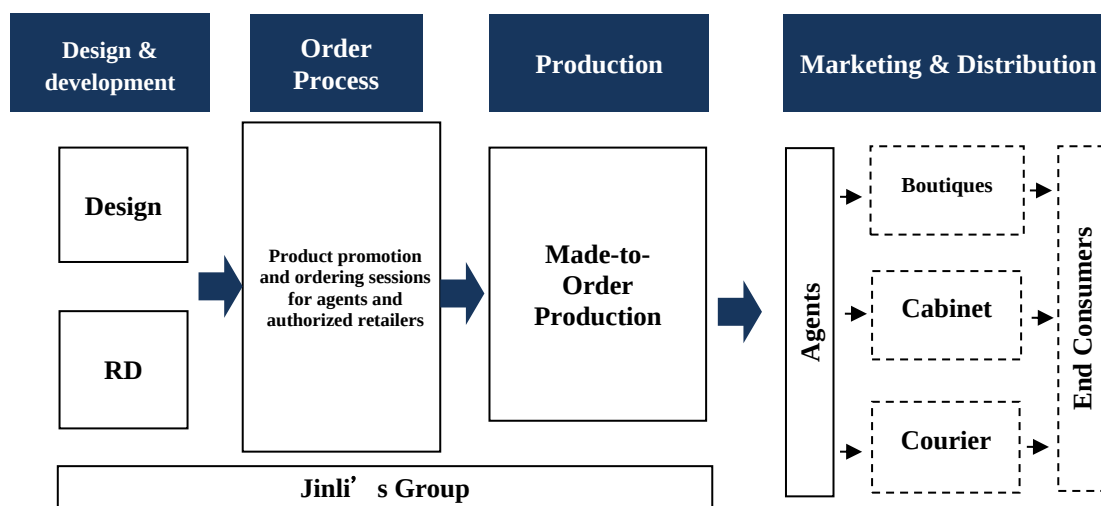
4.2.5 Upstream, Midstream and Downstream Linkages

- 4.2.5.1 The Company is a manufacturer of footwear under its own brand name. The upstream and downstream industry chains are shown below:



4.2.5.2 Distribution Model

The Company holds two large-scale product ordering fairs each year and conducts footwear production scheduling or purchases of apparel and accessories from outsourcing factories in accordance with the delivery details set out in the purchase and sales contracts entered into with the agents, and the agents appoint freight forwarders to pick up the products from the Company or the processing factories on the agreed delivery dates, and ultimately sell the products to the consumers in the PRC through the sales channels of the agents, including boutique stores, counters and online shopping.



4.2.6 Product Trends

4.2.6.1 The technical level and research and development status of our business

The consumer market for branded footwear is already a consumer-oriented era, with the advent of the refined and popularized consumer era. Since the Company mainly operates branded apparel and footwear, it is positioned at a mid-price level. The target customers are young people aged 18-35, who are the most personalized consumer group. Although the consumption ability of consumers in this age group is not the strongest, the consumption frequency is the highest, and they usually pay more attention to the style, quality, and brand feeling, and they are precisely the main consumers of mid-range or mid-range branded apparel. Therefore, high quality, popular and well-known brands are the focus of the target group. The development trend of branded apparel will be closely integrated with the lifestyle of the customer base, including the continuous innovation of fabrics and materials, the realization of brand value and the enhancement of pre-sales and after-sales services to customers.

4.2.7 Product Competition

4.2.7.1 The Company's main sales area is China. Due to the continuous growth of China's economy, benefiting from the continuous improvement of people's living standard and the increase of distributable income, the footwear and apparel market in Mainland China is in the emerging period, which not only makes the local brands in Mainland China rise, but also attracts the international brands to enter the market. In terms of the Company's main branded footwear and apparel lines, the Company's main competitors are mainly Mainland China brands. In terms of footwear and casual apparel, the Company's competitors include Li-Ning, Anta, Tebu and 361 Degrees, and in terms of denim apparel, there are Zengzhi Denim and Baseball-Team Boy (B.T.BOY). However, due to the vastness of Mainland China and the different market demands of each place, the retailers of various footwear and apparel products are usually based on the regional type of operation and there are a lot of small-scaled operations, therefore, the main competitors vary with different regions and different products. However, due to the vast territory of the PRC, market demand varies from region to region.

4.2.8 Technology and R&D Overview

4.2.8.1 The Company is committed to the design and development of G-APPLE products, the main objective of G-APPLE products is to develop a series of sports and casual footwear, in order to expand the range of products to meet the needs of end customers, so far, the Company has developed a series of footwear with different functions and features, including products made of breathable materials and products with shock absorption; e.t product design is a "composite design model" to combine the advantages of both design-oriented and market-oriented design; the so-called composite design model is based on the traditional "design-oriented" to build up their own design. e.t's product design is a "composite design model" that combines the advantages of both design-oriented and market-oriented designs. The so-called composite design model is based on the traditional "design-oriented" approach to build up one's own brand image, supplemented by the "market-oriented" design model to quickly respond to the changing trends of market fashions, however, e.t's products are priced at a relatively high level, and are temporarily withdrawn from the market, to be deployed when the economic situation picks up again. The success of our product design is largely attributed to our ability to identify and predict trends in the casual footwear and apparel industry and to keep up with consumer preferences. In addition, the Company formally entered the cosmetic industry in 2016, setting up a subsidiary in Taiwan as a brand and R&D center, and continuing to invest in the development of cosmetic products, including the development of raw materials, formula formulation, and overall product design, etc. However, due to the poor market conditions, the Company has temporarily withdrawn from the market for cosmetic products, and will make further deployments when the market recovers.

R&D expenditures and technologies or products developed in each of the last five years.

Unit: in thousands of NTD

Category	2020	2021	2022	2023	2024	2025 First Quarter
R&D Expenses	60,715	41,604	26,290	2,497	5,753	1,457
Net Revenue	378,255	432,077	212,674	209,995	132,576	31,019
Net Revenue Ratio	16.05%	9.63%	12.36%	1.19%	4.34%	4.70%

Remark 1: Financial information are audited or reviewed by Accountants.

4.2.9 Developing successful technologies or products

4.2.9.1 Self-created brand trademark:

The Company has applied for and obtained trademark rights in Mainland China, the European Union, Hong Kong and Taiwan. To date, a total of 66 trademark rights have been obtained for self-branded products, and the Group's trademark rights obtained and under examination are set forth below:

April 30, 2025

Company	Gold Apple (China)	Aiqi (Fujian)	Gold Apple (Hong Kong)		Jinli (Cayman)	Total
Region	China	China	EU	Hong Kong	Taiwan	
Obtained	21	31	1	1	12	66
Under review	0	0	0	0	0	0
Subtotal	21	31	1	1	12	66

4.2.9.2 Name of Awards

Year	Name of Award	Awards Received From
2009	2008 Customer Service Satisfaction	Quality Association of Fujian Province
2009	Top 500 Valuable Brands in China	World Brand Lab
2010	Top 500 Valuable Brands in China	World Brand Lab
2010	Top 100 Enterprises in China's Brand Capital - Care for Employee	People's Government of Jinjiang
2011	Top 500 Valuable Brands in China	World Brand Lab
2012	Well-known Products in Fujian Province	People's Government of Fujian
2012	Top 500 Valuable Brands in China	World Brand Lab
2013	Top 500 Valuable Brands in China	World Brand Lab

4.2.10 Long-term and short-term business development plans

4.2.10.1 Short-term Development Strategies and Plans

(1) Operation Strategy

- A. Continuously obtain various quality certifications.
- B. Implement labor health and safety management and fulfill our responsibility to society and employees.
- C. Strengthen our OEM footwear technology.

(2) Production Strategy

- A. Use semi-automated machines to increase production efficiency.
- B. Strengthen the allocation of human resources to cope with changes in business cycles.

(3) Marketing Strategy

- A. Consolidate product and customer relationships, accurately grasp market trends, expand product diversity, meet customer needs for product integration, and proactively position ourselves for the future.
- B. Devote ourselves to developing trendy products and enhancing the intrinsic value of our products, thereby improving our company's self-brand image.
- C. Strengthen the G-APPLE and E.T brand images and expand market penetration.
- D. Create the MegustaMe Taiwan brand, influence consumers on both sides of the Taiwan Strait through online and offline channels. However, due to poor market conditions, we temporarily withdrew from the beauty market and will re-enter the market when the economy improves.

4.2.10.2 Long-term development strategies and plans

(1) Operation strategy

- A. Continuously expand sales outlets and agents, and network expansion will remain an important development strategy for the Company.
- B. G-APPLE stores will be established in third- and fourth-tier cities in China to consolidate the Company's position in the Chinese market.

(2) Production strategy

- A. Continuously strengthen our control over incoming materials quality, delivery time, and cost reduction.
- B. Fully outsource production to reduce fixed labor costs.

(3) Marketing strategy

- A. Expand market share, distribution networks and specialty stores in China, covering provincial capitals and other major cities.
- B. Continuously improve design professionals and maintain the Company's product brand image and visibility.
- C. Develop diversified products to reduce the impact of significant changes in a single market.

4.2.11 Overview for Marker, Production and Sales

4.2.11.1 Market analysis

Sales Area for Primary Product

Unit: in thousands of NTD

Region	2023		2024	
China	209,995	100.00%	132,576	100.00%
Total	209,995	100.00%	132,576	100.00%

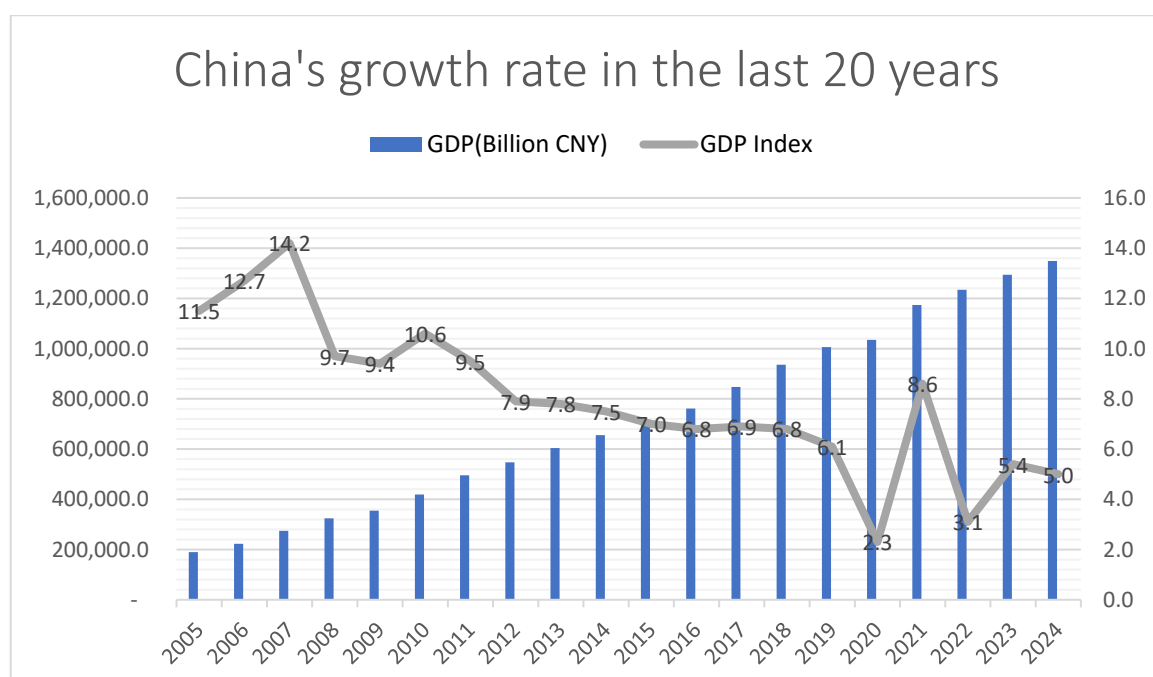
The Company's main sales area is Mainland China. Due to the vastness of the Chinese market, the Company mainly sells its products to the end-consuming public through agents, and the Company maintains its excellent group image by providing systematic training on a regular basis, including training activities in marketing, product display design and inventory management. In addition, due to the start of the cosmetics industry in 2016, the initial revenue contribution from Taiwan, in China, by way of brand licensing, to obtain brand licensing fees, a small portion of the initial contribution has been made, however, due to the poor market conditions of the cosmetics products, the current temporary withdrawal from the market, to be back when the economy rebound for the deployment.

4.2.11.2 Market share

Our company is mainly engaged in the design and sale of footwear. Since the establishment of our own brand, G-APPLE, in 2002, we have been actively building up our internal product design and development team and endeavoring to maintain long-term and stable relationships with our agents, and to capture the huge domestic market in China with our high-quality product image to expand our market share. We also expect our brands to be in line with fashion trends and international trends, so as to rapidly accumulate loyal customers and specific consumer groups. The market for footwear and apparel products in the PRC is vast, and the products sold by each industry not only vary greatly, but also target different age groups, and there are many small and medium-sized enterprises without brands or with low brand awareness, making it difficult to obtain accurate statistics, and therefore there is no professional organization that compiles statistics on the market share of individual enterprises. According to the National Bureau of Statistics of the PRC, the total retail sales of apparel, footwear, hats, knitted fabrics and textiles in the PRC for the year 2024 amounted to RMB1,469.05 billion, and based on the Company's total annual revenue of approximately RMB29 million for the year 2024, its market share would be approximately 0.002%.

4.2.11.3 Future Market Supply and Demand Status and Growth

The Company's future supply and demand scenarios are closely related to China's economic growth rate as the Company's focus is on China's domestic demand market; China's economic growth rate (real GDP) will be 5.4% and 5.0% for the years 2023 and 2024, respectively.



In 2024, China faces a complex and severe situation with increasing external pressure and internal difficulties. However, the current external environment is becoming increasingly complex, severe and uncertain, and economic development still faces some difficulties and challenges.

China's total retail sales of consumer goods will reach 48.3345 trillion yuan in 2024, an increase of 3.5% over 2023. Among them, the retail sales of clothing, shoes and hats, and needlework textiles were 1,469.05 billion yuan, a year-on-year increase of 0.3%.

4.2.11.4 Competitive niche

4.2.11.4.1 Strategy for product diversification

The style of our company's products has gradually shifted from sports style to fashionable and casual style. In terms of clothing, in 2011, we shifted to denim clothing as the main axis, and at the same time established the e.t British style brand to meet the consumption preferences of young people who advocate fashion. In terms of footwear, after the 2008 Beijing Olympics, sports series products were favored by the public, and after the second half of 2011, the casual series was relatively popular in the market, especially the demand in the youth leisure market increased significantly. Therefore, our company adjusted the style direction of footwear and reduced the proportion of sports series. Therefore, when facing the overall decline in the sports brand market, the company's profits can still maintain year-on-year growth. Last year, in response to changes in consumer demand, the material of casual shoes was adjusted again to leather as the majority, thereby satisfying the mentality of young consumer groups seeking novelty and change. In 2016, the company also entered the field of beauty products in the field of people's livelihood consumer products, starting with facial masks as the first wave of brand building products, and gradually developing other items. It has developed and sold 13 facial masks, 3 facial cleansers, 3 revitalizing oils and other products, and authorized China with its facial mask development experience to strengthen the richness of its brand. In the context of China's poor economic environment.

4.2.11.4.2 Market segmentation

The Company has been deeply involved in the Chinese market for more than ten years and has actively expanded into third- and fourth-tier cities. International brands such as Nike and Adidas' stores are mainly located in China's first- and second-tier cities, and well-known Chinese sports footwear and apparel brands such as Li Ning, Anta, Xtep and 361 Degrees also focus on the consumer markets in first- to third-tier cities. Therefore, the Company is relatively less exposed to competition from international brands.

4.2.11.4.3 Differentiated pricing strategy

The Company's G-APPLE products are priced in the mid-to-low price range. In terms of footwear, they are lower than those of Chinese peers such as Anta, Xtep and 361 Degrees, and are also different from the mid-to-high price range of Li Ning and international brands..

4.2.11.4.4 Improving advertising and sales image

In the future, the Company will make good use of more cost-effective online marketing to reach a wider range of consumers in order to improve the sales performance of its retail outlets. It will also strive to optimize the image of the exclusive stores under the agents, encourage agents to open flagship stores or image stores, and sponsor competitions or other public relations activities to promote the excellent quality and brand image of the Company's products, and help narrow the distance between the Company's brand and target consumers.

4.2.11.4.5 Having gained a certain market share in China, we have a broad distribution network

Based on the brand image and recognition, a wide distribution network has been established in China to sell products to expand the coverage of various provinces and cities in China. The company's sales network in the Chinese market includes G-APPLE stores and counters in various provinces (cities), which are mainly concentrated in China's third- and fourth-tier cities. The company continues to expand its sales network and improve its operating performance.

4.2.11.4.6 Excellent product design and development capabilities

Our footwear and apparel product design and development team continues to monitor China's market trends through various channels and keep up with the latest international trends, such as the Internet, industry journals and fashion magazines, and works closely with the marketing department to provide a full range of services to meet customer needs.

4.2.11.4.7 Prioritize product quality

Our company implements quality control procedures throughout the entire production process. In 2008, the company was awarded the ISO9001:2000 quality control system certification by the Fujian Southeast Standard Certification Center. The quality control procedure starts from the receipt of raw materials and runs through the entire production process. By continuously improving the effectiveness of quality management, we have gained the trust of customers, established a good brand image and helped to expand performance, achieving the goal of sustainable business operations. The basic standard for cosmetics OEM factories is to comply with Taiwan's GMP factory regulations, and we conduct on-site inspections of OEM factories and random product quality checks.

4.2.11.4.8 Competitive cost structure

The Company's production base is located in Jinjiang City, Fujian Province, China. The Company benefits from the fact that China's operating costs (such as labor costs and raw material costs) are generally more competitive than those in developed countries and certain developing countries. In addition, the Company is located in Jinjiang, China, which is known as the shoe capital. Due to its

- proximity to suppliers and outsourced manufacturers, it can obtain lower transportation costs, resulting in a deep cost competitive advantage.
- 4.2.11.4.9 Establish a good relationship with authorized agents
Our company and its agents are long-term partners. We work more closely with them through training and coaching specialty stores, and regularly collect feedback from agents to provide products that meet the needs of end customers. We also use advertising and promotional activities to strengthen brand awareness, thereby expanding the market for our products and creating a win-win model with our agents. As China's economic environment undergoes significant changes in 2020-2021, people's spending power will become more conservative. Our company will re-examine the agency system and plan a regional agency model that fits the overall environment, thereby achieving the most appropriate business strategy to promote brand apparel.
- 4.2.11.4.10 Management team with solid experience
The Company's chairman has over 20 years of experience in the footwear, clothing, and accessories industry and has been responsible for the Company's strategy and planning since its inception. The management team also has many years of experience in the footwear, clothing, and accessories industry. With the support of an excellent management team, the Company aim to continue to enhance core competitiveness, expand sales areas, and consolidate customer sources, thereby strengthening the competitive advantages.
- 4.2.11.4.11 Recruit outstanding research and development, design talents
The Company recruit excellent research and development design talents by going public, developing higher value-added products that better meet customer needs, creating new brands, and seizing different customer sources or developing overseas sales markets.
- 4.2.11.5 Favorable and unfavorable factors and response strategies for development vision
- 4.2.11.5.1 Favorable factors
- A. Urbanization trend and population structure changes
The Chinese government has determined the direction of China's future economy through various conferences and meetings. They will promote rural urbanization and implement the "two-child policy" to expand domestic demand and increase the young population. In recent years, the trend of urbanization in China has been very clear, especially in the development of third-tier and fourth-tier cities. According to data from the National Bureau of Statistics of China, in 2011, the urban population surpassed the rural population for the first time, which significantly increased China's consumption power. Our company has been deeply involved in the Chinese market for 10 years and has actively laid out in third-tier and fourth-tier cities. With the trend of urbanization and the growth of consumer demand, future business opportunities are promising.
- B. Middle-class demand creates consumer opportunities
With the increase in disposable income and the widespread availability of consumer information, consumers' demands for cost-effective clothing have gradually increased. Consumer attitudes have shifted from being able to afford to purchasing high-quality products, presenting opportunities and challenges for businesses with good products and channels. China has a large population, and the consumption of the upper middle class has attracted global attention. However, what is worth more attention in recent years is the rise of middle-class consumption (middle class, middle price range), which will inevitably become the mainstream trend of market consumption. Our company's target audience is the middle class, which is the future main force of consumption, and therefore, the future prospects are not to be underestimated.
- 4.2.11.5.2 Unfavorable factors and response strategies:
Intense competition in the industry:
The entry barriers for our company's industry are not high, and new competitors are entering the market one after another. Many domestic and international brands are competing with each other in terms of brand loyalty, product diversity, product design, product quality, and price.
- Response Strategies:
- (a) Continuously invest in the Company's product research and development, design, and marketing capabilities to develop products with higher added value to increase profit margins.
- (b) Based on the Company's brand image and recognition, establish a diversified sales network through agents to sell our products in the vast Chinese market.
- 4.2.11.5.3 Affected by the fluctuations in the supply and prices of raw materials and outsourced products
The operation of footwear production relies mainly on the ability to obtain footwear materials in a timely manner and have sufficient supply. The Company has not signed long-term contracts with major raw material suppliers, so the Company cannot guarantee to obtain major raw materials at competitive prices continuously. As the Company have been deeply involved in the casual footwear market for many years and have a high level of understanding of shoe production costs, our product sales prices are determined based on our pricing strategy, so the gross profit margin for casual shoes can be maintained at a certain level. However, in the future, labor wages and raw material costs will start to affect the gross profit

margin, as the cost of raw materials and outsourced products (G-Apple and e.t. clothing) manufactured by our shoe factory begins to increase.

Response Strategies

- (a) Maintain good cooperative relationships with upstream suppliers and negotiate based on quality, productivity, reliability, and delivery speed to obtain competitive purchase prices. This will help to reduce the impact of changes in the unit price of raw materials to a controllable level.
- (b) Collect market supply information and use our advantage in large-scale procurement to reduce material costs and maintain the profitability of our products.

4.2.11.5.4 Facing the Impact of Labor Shortages and Labor Cost Increases in China

The footwear and clothing industries are labor-intensive, and in recent years, the rapid development of inland areas has caused a labor shortage in coastal areas. China's labor costs have also been trending upward in the past few years, as people's living standards have improved, and labor costs have continued to rise. To cope with the overall changes in the environment, salary increases have become an unavoidable option for companies, resulting in an increase in labor costs and the direct labor costs and manufacturing costs of outsourced products (G-Apple and e.t. clothing) manufactured by the shoe factory.

Response Strategies

- (a) Strengthen employee welfare and provide good dormitory conditions. Plan regular and irregular education and training for employees to increase their understanding and sense of identification with the company culture. This will not only increase productivity but also increase employee loyalty and stability.
- (b) As labor costs continue to rise, timely reflect the costs in product prices, and transfer them to customers to mitigate the impact on our company's gross profit margin.

4.2.11.5.5 Risks of sales concentration on authorized agents

The company mainly sells products through authorized agents. Due to the vast territory of China, brand products sold for domestic consumption generally need to be marketed through wholesalers or agents familiar with the local customs and habits, in order to reduce our marketing costs. The authorized agents have exclusive rights to sell our products in their respective provinces. However, we have no control over their operations and cannot accurately grasp the accuracy of their sales and inventory data. If changes occur in our cooperation with distributors or if they violate our distributor management system during actual operations, it may have a negative impact on our business performance or brand reputation.

Response Strategies

- (a) Strengthen brand marketing, establish a brand image, and enhance market awareness to give our products a strong market position. This will increase the dependence of our distributors on the company and continue to achieve the concept of profit sharing, allowing them to enjoy a certain profit space while coexisting and prospering with our company.
- (b) Through regular supervision and guidance of distributors in each province by regional managers, the Company can ensure that distributors comply with our relevant regulations, thereby maintaining our brand image and improving their sales capabilities.
- (c) The Company sends personnel to regularly supervise distributors every month to grasp their inventory and sales conditions. In the future, to more accurately grasp the operational status of distributors, the Company will require them to provide monthly sales and inventory reports, which regional managers will review locally, and the review results will be included in the monthly work report.

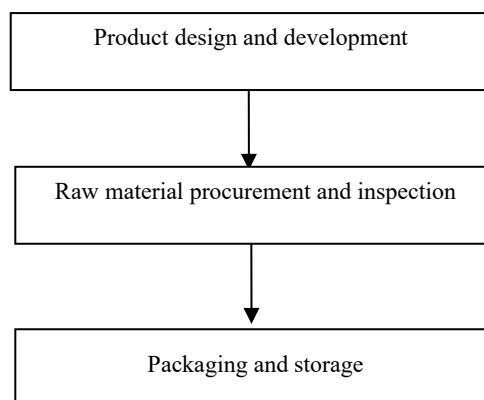
4.2.11.6 Important usage and manufacturing process for primary products

(1) Important usage of primary products

The Company's primary products are: apparel, footwear and accessories. These are essential consumer goods.

(2) Manufacturing process for primary products

The main products of the company's footwear line are self-manufactured, while apparel and accessories are outsourced. Please see the following diagram for footwear manufacturing (from development, design, receiving of raw materials, assembly, to finished products):



4.2.11.7 Supply status of primary raw materials

Raw Material	Supplier	Supply Status
Shoes	DS Company	Good
Sole	K Company, L Company, HR Company	Good
Space leather, PVC, PU leather	ZF Company, ZD Company	Good
Packaging and Printing	E Company	Good

4.2.11.8 List of Primary Clients (with purchase and sale activities)

- (i) Name of suppliers, amount and ratio of purchase and sale, along with reason for the increase or decrease of purchase:

Units: thousands of NTD

	2023				2024				First Quarter of 2025			
	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship to the Issuer	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship to the Issuer	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship to the Issuer
1	HR Company	28,989	20.14	None	DS Company	110,087	100.00	None	DS Company	25,737	100.00	None
2	K Company	25,858	17.97	None								
3	L Company	19,141	13.30	None								
4	E Company	17,696	12.29	None								
4	ZF Company	16,369	11.37	None								
	Other	35,873	24.93	—								
	Net purchase	143,926	100.00	—	Net purchase	110,087	100.00	—	Net purchase	25,737	100.00	—

Analysis on Change: The company's suppliers include raw material suppliers and outsourced manufacturers. In 2023, the vendors accounting for over 10% of total purchases are HR Company, K Company, L Company, E Company, ZF Company, and ZD Company, with their purchase amounts and percentages as shown in the table above. Since the company will begin outsourcing production in the first quarter of 2024, DS Company will become the largest supplier for 2024 and the first quarter of 2025.

- (ii) Name of suppliers, amount and ratio of purchase and sale, along with reason For the increase or decrease of purchase:

Units: thousands of NTD

	2022				2022				First Quarter of 2024			
	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship to the Issuer	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship to the Issuer	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship to the Issuer
1	C&D Company	142,840	68.02	None	O Company	132,576	100.00	None	O Company	31,019	100.00	None
2	O Company	65,323	31.11	None								
	Other	1,832	0.87	—								
	Net purchase	209,995	100.00	—	Net purchase	132,576	100.00	—	Net purchase	31,019	100.00	—

Analysis on Change: In 2023, due to China's slower-than-expected recovery from the pandemic and the widespread adoption of e-commerce, the outlook for the leisure footwear and apparel industry has become more conservative. As a result, agents' purchases of leisure shoes have also been cautious. The company has strengthened its foreign trade orders (shoe manufacturing) work, making Jianfa Company the largest customer. Starting in the first quarter of 2024, the company will begin outsourcing production while simultaneously reducing foreign trade order activities, making O Company the largest customer for 2024 and the first quarter of 2025.

4.3 Number of employees: Past 2 Years

Unit: person

Year		By End of 2023	By End of 2024	Up to Mar.31, 2025
Number of employees	Management personnel	4	10	10
	Regular employee	35	23	23
	Production line staff	140	0	0
	Total	179	33	33
Average age (years)		27.92	45.82	46.82
Average years of service (years)		7.36	9.00	9.26
Mix of Employee Education Background	Master	-	-	-
	Junior College	12.85%	33.33%	33.33%
	High School	40.22%	15.15%	15.15%
	Below High School	46.93%	51.52%	51.52%

4.4 Environmental protection expenditure information

In the recent year and up to the date of printing the annual report, losses incurred due to environmental pollution (including compensation and violations of environmental protection regulations as identified by environmental protection inspections, with the date of punishment, punishment reference number, violated regulation articles, violated content, and punishment content specified) have been disclosed, and the estimated amounts and corresponding measures that may occur currently and in the future have been disclosed. If it is not possible to estimate reasonably, the fact that it cannot be estimated reasonably should be explained: The company's main business items are the manufacturing, processing and trading of various footwear and clothing products. No sewage or waste gas is discharged during the manufacturing process. Waste materials are sold to resource recycling plants that comply with regulations. No violations of environmental protection regulations in 2024.

4.5 Labor relations

- 4.5.1 List the various employee welfare measures, training and development programs, retirement system, and the implementation status of such measures, as well as the agreements between labor and management and the measures taken to protect the rights of employees.

4.5.1.1 Employee welfare measures

Talents are the most valuable asset of our company, and we carefully cultivate, cherish, and care for each colleague, allowing everyone to achieve a balanced development in work, life, and leisure. The company hopes that all colleagues can quickly understand the daily operations of the company, work and live happily according to regulations, and improve the quality of each member. All employees of the company, regardless of age, position, or gender, have the obligation and responsibility to maintain the dignity of all employees and ensure full implementation. The rights of employees are as follows:

- Equal employment opportunities.
- The right to receive remuneration for labor.
- The right to rest and vacation in accordance with company regulations.
- The right to labor safety, health, and protection.
- The right to participate in learning and training.
- The right to file a complaint in a reasonable manner regarding unreasonable treatment by superiors.
- To provide employees with social insurance and housing provident fund.
- Hold birthday parties regularly and distribute birthday gifts.
- Organize major festival celebrations and evening activities.
- Provide employee accommodation.

4.5.1.2 Employee training and development

Talent is the most important core competitiveness of our company, and continuous education and training can stimulate employees' personal potential, enhance their knowledge, and effectively improve the company's overall performance, thereby achieving the company's operational goals. The measures for implementing the employee training policy are as follows:

- New employee training: After new employees arrive at the company, they have a dedicated mentor to guide and lead them. In addition to familiarizing new employees with the work environment, it also strengthens their identification and understanding of the company. Each department also plans basic training courses for new employees to assist them in

learning relevant knowledge for their work. This includes knowledge training on the company's introduction, organizational structure, employee handbook, environmental protection, quality and environmental policies, company rules and regulations, and production safety and health.

- B. On-the-job training: The company formulates an annual public course plan at the end of each year, which is planned and opened by the company or each department. Internal training courses can be taught by internal lecturers, such as the correct use of elevators, correct use of sewing machines, and safe use of electricity in the molding workshop to ensure that employees use work machinery correctly, effectively improve work efficiency and prevent occupational injuries.
- C. Management training: The company has arranged various management talent training programs based on the characteristics of each level of management, establishing a common vision and business consensus for the team. The management courses include social responsibility policies, goals and SA8000 management guidelines, management procedures, and hazard identification and control, cultivating their personal leadership style, establishing management abilities, and maintaining employee safety.

4.5.1.3 Retirement system and its implementation status

The main operating entity of the company, Gold Apple (China) Co., Ltd., mainly follows the "Regulations on Basic Old-age Insurance for Enterprise Employees" of the country of operation and pays old-age pensions on a monthly basis to the local government financial department account.

A. Agreements between labor and management

The Company has always attached great importance to employee rights, and labor-management relations are harmonious. The Company value employee feedback, and employees can communicate directly with the human resources department or appropriate senior managers to maintain good relationships. Therefore, there have been no major labor disputes to date.

4.5.1.4 Measures taken to protect the rights of employees

Our company has established an internal control system and various management measures, which clearly stipulate the rights, obligations, and welfare items of employees and regularly review the welfare content to protect employee rights.

4.6 Information security management

4.6.1 Describe the framework for managing information security risks, information security policies, specific management plans, and resources invested in information security management.

4.6.1.1 Framework for managing information security risks

The responsibility unit for information security in our company is the General Manager's Office, which is responsible for planning, executing, and promoting information security management matters and raising awareness of information security.

4.6.1.2 Information security policies

- A. Maintain the sustainable operation of various information systems.
- B. Prevent hackers, various viruses from invading and destroying.
- C. Prevent improper and illegal use by human intentions.
- D. Prevent sensitive data leakage.
- E. Avoid accidental human error.

4.6.1.3 Specific management plans and resources invested in information security management

The company's audit department is the auditing unit for information security management. If any deficiencies are found during the audit, the audited unit is required to submit a related improvement plan and report it to the board of directors, and regularly track the effectiveness of the improvements to reduce internal information security risks.

The company's information security department implements self-assessments every year on the current system information security management. The 2023 annual assessment result is low-risk and sufficient to protect the company's information security.

4.6.1.4 List the losses suffered, potential impacts, and response measures taken due to significant information security incidents in the current and previous fiscal year up to the date of the annual report's publication. If it is impossible to estimate reasonably, explain the fact that it cannot be reasonably estimated: The company did not experience any major cyber attacks that impacted the company's operations in 2023.

4.7 Important contract

No.	Nature of Contract	Responsible Party	Contract Start and End Date	Primary Content	Restriction Clause
1	Property Lease Contract	Jinjiang Plastic Co., Ltd. Longfei Products	July 1, 2021 to June 30, 2031	Jinjiang Longfei Plastic Products Co., Ltd. leased the 7th floor factory (6,873.14 M2) of Shuanggou Industrial Zone, Meiling Street, Jinjiang City, Fujian Province, to Gold Apple.	--
2	Property Lease Contract	Fujian Jinjiang Aiqi Plastic Products Co., Ltd.	July 1, 2021 to June 30, 2031	Fujian Jinjiang Aiqi Plastic Products Co., Ltd. leased the 4th floor of Building A and the 6th floor of Building B (2,133.21 M2) in Shuanggou Industrial Zone, Meiling Street, Jinjiang City, Fujian Province, to Gold Apple	--
3	Property Lease Contract	Aiqi (Fujian) Shoes & Plastic Co., Ltd.	July 1, 2021 to June 30, 2031	Aiqi (Fujian) Shoes & Plastic Co., Ltd. leased factory 1 6-storey, 2 6-storey, 3 3-storey and 4 7-storey factory buildings of Shuanggou Industrial Zone, Meiling Street, Jinjiang City (with a building area of 5,000 M2) to Gold Apple.	--
4	Property Lease Contract	Leads (China)bio tech Ltd.	June 1, 2024 to May 31, 2039	Changtai Gold Apple leased the factory in Zhangzhou Changtai Economic Development Zone for use in Leading (China).	--
5	Franchise License Contract (G-APPLE)	Aiqi (Fujian) Shoes & Plastic Co., Ltd	Authorized franchise license period is three years (from Sep 1, 2024 to May 31 2034)	Aiqi (Fujian) Shoes & Plastic Co., Ltd. leases factory 1 6-storey, 2 6-storey, 3 3-storey and 4 7-storey factory buildings of Shuanggou Industrial Zone, Meiling Street, Jinjiang City (with a building area of 5,140.67.67 M2) to Jinjiang Longfei Plastic Products Co., Ltd.	--

V. Finance Overview

5.1 Names and audit opinion of Certified Public Accountants in the Past 5 Years

Year	Certified Public Accountants	Name of Accountant Firm	Auditing Comments
2020	Xian-Zheng CHEN, Se-kai LIN	PwC Taiwan	No reserved comments
2021	Xian-Zheng CHEN, Se-kai LIN	PwC Taiwan	No reserved comments
2022	Ken Lin, Diana Shih	Candor Taiwan CPAs Taipei, Taiwan	No reserved comments
2023	Zoe Chen Alex C. Y. Kuo	ShineWing Taiwan	No reserved comments
2024	Zoe Chen Alex C. Y. Kuo	ShineWing Taiwan	No reserved comments

Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2024 Business Report, Consolidated Financial Statements and Deficit Compensation Statement. Among them, the CPAs Zoe Chen and Alex C. Y. Kuo of ShineWing Taiwan have been entrusted to audit the financial statements and issue an audit report. The Business Report, Consolidated Financial Statements, and Deficit Compensation Statement have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report..

Jinli Group Holdings Limited

Chairman of the Audit committee:



March 11, 2025

5.3 Financial report

Recent financial report: please refer to pages 78 to 155.

5.4 Individual Entity Financial Report for the recent years, audited by the Accountant

The company is the first listed company and does not need to prepare an Individual Entity Financial Report, so it is not applicable.

5.5 Any difficulty of financial turnover for the Company and its affiliates, such that any impact it causes on the company' s financial status should be listed

None.

VI. Financial Status, Financial Performance Review Analysis and Risk

6.1 Financial status

Primary reasons for the significant changes in assets, liabilities and shareholders equity for the past 2 years, and its impacts. If the impact is significant, the plan for the corresponding measures in the future, should be stated:

Unit: in thousands of NTD; %				
Year Category	2023	2024	Changes (Increase, decrease)	
			Amount	Ratio of Change (%)
Current assets	5,927,919	6, 170, 325	242,406	4.09
Real estate, plant and equipment	2,034	1, 812	(222)	(10.91)
Other non-current assets	150,171	118,461	(31,710)	(21.12)
Total assets	729,317	742,657	13,340	1.83
Other current liabilities	33	28	(5)	(15.15)
Total assets	6,809,474	7, 033, 283	223,809	3.29
Deferred income tax liabilities	82,937	98,891	15,954	19.24
Total current liabilities	600,938	612,877	11,939	1.99
Total liabilities	683,875	711, 768	27,893	4.08
Share capital	1,857,472	1,857,472	0	0.00
Retained earnings and capital reserve	4,897,164	4,893,867	(3,297)	(0.07)
Other rights	(629,620)	(430,351)	199,269	(31.65)
Total shareholders' equity	6,125,599	6,321, 515	195,916	3.20
Remarks on categories with important changes: (for amount changes that are more than 10%, and the amount reaches 1% of the total assets of the year)				
2. Increase in Liquid Assets: Main cash and time deposits increased by NT\$246,131 thousand.				
3. The increase in other rights is mainly due to the exchange difference in the financial statements of foreign operating institutions.				

6.2 Financial Performance

1. Primary reason for the important changes in operating income, operating net profit and pre-tax net profit in the past 2 years

Unit: in thousands of NTD; %				
Year Category	2023	2024	Changes (Increase, decrease)	
			Amount	Ratio of Change (%)
Operating income	209,995	132,576	(77,419)	(36.87)
Operating cost	201,582	110,087	(91,495)	(45.39)
Operating gross profit	8,413	22,489	14,076	167.31
Operating expenses	50,552	50,846	294	0.58
Operating profit	(42,139)	(28,357)	13,782	32.71
Non-operating income and expenses	29,235	25,782	(3,453)	(11.81)
Net profit before tax	(12,904)	(2,575)	10,329	80.04
Deduct: income tax expense	(1,579)	(778)	(801)	(50.73)
Net profit after tax	(14,483)	(3,353)	11,130	76.85
Total comprehensive benefits in the current period	(138,021)	195,516	333,537	241.66
Net profit attributable to the parent company	(13,965)	(3, 297)	10,668	76.39
The total comprehensive income attributable to the parent company	(137,501)	195, 972	333,473	242.52
Remarks on categories with important changes: (for amount changes that are more than 10%, and the amount reaches 1% of the total assets of the year)				
1. Operating income and costs decreased compared with the previous period, and the total amount of comprehensive interests and total comprehensive interests attributable to the parent company increased compared with the previous period, mainly due to the fact that in 2024, the company mainly sells its own brand products, compared with OEM, and the gross profit margin of products is higher.				
2. Other Combined Gains-Losses-Conversion Statement Monetary Balance increased by 261.30% over the previous period.				

6.3 Cash flow

Change of cash flow in the recent year (2024):

Unit: in thousands of NTD; %

Category	Year	2023	2024	Amount increase (decrease)	Ratio of Increase (decrease)
Operation activities		26,748	38,273	11,525	43.09
Investment activities		(4,755)	(3,508)	1,247	(26.23)
Financing activities		(3,884)	8,518	12,402	(319.31)
Analysis of change:					
1. Business activities: net cash inflows from operating activities increased during the period, mainly due to the poor economy in 2023.					
2. Investment activities: net cash outflows from investment activities increased during the period, mainly due to an increase in other payable - related persons.					

1. Improvement plan for insufficient liquidity: Not applicable.
2. Analysis of cash flow for the next year (2025):
The Company has no major capital expenditure plan for 2025, and the operation mode is to develop the sales channel of live streaming e-commerce, which will significantly reduce the demand for production equipment, so there is no risk of insufficient liquidity.

6.4 Impact of significant capital expenditures in the latest fiscal year on financial operations

There were no significant capital expenditures for the company in 2025.

6.5 Recent investment policy, main reasons for profit or loss, improvement plans, and investment plans for the next year

6.5.1 Company's reinvestment policy:

The Company's current reinvestment policy focuses on the basic business-related investment targets and depending on the conditions of the consumer market in the PRC. The investments are executed by the relevant executive departments in accordance with the internal control system, including the 'Investment Cycle', the 'Procedures for Transactions with Group Enterprises, Specified Companies and Affiliated Companies' and the 'Procedures for Acquisition or Disposal of Assets'. The above procedures have been approved by the Board of Directors or the shareholders' meeting.

6.5.2 Main reasons for profit or loss:

The Company's reinvestment are Gold Apple (China) and LEADS BIO CO., LTD.. Investment gains and losses for the most recent years are shown as follows:

Unit: in thousands of NTD

Transfer of investment	Business profits and losses recognized in year 2024	Remarks
Gold Apple (China)	19,019	The Company is mainly engaged in the design, manufacture and sale of fashion casual shoes and sports shoes as well as the design and sale of casual apparel (including jeans) and accessories. The Company just switched to outsourced production last year and its sales were relatively conservative; however, the production and sales processes have stabilised in FY201024, and sales have increased as compared to the same period last year. Investment income of NT\$19,019 was recognized this year.
LEADS BIO CO., LTD. (Taiwan)	(58)	The Company is mainly engaged in the sales and research and development of cosmetics and receives income from brand licensing fees. Currently, the Company is adjusting its strategy to withdraw from the market for the time being and will make further deployment when the sales market is confirmed.

6.5.3 Improvement plan and investment plan for the upcoming 1 year:

The Company does not have any specific investment plan at present. In the future, depending on the operational needs, the Company will propose an investment plan again and will carefully evaluate the investment plan and follow the relevant approval procedures.

6.6 Risk Management should analyze and evaluate the following factors

6.6.1 Risk factors

6.6.1.1 Impact of interest rate, exchange rate fluctuations, and inflation on the company's profits and future response measures:

(1) Interest rate fluctuations:

Currently, the Company has no lending relationship with banks. However, as the Company is in a growth stage, the Company continue to expand our business scale to enhance competitiveness and maintain good relationships with banks to obtain lower-cost funding in the future. Therefore, the Company and its subsidiaries will consider the overall amount and cost of various funding sources to raise the necessary funds. The interest expenses of the Company in 2022 and 2023 were NT\$1,852 million and NT\$1,626 million, respectively. The interest expenses in 2023 were generated by lease liabilities. Therefore, it is expected that interest rate fluctuations will not significantly impact the overall operation of our company.

(2) Exchange rate fluctuations:

The main operating entity of the Company is Gold Apple (China) Co., Ltd. Because the agents, raw material suppliers, and outsourcing contractors of our sales targets all trade within China, all transactions are denominated in CNY. A small amount of products sold overseas is exported through trading companies, but payment is still collected in Chinese yuan. Therefore, the daily operating-related payments of Gold Apple (China) Co., Ltd. are almost functional currency in CNY. The functional currency of the Company and its subsidiaries in Hong Kong and BVI is accounted for in US dollars and Hong Kong dollars. The Company issued convertible corporate bonds, and when preparing pro forma consolidated financial statements, adjustments are made to financial assets and financial liabilities, resulting in foreign exchange gains or losses. However, the proportion of foreign exchange gains or losses to net operating income and pre-tax income is very small, and all convertible corporate bonds issued by the Company have been fully redeemed or converted. In addition, the foreign exchange position generated by the fund loans between our company and its 100% subsidiary and the foreign exchange position generated by the fund loans between its 100% subsidiaries resulted in a partial exchange loss of NT\$ 7,109 thousands at the end of 2023 due to Asian currency exchange rate fluctuations, accounting for only 3.39% of the operating income for that year. Therefore, exchange rate fluctuations have not had a significant impact on the revenue and profit of our company so far.

The main operating entity of our company currently has no significant exchange rate fluctuations. However, in the future, when our company issues dividends in New Taiwan dollars to domestic investors or raises funds in New Taiwan dollars domestically, there may be exchange rate fluctuation risks when exchanging Chinese yuan to New Taiwan dollars. The response measures that our finance department may take are as follows:

- A. The Company maintains close contact with major banks to monitor changes in the foreign exchange market at any time, so that relevant managers can fully grasp the trend of exchange rates and respond to sudden market situations.
- B. The Company formulated the "Derivative Trading Handling Procedure for Publicly Traded Companies to Acquire or Dispose of Assets" in accordance with the "Guidelines for Handling Derivative Financial Products" and it was approved by the board of directors on May 10, 2011, and the shareholders' meeting on December 8, 2011. It was revised and approved by the board of directors on March 20, 2014, and the shareholders' meeting on June 24, 2014. The procedure regulates the operations related to derivative financial products, and when necessary, it can be executed according to the procedure in response to foreign exchange positions and exchange rate fluctuations to reduce the exchange rate risk generated by the Company's business operations.

(3) Inflation:

The past profits of the Company have not been significantly affected by inflation. If the cost of purchasing goods increases due to inflation, the Company will adjust selling prices appropriately as necessary to reduce the impact on our operations.

- 6.6.1.2 Policies, main reasons for profit or loss, and future response measures for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and trading in derivative products:
- Based on the principles of prudence and practicality, as of the date of this annual report, our company has not engaged in high-risk, high-leverage investments or similar transactions beyond our core business areas. In addition, our company has established procedures such as the "Fund Lending to Others Operating Procedure," "Endorsement and Guarantee Operating Procedure," "Asset Acquisition or Disposition Processing Procedure," and "Derivative Product Transaction Processing Procedure" as a basis for compliance for related operations conducted by our company and subsidiaries. As of the date of this annual report, the Company has not engaged in derivative product trading or endorsement guarantee activities. Moreover, there is no situation where funds have been lent to others outside of the group, so the related risks remain limited.
- 6.6.1.3 Future research and development plans and expected R&D expenses:
- Given the continuous expansion of demand in the footwear and apparel industry and the need for constant innovation and development to stay abreast of market trends and develop brands that cater to different customer groups, our company continues to invest manpower and funding in product design and development. In the past two years, the expenses incurred by our R&D design center accounted for 12.36% and 1.19% of our consolidated revenue, respectively. The decrease in the proportion in 2023 is mainly due to the poor operation of the Chinese brand shoes and apparel market. The company's long-term cooperation with offline agents in various provinces and the situation of European and American foreign trade shoe orders have not yet recovered significantly. In 2024, it will likely reflect online e-commerce, while rectifying and adjusting brand sales channels.
- 6.6.1.4 The impact of significant policy and legal changes at home and abroad on the company's financial business and response measures:
- The country of registration for the Company is the Cayman Islands, and the main operating country is China. The Cayman Islands primarily engage in financial services, while China is one of the world's major economic systems with stable political and economic environments. The footwear, apparel (including jeans), and accessories developed and sold by our company are consumer goods that are not subject to special or restricted industries. Therefore, the Company has not been significantly affected financially by major policy and legal changes in the Cayman Islands or China. Furthermore, our company conducts all business operations in compliance with important domestic and foreign policies and legal regulations and keeps abreast of the latest developments in important policies and legal changes at home and abroad, and timely responds to changes in market environments by adopting appropriate response measures.
- 6.6.1.5 Impact and response measures of technological changes (including information security risks) and industry changes on Company financial operations:
- 6.6.1.5.1 Technological changes
- The Company is a manufacturer that designs, develops, produces, and sells branded footwear, clothing (including denim clothing), accessories, as well as researches and sells beauty brands. Technological changes can provide our company with innovative new products and bring extensive business opportunities, which should not have a significant impact on our company's financial operations.
- The Company has not experienced any major information security incidents or property losses. Currently, our subsidiary's information department serves as the information security management department and will strengthen information security management in the future, such as establishing firewalls, electronic file encryption systems, etc., to control personnel usage rights and records and reduce the company's information security risks.
- 6.6.1.5.2 Industry changes
- With China's reform and opening-up policy, China has become the main production base for global footwear and clothing markets in the past 30 years. The consumption potential of 1.3 billion people makes China the most promising emerging market in the 21st century, and the growth of the consumer market in recent years is even more remarkable. Therefore, the current changes in the industry are a favorable trend for our company's financial operations. Our own brands and diversified distribution network will be the best leverage for our company to respond to industry changes.

6.6.1.6 Impact of Changes in Corporate Image on Corporate Crisis Management and Response Measures:

Our company strives to operate with the business philosophy of "creating the highest value for customers" and has a certain reputation and image in the industry. Therefore, there have been no changes in corporate image that have caused corporate crises. In addition, after listing on the Taiwan Stock Exchange, our company will be subject to supervision by relevant regulatory authorities and regulations, and corporate information will be more transparent and open, which will have a positive impact on our company's image.

6.6.1.6.1 Expected Benefits, Possible Risks, and Response Measures of Mergers and Acquisitions:

The Company has no specific plans to acquire other companies outside of our group in the current and previous fiscal years, so this does not apply.

6.6.1.6.2 Risks and response measures faced by concentrated purchasing or sales:

The Company has no plans to expand factory buildings in the current and previous fiscal years, so this does not apply.

6.6.1.6.3 Risks and response measures faced by concentrated purchasing or sales:

- (1) Concentrated Purchasing Risk: The recent changes in our company's purchasing situation are mainly due to factors such as the composition structure of our products, purchase prices, and product quality. In addition, as our company's main operation is located in the city of China's shoe industry, the supply of raw materials required for production is not lacking, and no single supplier has exceeded 30% of the total purchase amount. Therefore, there have been no significant concentrated purchasing risks.
- (2) Concentrated Sales Risk: In the past fiscal year, the sales of our largest customer accounted for 42.99% of the net consolidated revenue. This customer is an overseas trade order client. As sales of branded footwear and clothing did not meet expectations, our company's business strategy is to undertake overseas trade processing orders, which resulted in an increase in sales of overseas trade orders in 2022. The sales proportion to other customers is all below 25%, so there have been no significant concentrated sales risks.

6.6.1.6.4 The impact, risks, and response measures of a large-scale transfer or replacement of directors, supervisors, or shareholders holding more than 10% of shares:

In the past fiscal year until the date of printing of the annual report, the Chairman of the Board sold 1,804,000 shares in the centralized exchange market for personal financial planning, accounting for 9.71% of the Company's capitalization. However, the Chairman and his family still hold 29.78% of the Company's capitalization, and this sale had no significant impact on the Company's operations.

6.6.1.6.5 The impact, risks, and response measures of changes in management control:

In the past fiscal year until the date of printing of the annual report, there were no changes in management control of the Company. The Company have strengthened various corporate governance measures, introduced independent directors, and established an audit committee. Therefore, if there were changes in management control, it should not have a significant adverse impact on our company.

6.6.1.6.6 Significant lawsuits, non-litigation events, or administrative disputes involving the company, directors, supervisors, general manager, substantial responsible person, shareholders holding more than 10% of shares, or subsidiary companies that have been adjudicated or are still pending, and their outcomes may have a significant impact on shareholder equity or securities prices, should be disclosed with the facts, amount of the subject matter, the date the dispute commenced, the main parties involved, and the processing situation until the date of printing of the annual report:

None.

6.6.1.6.7 Other important risks and response measures:

- (1) For other important risks and response measures related to the Company's operations, please refer to the favorable and unfavorable factors and relevant response measures for the Company's future development in the market and production and sales overview in this annual report.
- (2) Although the Company has a dedicated unit responsible for trademark application and management to ensure intellectual property rights, we cannot guarantee complete protection of our company's intellectual property and the design results from infringement by competitors or other manufacturers.

- (3) Specific situations may still not provide sufficient protection: Company operations always involve many risks and dangers, including machine equipment failure, damage or abnormalities, delayed equipment delivery, production capacity limitations, labor strikes, fires, natural disasters such as earthquakes or typhoons, environmental disasters, or occupational hazards. The aforementioned situations may have a significant adverse impact on the Company's operations. Although the Company has insured fixed assets in accordance with the conventions of the operating country, such insurance may still not provide sufficient protection in specific situations. If our company suffers losses as a result, it may have an adverse impact on our company's operations.
- (4) Protection of shareholder equity: The laws of the Cayman Islands and Taiwan have many different provisions. Although the Company has revised the company's articles of association in accordance with the "Important Matters for Shareholder Equity Protection Reference Example" of the Taiwan Stock Exchange, there are still many different regulations for the operation of companies under the laws of the two regions. Investors cannot ensure their legal rights and interests in investing in local Taiwanese companies, and cannot apply them to the Cayman Islands companies in which they invest.

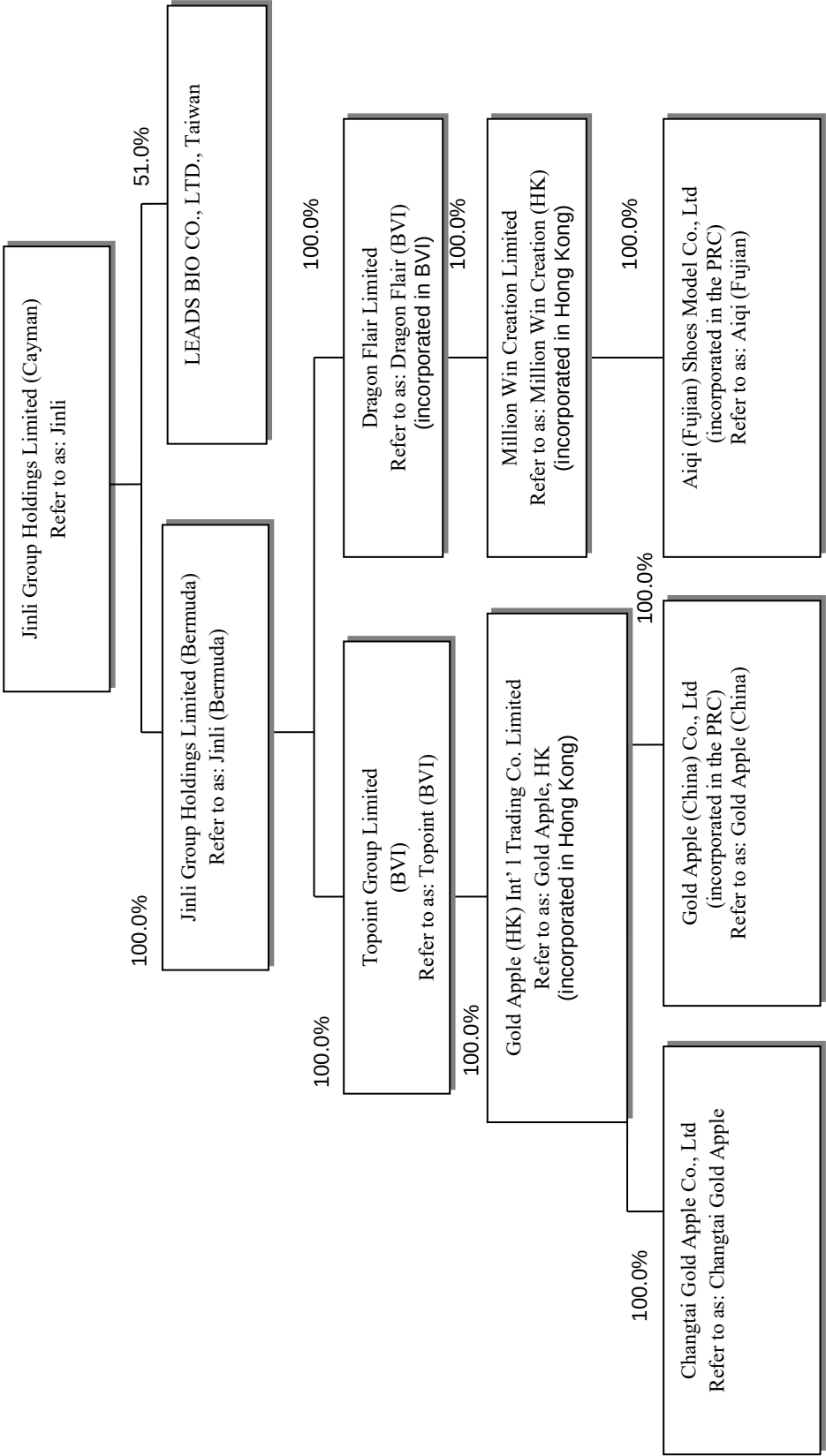
6.7 Other important matters

None.

VII. Special Remarks

7.1 Relevant information of affiliates

7.1.1 Organizational Chart



7.1.2 Basic information of affiliates

March 31, 2025; in thousands of NTD

Name of Entity	Date of Establishment	Address	Actual capital received	Primary business operation or production category
Jinli Group Holdings Limited (Bermuda)	2010.5.10	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	1,858,875	Holding company
Topoint Group Limited (BVI)	2007.1.8	P.O. Box 933, 3 rd Floor, Omar Hodge Building, Wickhams Cay 1, Road Town, Tortola, BVI	963,079	Holding company
Dragon Flair Limited	2008.7.1	P.O. Box 933, 3 rd Floor, Omar Hodge Building, Wickhams Cay 1, Road Town, Tortola, BVI	37,501	Holding company
Gold Apple (HK) Int'l Trading Co. Limited	2003.7.11	Room 803, 8th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong	980,586	Holding company
Million Win Creation Limited	2008.7.17	Room 803, 8th Floor, Olympia Plaza, 255 King's Road, North Point, Hong Kong	37,320	Holding company
Gold Apple (China) Co., Ltd	2005.1.18	Shuanggou Industrial Zone, Meiling Street, Jinjiang City, Fujian Province, China	949,186	Footwear and apparel production
Aiqi (Fujian) Shoes Model Co., Ltd (China)	1998.9.15	Shuanggou Industrial Zone, Meiling Street, Jinjiang City, Fujian Province, China	37,283	Footwear and apparel production
Changtai Gold Apple Co., Ltd (China)	2014.12.25	Xingtai Industrial Park, Changtai Economic Development Zone, Zhangzhou City, Fujian Province, China	521,566	Footwear and apparel production
LEADS BIO CO., LTD. (Taiwan)	2015.11.23	11F, No. 189, Bo'ai 1st Rd., Sanmin Dist., Kaohsiung City 807363, Taiwan (R.O.C.)	26,000	Whole sale and retail of beauty and cosmetic product

7.1.3 Information on the common shareholder information for those presumed to be in a controlling and subordinate relationship: None

7.1.4 There is no division of labor between the various related enterprises, and the production is concentrated in Gold Apple (China) Co., Ltd..

7.1.5 Information on Directors, Supervisors and General Managers of various related companies

March 31, 2025; in thousands of shares

Name of Entity	Position	Full Name	Share(s) held	Holding percentage
Jinli Group Holdings Limited (Bermuda)	Chairman	Chong, Chun Lung	0	0%
Topoint Group Limited (BVI)	Chairman	Chong, Chun Lung	0	0%
Dragon Flair Limited	Chairman	Chong, Chun Lung	0	0%
Gold Apple (HK) Int'l Trading Co. Limited	Chairman	Chong, Chun Lung	0	0%
Million Win Creation Limited	Chairman	Chong, Chun Lung	0	0%
Gold Apple (China) Co., Ltd	Chairman	Chong, Chun Lung	0	0%
Aiqi (Fujian) Shoes Model Co., Ltd (China)	Chairman	Chong, Chun Lung	0	0%
Changtai Gold Apple Co., Ltd (China)	Chairman	Chong, Chun Lung	0	0%
LEADS BIO CO., LTD.(Taiwan)	Chairman	Chong, Chun Lung	0	0%

7.1.6 Operation overview of affiliated companies (loss), current (loss), profit per share earnings

December 31, 2024; in thousands of NTD									
Name of Entity	Actual capital received	Total capital	Total liabilities	Net value	Operating income	Business profit (loss)	Profit (loss) of this quarter (after tax)	Earnings per share (NTD) (after tax)	
Jinli Group Holdings Limited (Bermuda)	1,858,875	6,168,709	911,391	16,320,988	—	(501)	16,884	0.02	
Topoint Group Limited(BVI)	963,079	5,978,072	—	5,977,063	—	(3)	16,428	400.68	
Dragon Flair Limited	37,501	142,126	—	142,102	—	—	2,334	116.70	
Gold Apple (HK) Int'l Trading Co. Limited	980,586	6,814,515	836,659	5,976,847	—	(550)	16,429	0.06	
Million Win Creation Limited	37,320	142,125	—	142,104	—	—	2,334	0.23	
Gold Apple (China) Co., Ltd.	949,186	6,399,072	323,828	6,074,659	231,949	(14,459)	19,019	Remark 1	
Aiqi (Fujian) Shoes Model Co., Ltd. (China)	37,283	142,432	314	142,104	—	(477)	2,334	Remark 1	
Changtai Gold Apple Co., Ltd (China)	521,566	944,367	338,956	519,803	—	(482)	(2,228)	Remark 1	
LEADS BIO CO., LTD. (Taiwan)	26,000	1,153	77	549	—	(132)	(114)	(0.08)	

Remark 1: Not a company limited by shares, therefore earnings per share cannot be calculated.

7.1.7 Relationship between the company and affiliates, mutual shareholding ratio, share and actual investment amount

March 31, 2025; units: in thousands of NTD; in thousands of shares									
Company Making the Investment	Company being Invested on	Primary business operation	Relationship	Equity of company making the investment			Owner of Company Equity		
				Shares	Percentage	Actual amount invested	Shares	Percentage	Actual amount invested
The Company	Jinli Group Holdings Limited (Bermuda)	Holding company	Subsidiary company	825,459	100%	1,858,875	0	0	0

Company Making the Investment	Company being Invested on	Primary business operation	Relationship	Equity of company making the investment			Owner of Company Equity		
				Shares	Percentage	Actual amount invested	Shares	Percentage	Actual amount invested
The Company	LEADS BIO CO., LTD.(Taiwan)	Whole sale and retail of beauty and cosmetic product	Subsidiary company	1,326	51%	17,850	0	0	0
Jinli Group Holdings Limited (Bermuda)	Topoint Group Limited (BVI)	Holding company	Second-tier company	41	100%	963,079	0	0	0
Jinli Group Holdings Limited (Bermuda)	Dragon Flair Limited	Holding company	Second-tier company	20	100%	37,501	0	0	0
Topoint Group Limited (BVI)	Gold Apple (HK) Int'l Trading Co. Limited	Holding company	Third-tier company	254,218	100%	980,586	0	0	0
Dragon Flair Limited	Million Win Creation Limited	Holding company	Third-tier company	10,000	100%	37,320	0	0	0
Gold Apple (HK) Int'l Trading Co. Limited	Gold Apple (China) Co., Ltd	Footwear and apparel production	Subsidiary of third-tier company	- (Remark)	100%	949,186	0	0	0
Million Win Creation Limited	Aiqi (Fujian) Shoes Model Co., Ltd (China)	Footwear and apparel production	Subsidiary of third-tier company	- (Remark)	100%	37,283	0	0	0
Gold Apple (HK) Int'l Trading Co. Limited	Changtai Gold Apple Co., Ltd (China)	Footwear and apparel production	Subsidiary of third-tier company	- (Remark)	100%	521,566	0	0	0

Remark: company limited

7.1.8 Consolidated financial statements of affiliated companies: Same as the consolidated financial statements of the Company, no separate consolidated financial statements of related companies will be prepared. Please refer to pages 78 to 155 for the consolidated financial statements of the Company.

7.1.9 Relationship Report: Not applicable.

- 7.2 In the most recent year and as at the publication date of the annual report, handling of private placement of securities
None.
- 7.3 In the most recent year and as at the publication date of the annual report, the holding or disposal of the Company's stocks by subsidiaries
None.
- 7.4 Other necessary supplementary explanations
Please refer to page 156 for explanations of major differences between the Company's Articles of Association and the Republic of China shareholder rights protection regulations.
- 7.5 In the most recent year and as at the publication date of the annual report, if any event that has a material impact on shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act
None.

Independent Auditors' Report

Jinli Group Holdings Limited

Opinion

We have audited the accompanying consolidated balance sheets of Jinli Group Holdings Limited (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

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 in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditors' responsibilities for the audit of the consolidated financial statements** section of our report. We are independent of the Group in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Independent Auditors' Report (Continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

Cash and cash equivalents

Please refer to Note 4(6) to the consolidated financial statements for the accounting policies of evaluation of cash and cash equivalents; and please refer to Note 6(1) to the consolidated financial statements for the details of cash and cash equivalents accounts.

As of December 31, 2024, the balance of cash and cash equivalents of the Group is \$4,783,406 thousand, accounting for 68% of the total consolidated assets, due to the significant proportion of balances and the inherent risks; we therefore considered the cash and cash equivalents as the key audit matters for the year.

Our audit procedures included, but are not limited to, obtaining the list of bank deposits balances in the account of the Group, and verifying them to the bank statements; checking the receipt and payment vouchers of major cash and cash equivalents transaction; to check all bank confirmations whether it matches the bank deposit balance in the account, and check whether there are restrictions on bank deposits.

Financial assets at amortized cost

Please refer to Note 4(7) to the consolidated financial statements for the accounting policies of evaluation of financial assets at amortized cost; and please refer to Note 6(2) to the consolidated financial statements for the details of financial assets at amortized cost.

Independent Auditors' Report (Continued)

As of December 31, 2024, the balance of financial assets at amortized cost of the Group is \$1,343,529 thousand, accounting for 19% of the total consolidated assets, due to the significant proportion of balance and the inherent risks; we therefore considered the financial assets at amortized cost as the key audit matter for the year.

Our audit procedures included, but were not limited to, obtaining details of the balance of financial assets amortized at cost (time deposits) in the accounts of the Group, checking to the certificate of deposits, and checking to the bank confirmation; to assess whether it is consistent with the balance of the time deposit in the account, and check whether the time deposit is restricted.

Revenue recognition

Please refer to Note 4(23) to the consolidated financial statements for the accounting policies of revenue recognition; and please refer to Note 6(16) to the consolidated financial statements for the details of revenue.

The main operating income of the Group is manufacturing and selling a range of clothing and footwear in the wholesale market. The Group mainly fulfill the performance obligations at the point of time when the goods are delivered, and the sales revenue will be recognized at that point of time. As of December 31, 2024, the portion of operating income which is outstanding for collection as the key audit matter for the year.

The audit procedures performed by us include the understanding of recognition process of sales revenue transaction of the Group, and the assessment of whether the revenue recognition meets the requirements of the International Financial Reporting Standard No. 15 "Revenue from Contracts with Customer"; and execute the test on whether the relevant control points of the sales and collection cycle are valid; obtain the sales details and check the general ledger, and select the vouchers of relevant sales transaction; obtain the audit confirmation letter and review the subsequent collection of payment after balance sheet date, in order to confirm whether there are major abnormalities in sales revenue.

Independent Auditors' Report (Continued)

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

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

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

Those charges with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but it 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 consolidated financial statements.

Independent Auditors' Report (Continued)

As part of an audit in accordance with the 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 consolidated 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 risks of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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's internal controls.
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 Group's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the footnote disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

Independent Auditors' Report (Continued)

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 relationship 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, 2024 and are therefore the key audit matters. We describe these matters in our 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.



Chen, Kuang-Hui



Kuo, Chenyu

For and on behalf of ShineWing CPAs

March 11, 2025

Taipei, Taiwan

Republic of China

Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, ShineWing CPAs cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Jinli Group Holdings Limited and Subsidiaries
Consolidated balance sheets
December 31, 2024 and 2023
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31,			
		2024	%	2023	%
Current assets					
Cash and cash equivalents	6.(1)	\$ 4,783,406	68	\$ 4,582,929	68
Financial assets at amortized cost - current	6.(2)	1,343,529	19	1,297,875	19
Accounts receivable, net	6.(3)	17,108	-	28,639	-
Other receivables	6.(4)	6,606	-	-	-
Other receivables from related parties	6.(4), 7	1,657	-	1,601	-
Current income tax assets		7,912	-	6,466	-
Prepayments	7	10,107	-	10,409	-
		6,170,325	87	5,927,919	87
Non-current assets					
Property, plant and equipment	6.(6)	1,812	-	2,034	-
Right-of-use assets	6.(7)	118,461	2	150,171	2
Investment property, net	6.(9)	742,657	11	729,317	11
Other non-current assets		28	-	33	-
		862,958	13	881,555	13
Total assets		\$ 7,033,283	100	\$ 6,809,474	100

(Continued on next page)

Jinli Group Holdings Limited and Subsidiaries

Consolidated balance sheets

December 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31,			
		2024	%	2023	%
Current liabilities					
Accounts payable		\$ 14,277	-	\$ 8,088	-
Other payables	6.(10)	75,159	1	69,715	1
Other payables to related parties	7	9,218	-	700	-
Current income tax liabilities		237	-	438	-
Current lease liabilities	6.(7)	-	-	3,996	-
		98,891	1	82,937	1
Non-current liabilities					
Deferred tax liabilities	6.(23)	612,877	9	570,150	8
Non-current lease liabilities	6.(7)	-	-	30,788	1
		612,877	9	600,938	9
Total liabilities		711,768	10	683,875	10
Equity attributable to owners of the parent					
Ordinary share	6.(12)	1,857,472	26	1,857,472	27
Capital surplus	6.(13)	1,617,452	23	1,617,452	24
Retained earnings:	6.(14)				
Special reserve		629,620	9	506,082	7
Unappropriated retained earnings		2,646,795	38	2,773,630	41
Other equity interest:					
Exchange differences arising from the translation of the financial statements of foreign operation	6.(15)	(430,351)	(6)	(629,620)	(9)
Equity attributable to the total equity of the owners of the parent company		6,320,988	90	6,125,016	90
Non-controlling interests		527	-	583	-
Total equity		6,321,515	90	6,125,599	90
Total liabilities and equity		\$ 7,033,283	100	\$ 6,809,474	100

The accompanying notes are an integral part of these consolidated financial statements.

Jinli Group Holdings Limited and Subsidiaries
Consolidated statement of comprehensive income
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2024	%	2023	%
Operating revenue	6.(16)	\$ 132,576	100	\$ 209,995	100
Operating costs	6.(5)	(110,087)	(83)	(201,582)	(96)
Gross profit		<u>22,489</u>	<u>17</u>	<u>8,413</u>	<u>4</u>
Operating expenses					
Selling expenses		(1,853)	(1)	(1,428)	(1)
Administrative expenses		(43,240)	(33)	(46,627)	(22)
Research and development expenses		(5,753)	(4)	(2,497)	(1)
		(50,846)	(38)	(50,552)	(24)
Net operating loss		(28,357)	(21)	(42,139)	(20)
Non-operating income and expenses					
Interest income	6.(17)	26,568	20	36,068	17
Other income	6.(18)	23,058	17	19,920	10
Other gains and losses	6.(19)	(23,211)	(18)	(25,127)	(12)
Finance costs	6.(22)	(633)	-	(1,626)	(1)
		<u>25,782</u>	<u>19</u>	<u>29,235</u>	<u>14</u>
Net loss before tax		(2,575)	(2)	(12,904)	(6)
Income tax expenses	6.(23)	(778)	-	(1,579)	(1)
Current net loss		(3,353)	(2)	(14,483)	(7)
Other comprehensive income (loss)					
Component of other comprehensive income that will not be reclassified to profit or loss					
Exchange differences arising on translation to the presentation currency		<u>199,269</u>	<u>150</u>	(123,538)	(59)
Total other comprehensive income (loss) for the year		<u>199,269</u>	<u>150</u>	(123,538)	(59)
Total comprehensive income (loss) for the year		<u>\$ 195,916</u>	<u>148</u>	<u>(\$ 138,021)</u>	<u>(66)</u>
Net loss attributable to					
Owners of the parent company		(\$ 3,297)	(2)	(\$ 13,965)	(7)
Non-controlling interests		(56)	-	(518)	-
		<u>(\$ 3,353)</u>	<u>(2)</u>	<u>(\$ 14,483)</u>	<u>(7)</u>
Total comprehensive income (loss) attributable to					
Owners of the parent company		\$ 195,972	148	(\$ 137,501)	(66)
Non-controlling interests		(56)	-	(520)	-
		<u>\$ 195,916</u>	<u>148</u>	<u>(\$ 138,021)</u>	<u>(66)</u>
Earnings per share (In New Taiwan dollars)	6.(24)				
Basic earnings per share		<u>(\$ 0.02)</u>		<u>(\$ 0.08)</u>	

The accompanying notes are an integral part of these consolidated financial statements.

Jinli Group Holdings Limited and Subsidiaries
Consolidated statement of changes in equity
For the years ended December 31, 2024 and 2023
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent						Non-controlling interests	Total equity
	Ordinary share	Capital surplus	Special reserve	Unappropriated earnings	Other equity interest	Total equity attributable to shareholders of the parent		
	\$	\$	\$	\$	(\$)	\$	\$	\$
Balance, January 1, 2023	1,857,472	1,617,452	576,637	2,717,038	506,082	6,262,517	1,103	6,263,620
Appropriation of prior year's earnings:								
Reversal of special reserve	-	-	-	70,557	-	-	-	-
Effect of exchange rate changes	-	-	2	-	2	-	-	-
Net loss for the year	1,857,472	1,617,452	506,082	2,787,595	506,084	6,262,517	1,103	6,263,620
Other comprehensive loss for the year	-	-	-	(13,965)	-	(13,965)	(518)	(14,483)
Total comprehensive loss for the year	-	-	-	-	(123,536)	(123,536)	(2)	(123,538)
Balance, December 31, 2023	1,857,472	1,617,452	506,082	2,773,630	(123,536)	6,125,016	583	6,125,599
Appropriation of prior year's earnings:								
Special reserve appropriated	-	-	123,538	(123,538)	-	-	-	-
Net loss for the year	1,857,472	1,617,452	629,620	2,650,092	629,620	6,125,016	583	6,125,599
Other comprehensive income for the year	-	-	-	(3,297)	-	(3,297)	(56)	(3,353)
Total comprehensive income (loss) for the year	-	-	-	-	199,269	199,269	-	199,269
Balance, December 31, 2024	1,857,472	1,617,452	629,620	2,646,795	(430,351)	6,320,988	527	6,321,515

The accompanying notes are an integral part of these consolidated financial statements.

Jinli Group Holdings Limited and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2024	2023
Cash flows from operating activities		
Loss before income tax for the year	(\$ 2,575)	(\$ 12,904)
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation expenses	21,138	23,727
Interest expenses	633	1,626
Interest income	(26,568)	(36,068)
Gain on disposal of property, plant and equipment	(404)	-
Gain on termination of lease	(2,009)	-
Foreign exchange loss	6,835	7,109
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	11,531	(9,710)
Decrease in other receivables	-	12,290
Decrease in inventories	-	4,393
Increase (decrease) in prepayments	302	(472)
Increase in accounts payable	6,189	3,440
Increase in other payables	5,444	5,071
Cash generated from (used in) operating activities	20,516	(1,498)
Interest received	19,962	36,068
Interest paid	-	(1,626)
Income taxes paid	(2,205)	(6,196)
Net cash generated from operating activities	38,273	26,748

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Jinli Group Holdings Limited and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2024 and 2023

(Expressed in thousands of New Taiwan dollars)

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	For the year ended December 31,	
	2024	2023
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	407	-
Acquisition of investment properties	(3,920)	(4,763)
Decrease in refundable deposits	5	8
Net cash used in investing activities	(3,508)	(4,755)
Cash flows from financing activities		
Increase in other payables to related parties	8,518	-
Payments of lease liabilities	-	(3,884)
Net cash generated from (used in) financing activities	8,518	(3,884)
Effect of exchange rate changes on cash and cash equivalents	157,194	(90,847)
Net increase (decrease) in cash and cash equivalents	200,477	(72,738)
Cash and cash equivalents at beginning of year	4,582,929	4,655,667
Cash and cash equivalents at end of year	\$ 4,783,406	\$ 4,582,929

The accompanying notes are an integral part of these consolidated financial statements.

Jinli Group Holdings Limited and Subsidiaries

Notes to the consolidated financial statements

(Expressed in thousands of New Taiwan dollars, except as otherwise specified)

1. History and organization

Jinli Group Holdings Limited (the “Company”) was incorporated as a company in Cayman Island in December 2010. The Company was established as part of an organizational restructuring implemented for the purpose of applying for listing on the Taiwan Stock Exchange. The Company and subsidiaries are primarily engaged in manufacture, processing and sale of clothing and footwear. The Company was listed on the Taiwan Stock Exchange starting from December 20, 2012.

2. The date of authorization for issuance of the consolidated financial statements and procedures for authorization

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on March 11, 2025.

3. Application of new standards, amendments and interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IAS”) and interpretations as endorsed and announced by the Financial Supervisory Commission (“FSC”).

A. IFRSs, IAS and interpretations endorsed and announced by the FSC effective from 2024 are as follows:

New standards, interpretations and

amendments	Main amendments	IASB effective date
Lease Liability in a Sale and Leaseback (amendments to IFRS 16)	This amendment clarifies how a seller-lessee applied its subsequent measurement for the related right-of-use assets and lease liabilities arising from a sale and leaseback transaction, where the lease payments are variable lease payments that do not depend on an index or rate; and the seller-lessee	January 1, 2024

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should determine the lease payments or revised lease payments such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee. And the new sample is provided for reference.

Classification of Liabilities as
Current or Non-current
(amendments to IAS 1)

This amendment clarifies that the classification of liabilities is based on the rights existing at the end of the reporting period. At the end of the reporting period, the enterprise does not have the right to defer the settlement period of liabilities for at least 12 months after the reporting period, and the liabilities should be classified as current. In addition, this amendment defines the "settlement" of a liability as the extinguishment of the liability with cash or other economic resources or the enterprise's own equity instruments. The terms of the liability may result in the settlement of the liability by transferring the company's own equity instruments, only if the enterprise has the right to classify an equity instrument as an equity component of a compound financial instrument. These terms do not affect the classification of the liability as current or non-current.

January 1, 2024

Non-current Liabilities with
Covenants (amendments to IAS 1)

This amendment clarifies that the contractual terms to which an entity is bound after the end of the reporting period do not affect the classification

January 1, 2024

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	of liabilities as current or non-current.	
	In addition, this amendment increases the disclosure of non-current liabilities subject to terms.	
Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)	This amendment adds new disclosures on supplier finance arrangements, including their impact on changes in liabilities arising from financing activities and quantitative disclosures on liquidity risk.	January 1, 2024

B. The Group assessed the above standards and interpretations and there is no significant impact to the Group's financial position and financial performance.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group.

A. New standards, interpretations and amendments as endorsed by the FSC effective from 2025 are as follows:

amendments	Main amendments	IASB effective date
Lack of Exchangeability (amendments to IAS 21)	This amendment defines exchangeability and provides guidance on how entities determine the exchange rate on the measurement date when a currency lacks exchangeability. The amendment also requires companies to provide more useful information in their financial statements when a currency is not exchangeable into another currency.	January 1, 2025

B. The Group assessed the above standards and interpretations and there is no significant impact on the Group's financial position and financial performance.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

A. The following new standards and amendments issued by IASB but not yet endorsed by the FSC:

New standards, interpretations and

amendments	Main amendments	IASB effective date
Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7)	The amendments are explained as follows: (1) Clarify the recognition and derecognition dates of certain financial assets and liabilities, and added that when settling financial liabilities (or part of a financial liability) in cash using an electronic payment system, an entity is permitted to consider the financial liability as extinguished before the settlement date if and only if the initiation of the payment instruction results in the following conditions: A. The enterprise does not have the ability to revoke, stop or cancel the payment order; B. The enterprise does not have the actual ability to obtain cash for settlement due to the payment instruction; C. The settlement risk associated with the electronic payment system is not significant. (2) Clarifying and providing additional guidance on assessing whether a financial asset meets the Solely Payments of Principal and Interest (SPPI) criterion. The scope includes contractual terms	January 1, 2026

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contingent events (e.g., interest rates linked to ESG targets), non-recourse features of instruments, and contractually linked instruments.

(3) Adding disclosure requirements for instruments with contractual terms that modify cash flows (e.g., instruments with features linked to the achievement of environmental, social, and governance (ESG) targets). These include a qualitative description of the contingent nature of such terms, quantitative information on the potential range of contractual cash flow variations arising from these terms, and the total carrying amount of financial assets and the amortized cost of financial liabilities subject to such terms.

(4) Updating disclosure requirements for equity instruments designated as fair value through other comprehensive income (FVOCI) under an irrevocable election. Fair value disclosure is now required by category rather than for each individual instrument. Additionally, entities must disclose the fair value gains or losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains or losses related to investments derecognized during

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the reporting period and those related to investments still held at the end of the reporting period. Furthermore, the cumulative gains or losses transferred to equity upon derecognition of investments during the reporting period should also be disclosed.

Contracts Referencing Nature-dependent Electricity (amendments to IFRS 9 and IFRS 7)	This amendment pertains to contracts involving power generation that depends on uncontrollable natural conditions (e.g., weather), leading to variations in electricity production. The details are as follows: (1) Clarification on the application of the “self-use” requirement for contracts where a company purchases or sells natural electricity: When a contract requires a company to purchase and receive electricity when generated, and the design and operation of the electricity trading market mandate that the company sell any unused electricity within a specified timeframe, the company must consider reasonable and well-supported information regarding its past, current, and expected future electricity transactions within a reasonable period not exceeding 12 months. If the company purchases enough electricity to offset any unused electricity sold in the same market,	January 1, 2026
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it is considered a net purchaser of electricity. Newly added amendment for contracts involving natural electricity for self-use, requires disclosure of:

- A. The company faces the risk of changes in the base electricity supply and the company may be required to purchase electricity during the delivery interval when electricity is not available;
- B. Unrecognized contractual commitments, including expected future cash flows for electricity purchases under these contracts; and
- C. The impact of these contracts on the company's financial performance during the reporting period.

- (2) Clarify how hedge accounting can be applied to contracts involving natural electricity designated as hedging instruments:

The hedged item must be designated as the variable notional amount of the forecasted electricity transaction, which matches the variable amount of natural electricity expected to be delivered by the generation facility mentioned in the hedging instrument. Additionally, when the cash flows of a hedging instrument are part of a cash flow hedge relationship, and a contract

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	involving natural electricity is designated as the hedging instrument based on the occurrence of a specified forecasted transaction, that forecasted transaction is presumed to be highly probable. For entities designating contracts involving natural electricity as hedging instruments, the terms and conditions of the hedging instruments should be disclosed by risk category in accordance with IFRS 7.	
Sale or Contribution of Assets Between An Investor and Its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	This amendment addresses inconsistencies between the current IFRS 10 and IAS 28. When an investor sells (invests) assets to its affiliates or joint ventures, it is determined to recognize all or part of the disposal gains or losses depending on the nature of the assets sold (invested): (1) When the assets sold (invested) meet the “business”, all disposal gains and losses shall be recognized; (2) When the assets sold (invested) do not qualify as “business”, non-related investors can only recognize partial disposal of gains and losses within the scope of interests in affiliated companies or joint ventures.	To be determine by IASB

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IFRS 17 “Insurance Contracts”

This Standard replaces IFRS 4 “Insurance Contracts” and establishes the principles for the recognition, measurement, presentation and disclosure of Insurance and reinsurance contracts that it issues by the entities. This standard applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds; and investment contracts with discretionary participation features it issues, provided that the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations should be separated from insurance contracts. On initial recognition, each portfolio of insurance contracts issued shall be divided into a minimum of three groups by the entities: onerous, no significant possibility of becoming onerous and the remaining contracts in the portfolio. This Standard requires a current measurement model where estimates are re-measured at each reporting period. Measurements are based on discounted contract and probability-weighted cash flows, risk adjustments, and the expected profit from the unearned portion of the contract (contractual service margins). An entity may apply a simplified approach to the measurement for

January 1, 2023

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some of insurance contracts (premium allocation approach). The entity should recognize the revenue generated by a group of insurance contract during the period when the entity provides insurance coverage and when the entity releases the risk. The entity should recognize the loss immediately, if a group of insurance contracts becomes onerous. The entity should present insurance income, insurance service fees, and insurance finance income and expenses separately and its shall also disclose the amount, judgment and risk information from the insurance contract.

Insurance Contracts (amendments to IFRS 17)	This amendment includes the deferral of effective date, the expected recovery of the cash flow obtained by insurance, the contractual service margin attributable to investment services, the reinsurance contract held, the recovery of losses and other amendments. These amendments have not changed the basics of the standard in principle.	January 1, 2023
Initial Application of IFRS 17 and IFRS 9 - Comparative Information (amendment to IFRS 17)	This amendment allows enterprise to choose to apply the classification overlay approach for each comparative period reported in the initial application of IFRS 17. This option allows the financial assets held by an entity, including those held in activities that are not linked to contracts within the scope of IFRS 17,	January 1, 2023

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	on an instrument-by-instrument basis, based on how they expect to classify these financial assets in the comparative period when IFRS 9 is initially applied. Entities that have applied IFRS 9 or will apply both IFRS 9 and IFRS 17 for the first time may choose to apply the classification overlay approach.	
IFRS 18 "Presentation and Disclosure in Financial Statements"	Replace IAS 1 and update the structure of the statement of comprehensive income, introduce new disclosures on management performance measures, and enhance the principles of aggregation and disaggregation applied to the primary financial statements and notes.	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	This standard allows eligible subsidiaries to apply the reduced disclosure requirements of IFRS accounting standards.	January 1, 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	This primarily involves modifying references or terminology in the standards to avoid confusion, which typically has no substantive impact in practice.	January 1, 2026

B. The Company assessed the above standards and interpretations and there is no significant impact to the Company's financial position and financial performance.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IFRSs, IAS, IFRIC interpretations, and SIC Interpretations as endorsed by the FSC.

(2) Basis of preparation

- A. Except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured by financial instruments measured at fair value, the accompanying consolidated financial statements have been prepared under the historical cost basis.
- B. The following significant accounting policies applied consistently to all periods of coverage of the consolidated financial statements.
- C. The preparation of financial statements that comply with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the IFRSs, IAS, IFRIC interpretations, and SIC Interpretations as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

- (A) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement

with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

- (B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (C) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would

be reclassified to profit or loss when the related assets or liabilities are disposed of. The gains or losses should transfer directly to retained earnings if the gain or loss from disposal of underlying assets is transferred to retained earnings at disposal.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Note
			2024	2023	
The Company	Jinli Group Holdings Limited (“Jinli Bermuda”)	Investment holdings	100	100	-
The Company	Leads Bio Co., Ltd (“Leads Bio”)	Manufacture and sales of cosmetics	51	51	1
Jinli Bermuda	Topoint Group Limited (“Topoint”)	Investment holdings	100	100	-
Jinli Bermuda	Dragon Flair Limited (“Dragon”)	Investment holdings	100	100	-
Topoint	Gold Apple (HK) Int'l Trading Co., Limited (“Gold Apple (HK)”)	Investment holdings	100	100	-
Dragon Flair	Million Win Creation Limited (“Million Win”)	Investment holdings	100	100	-
Gold Apple (HK)	Gold Apple (China) Co., Ltd (“Gold Apple (China)”)	Manufacture and sales of clothing and footwear	100	100	-
Gold Apple (HK)	Changtai Gold Apple Industry Co., Ltd (“Gold Apple (Changtai)”)	Manufacture and sales of clothing and footwear	100	100	-
Million Win	Aiqi (Fujian) Shoes Model Co., Ltd (“Aiqi (Fujian)”)	Manufacture and sales of clothing and footwear	100	100	-

Note 1: The Company's board of directors decided to dissolve and liquidate its subsidiary, Leads Bio, on June 30, 2023. However, on November 13, 2023, considering Leads Bio's future development, the board of directors decided to suspend the business of Leads Bio

for one year instead of putting it into dissolution and liquidation. On August 28, 2024, the board of directors resolved to extend the suspension of business for one year, from August 31, 2024 to August 30, 2025.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions

Cash and bank deposits of \$4,782,064 deposited in Mainland China are under local foreign exchange control which restricts the capital to be remitted outside the borders (except for normal dividend distribution).

F. Subsidiaries that have non-controlling interests that are material to the Group: None

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is US dollars, in order to comply with local filing requirements and regulations, the consolidated financial statements are presented in New Taiwan dollars, which is the Group's presentation currency.

A. Foreign currency translation and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured, except for those that comply with cash flow hedging and net investment hedging and are deferred to other comprehensive gains and losses. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

- (B) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (C) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss; for the non-monetary assets and liabilities held at fair value through other comprehensive income or loss, their translation differences are recognized in other comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (D) All exchange gains and losses are reported in the income statement under "Other gains and losses".

B. Translation of foreign operations

- (A) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - (c) All resulting exchange differences are recognized in other comprehensive income.
- (B) When the foreign operation partially disposed of or sold as a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group retains partial interest in the former foreign subsidiary after losing

control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (B) Assets held mainly for trading purposes;
- (C) Assets that are expected to be realized within twelve months from the balance sheet date; or
- (D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

The Group classified its assets that do not meet above criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (A) Liabilities that are expected to be paid off within the normal operating cycle;
- (B) Liabilities arising mainly from trading activities;
- (C) Liabilities that are to be paid off within twelve months from the balance sheet date; or
- (D) Does not have the right to defer repayment of liabilities for at least twelve months after the reporting period.

The Group classified its liabilities that do not meet above criteria as non-current liabilities.

(6) Cash and cash equivalents

- A. For the purpose of the statements of cash flows, cash and cash equivalents consists of cash on hand, cash in bank, short-term, highly liquid investments, which were within three months of maturity when acquired, and repayable bank overdraft, as part of the cash management. Bank overdraft items listed under short-term borrowings in current liabilities on the balance sheet.
- B. Cash equivalents refer to short-term, highly liquid investments that also meet the following conditions:
 - (A) Readily convertible to known amount of cash.
 - (B) Subject to an insignificant risk of changes in interest rates.

(7) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (A) The aim of the Group's business model is achieved by collecting contractual cash flows.
 - (B) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way of purchase or sales, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts receivable

- A. In accordance with terms and conditions of the contracts, entitle a legal right to unconditionally receive consideration in exchange of receivables for transferred goods or rendered services.

B. Short-term accounts receivable without bearing interest are measured at initial invoice amount by the Group as effect of discounting is immaterial.

(9) Impairment of financial assets

On each balance sheet date, the Group's investment in debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost, and accounts receivable or contractual assets, lease receivables, loan commitments and financial guarantee contracts with significant financial components, after considering all reasonable and corroborative information (including forward-looking), the loss allowance is measured on the 12-month expected credit losses for those who have not significantly increased the credit risk since the initial recognition. For those who have significantly increased the credit risk since the initial recognition, the loss allowance is measured by the expected credit losses during the period of existence; the accounts receivable or contract assets that do not contain significant financial components are measured by the lifetime expected credit loss.

(10) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing Arrangements as lessor-operating Leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories primarily consist of merchandise. Inventories are measured at the lower of cost and net realizable value. When comparing cost and net realizable value, the assessment is made on an item-by-item basis except for inventories of the same category. Net realizable value refers to the estimated selling price under normal circumstances, less the estimated costs necessary to complete the sale. Inventory costs are calculated using the weighted average method.

(13) *Property, plant and equipment*

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	3 ~ 20 years
Machinery and equipment	5 ~ 10 years
Transportation equipment	5 ~ 10 years
Office equipment	5 years
Other equipment	5 ~ 10 years

(14) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Lease assets are recognized as a right-of-use asset and lease liabilities at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is recognized at cost, includes:
 - (A) The initial measured amount of the lease liability; and
 - (B) Any lease payments made at or before the commencement date.
 - (C) Any initial direct costs incurred by the lessee.

The right-of use assets is measured using the cost model subsequently and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognize the difference between remeasured lease liability in profit or loss.

(15) *Investment properties*

Investment properties are initially recorded at cost, and is subsequently measured using the cost model. Except for land, depreciation is provided on a straight-line basis based on the estimated useful life, which is 10~50 years.

(16) *Impairment of non-financial assets*

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose or value in use. The circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(17) *Accounts payable*

A. Accounts payable refer to debts arising from purchase of raw materials, goods or services and notes due to operation and non-operation.

B. Short-term accounts payable without bearing interest are measured at initial invoice amount by the Group as effect of discounting is immaterial.

(18) *Derecognition of financial liabilities*

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, canceled, or expired.

(19) *Employee benefits*

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the shareholders at their shareholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(20) *Income tax*

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operated and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriated based on the amounts expected to be paid

to the tax authorities.

- C. Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

- D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(21) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(22) Dividend Distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the distribution is approved by the Company's shareholders' meeting. Cash dividends are recognized as liabilities, while share dividends are recognized as dividends to be distributed. At the base date of issuing new shares, they are transferred to ordinary share.

(23) Revenue recognition

A. The Group manufactures and sells a range of clothing and footwear in the wholesale market. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Sales of clothing and footwear is recognized based on the price specified in the contract, net of the estimated sales returns and discounts. A refund liability is recognized for expected sales returns and discounts payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 90 days, which is in agreement with the market practice. Therefore, the contract does not include a significant financing component.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(24) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the strategic business unit. The strategic business unit, who is responsible for allocating resources and assessing performance of the operation segments, has been identified as the board of directors that makes strategic decisions.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Valuation of allowance for uncollectible accounts

The Group manages collection and monitoring of receivables as well as bore relevant credit risk. The management periodically assesses the credit quality

and collection of customers to properly adjust the credit policy on customers. Additionally, the valuation of impairment on accounts receivable is based on IFRS 9 “Financial Instruments” to estimate expected credit loss. The management uses ageing of receivables as of the balance sheet date and the payment history of individual customers, financial status and economic situation of customers and many other factors that would affect the payment ability of customers as well as the forecast ability to assess the default possibility of accounts receivable.

As of December 31, 2024, the carrying amount of accounts receivable that the Group recognized was \$17,108 thousand.

6. Details of significant accounts

(1) Cash and cash equivalents

	December 31,	
	2024	2023
Cash on hand and working capital	\$ 237	\$ 1
Checking accounts and demand deposits	4,783,169	4,582,928
Total	<u>\$ 4,783,406</u>	<u>\$ 4,582,929</u>

The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, therefore the probability of counterparty default is remote. The Group’s maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

(2) Financial assets at amortized cost

	December 31,	
	2024	2023
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 1,343,529</u>	<u>\$ 1,297,875</u>

A. The interest rate for time deposits with original maturities of more than 3 months was 1.60% and 1.45% as of December 31, 2024 and 2023 respectively.

B. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) *Accounts receivable*

	December 31,	
	2024	2023
Accounts receivable	\$ 17,114	\$ 28,645
Less: allowance for doubtful accounts	(6)	(6)
Total	<u>\$ 17,108</u>	<u>\$ 28,639</u>

A. The Group grants an interest free and average credit term of 90 days to its customer accounts.

B. The Group's maximum exposure to credit risk at December 31, 2024 and 2023 was the carrying amount of each class of accounts receivable.

C. The Group's aging analysis of accounts receivable is as follows:

	December 31,	
	2024	2023
Not past due	\$ 17,114	\$ 28,645
Up to 29 days past due	-	-
30 to 59 days past due	-	-
60 to 89 days past due	-	-
Over 90 days past due	-	-
Total	<u>\$ 17,114</u>	<u>\$ 28,645</u>

D. The provision matrix for measuring the allowance for doubtful accounts receivable by the Group is as follows:

December 31, 2024	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts (Lifetime expected credit loss)	Amortized cost
Not past due	0.03%	\$ 17,114	(\$ 6)	\$ 17,108
Up to 29 days past due	0.07%	-	-	-
30 to 59 days past due	0.07%	-	-	-
60 to 89 days past due	0.07%	-	-	-
Over 90 days past due	100.00%	-	-	-
Total		<u>\$ 17,114</u>	<u>(\$ 6)</u>	<u>\$ 17,108</u>

December 31, 2023	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts	
			(Lifetime expected credit loss)	Amortized cost
Not past due	0.03%	\$ 28,645	(\$ 6)	\$ 28,639
Up to 29 days past due	0.07%	-	-	-
30 to 59 days past due	0.07%	-	-	-
60 to 89 days past due	0.07%	-	-	-
Over 90 days past due	100.00%	-	-	-
Total		\$ 28,645	(\$ 6)	\$ 28,639

E. Information relating to credit risk, please refer to Note 12(2).

(4) *Other receivables*

	December 31,	
	2024	2023
Other receivables	\$ 6,606	\$ -
Other receivables to related parties	1,657	1,601
Less: allowance for doubtful accounts	-	-
Total	\$ 8,263	\$ 1,601

(5) *Inventories*

	December 31,	
	2024	2023
Merchandise	\$ -	\$ -

The cost of inventories recognized as expense is as follows:

	For the year ended December 31,	
	2024	2023
Cost of sales	\$ 110,087	\$ 201,582
Impairment losses (reversal)	-	-
Total	\$ 110,087	\$ 201,582

(6) *Property, plant and equipment*

	Buildings	Machinery and equipment	Transportation equipment	Total
Cost				
At January 1, 2024	\$ 130,868	\$ 5,859	\$ 14,701	\$ 151,428
Disposals	-	(5,644)	-	(5,644)
Net exchange differences	4,604	176	517	5,297
At December 31, 2024	\$ 135,472	\$ 391	\$ 15,218	\$ 151,081

	Buildings	Machinery and equipment	Transportation equipment	Total
At January 1, 2023	\$ 133,398	\$ 5,972	\$ 14,985	\$ 154,355
Net exchange differences	(2,530)	(113)	(284)	(2,927)
At December 31, 2023	<u>\$ 130,868</u>	<u>\$ 5,859</u>	<u>\$ 14,701</u>	<u>\$ 151,428</u>
Accumulated depreciation and impairment				
At January 1, 2024	\$ 130,868	\$ 5,675	\$ 12,851	\$ 149,394
Disposals	-	(5,641)	-	(5,641)
Depreciation	-	22	266	288
Net exchange differences	4,604	170	454	5,228
At December 31, 2024	<u>\$ 135,472</u>	<u>\$ 226</u>	<u>\$ 13,571</u>	<u>\$ 149,269</u>
At January 1, 2023	\$ 133,398	\$ 5,763	\$ 12,052	\$ 151,213
Depreciation	-	22	1,044	1,066
Net exchange differences	(2,530)	(110)	(245)	(2,885)
At December 31, 2023	<u>\$ 130,868</u>	<u>\$ 5,675</u>	<u>\$ 12,851</u>	<u>\$ 149,394</u>
Net book value				
At December 31, 2024	<u>\$ -</u>	<u>\$ 165</u>	<u>\$ 1,647</u>	<u>\$ 1,812</u>
At December 31, 2023	<u>\$ -</u>	<u>\$ 184</u>	<u>\$ 1,850</u>	<u>\$ 2,034</u>

(7) *Leasing arrangements as lessee*

A. The leased assets by the Group are land and buildings with the length of lease usually ranges from ten to fifty years. Lease contracts are negotiated individually and contain a variety of terms and conditions. The leased assets are not to be used as security for borrowing purposes, and no other restrictions are imposed.

B. The carrying amounts of the right-of-use asset and the depreciation expense recognized are as follows:

	December 31, 2024	For the year ended December 31, 2024
	Carrying amount	Depreciation
Land	\$ 118,461	\$ 2,793
Building and structures	-	1,889
	<u>\$ 118,461</u>	<u>\$ 4,682</u>

	December 31, 2023	For the year ended December 31, 2023
	Carrying amount	Depreciation
Land	\$ 117,148	\$ 2,756
Building and structures	33,023	4,474
	<u>\$ 150,171</u>	<u>\$ 7,230</u>

C. Movements of the rights-of-use assets of the Group for the year 2024 and 2023 were as follows:

	Land	Building and structures	Total
At January 1, 2024	\$ 117,148	\$ 33,023	\$ 150,171
Disposals	-	(32,234)	(32,234)
Depreciation	(2,793)	(1,889)	(4,682)
Net exchange differences	4,106	1,100	5,206
At December 31, 2024	<u>\$ 118,461</u>	<u>\$ -</u>	<u>\$ 118,461</u>

	Land	Building and structures	Total
At January 1, 2023	\$ 122,178	\$ 38,150	\$ 160,328
Depreciation	(2,756)	(4,474)	(7,230)
Net exchange differences	(2,274)	(653)	(2,927)
At December 31, 2023	<u>\$ 117,148</u>	<u>\$ 33,023</u>	<u>\$ 150,171</u>

D. In 2024 and 2023, the addition of the Group's right-of-use assets were both \$0.

E. The income and expenses related to the lease contracts are recognized as follows:

	For the year ended December 31,	
Items affecting profit or loss	2024	2023
Interest expense on lease liabilities	<u>\$ 633</u>	<u>\$ 1,626</u>
Expense on short-term lease	<u>\$ 734</u>	<u>\$ 4,633</u>
Expense on lease of low-value assets	<u>\$ -</u>	<u>\$ -</u>

F. The total cash outflow for the leases of the Group in 2024 and 2023 amounted to \$734 thousand and \$ 5,510 thousand respectively.

(8) *Leasing arrangements as lessor*

A. The leased assets of the Group are buildings. Rental contracts are typically made for period of 3 years. Lease contracts are negotiated individually and contain various terms and conditions.

B. The Group respectively recognized the rental income from operating lease contracts of \$19,775 thousand and \$18,587 thousand in 2024 and 2023, respectively, of which none of variable lease payments was recognized as rental income

C. The lease receipts due under an operating lease of the Group are analyzed as follows:

	December 31,	
	2024	2023
At December 31, 2024	\$ -	\$ 8,131
At December 31, 2025	19,777	-
After December 31, 2025	265,343	-
Total	<u>\$ 285,120</u>	<u>\$ 8,131</u>

(9) *Investment properties*

Cost	Buildings and structures	
At January 1, 2024	\$	812,879
Additions		3,920
Net exchange differences		28,615
At December 31, 2024	<u>\$</u>	<u>845,414</u>
At January 1, 2023	\$	823,813
Additions		4,763
Net exchange differences	(	15,697)
At December 31, 2023	<u>\$</u>	<u>812,879</u>

	<u>Buildings and structures</u>	
<u>Accumulated depreciation and impairment</u>		
At January 1, 2024	\$	83,562
Depreciation		16,168
Net exchange differences		3,027
At December 31, 2024	\$	<u>102,757</u>
At January 1, 2023	\$	69,695
Depreciation		15,431
Net exchange differences	(	1,564)
At December 31, 2023	\$	<u>83,562</u>
<u>Net book value</u>		
At December 31, 2024	\$	<u>742,657</u>
At December 31, 2023	\$	<u>729,317</u>

A. Rental income and direct operating expenses of investment properties

	<u>For the year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Rental income from investment properties	<u>\$ 19,775</u>	<u>\$ 18,587</u>
Direct operating expenses arising from the investment properties that generated rental income during the year	<u>\$ 18,789</u>	<u>\$ 18,018</u>
Direct operating expenses arising from the investment properties that did not generate rental income during the year	<u>\$ -</u>	<u>\$ -</u>

B. The fair value of the investment properties held by the Group as of December 31, 2024 and 2023 were \$771,641 thousand and \$755,264 thousand. The fair value is based on the evaluation results of independent appraiser. The evaluation adopted the cost approach and belongs to the level 3 of fair value.

(10) *Other payable*

	December 31,	
	2024	2023
Employee benefits payable	\$ 69,851	\$ 64,927
Payables for service fees	3,597	621
Taxes payable	1,463	4,153
Other	248	14
Total	<u>\$ 75,159</u>	<u>\$ 69,715</u>

(11) *Retirement benefit plans*

- A. The Company and its domestic subsidiaries in R.O.C. have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries in R.O.C. contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- B. The Company’s Mainland China subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (“PRC”) are based on certain percentage of employees’ monthly salaries and wages. For the years ended December 31, 2024 and 2023, the contribution percentage was 16%. Other than the monthly contributions, the Company and subsidiaries has no further obligations.
- C. Jinli Bermuda, Topoint, Dragon Flair Limited, Gold Apple (HK) and Million Win, have no related employee pension plan.
- D. The pension costs under defined contribution pension plans of the Company and subsidiaries for the years ended December 31, 2024 and 2023 were \$2,492 thousand and \$8,455 thousand, respectively.

(12) *Ordinary shares*

As of December 31, 2024 and 2023, the Company's authorized capital was \$3,000,000 thousand, and the paid-in capital was \$1,857,472 thousand, consisting of 185,747 thousand shares of ordinary stock and with a par value of \$10 (in dollars) per share.

(13) *Capital surplus*

Pursuant to the ROC Company Act, capital surplus arising from paid-up capital in excess of par value on the issuance of ordinary shares and donations can be used to cover accumulated deficit or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act of ROC requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. The capital surplus should not be used to cover the accumulated deficit unless the legal reserve is insufficient.

(14) *Retained earnings*

A. Legal reserve

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses. Set aside an amount as special reserve in accordance with regulations for publicly traded companies or as requested by the competent authority. The remainder ("distributable earnings"), if any, to be appropriated shall be resolved by the stockholders at the stockholders' meeting.

B. Special reserve

(A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(B) The Company provides and reverses the special reserve pursuant to the Letter Jin-Guan-Zheng-Fa-Zi No. 1090150022 and “Q&A for Applications of Providing Special Reserve after IFRSs”.

C. Distribution of retained earnings

The Company’s dividend policy is summarized below: the remaining earnings can be distributed as dividends after taking into consideration related regulations for publicly traded companies or as requested by the competent authority, profitability of the current year and the Company’s capital structure. Unless otherwise resolved by the Board of Directors or the shareholders’ meeting, earnings distributed to shareholders shall not be lower than 10% of the current earnings (net of tax), and the cash dividends shall not be lower than 10% of current distributable earnings.

D. On June 24, 2024, the Company resolved at the shareholders’ meeting not to distribute profits for the year 2023 due to losses, and in accordance with the law, set aside \$123,538 thousand to the special reserve. Additionally, on June 21, 2023, the Company resolved at the shareholders’ meeting not to distribute profits for the year 2022 due to losses, and in accordance with the law, reversed \$70,557 thousand from the special reserve.

E. For details of information on employee’s compensation and directors and supervisors’ remuneration, please refer to Note 6(21).

(15) *Other equity items*

Exchange differences on translating the financial statements of foreign operations

	For the year ended December 31,	
	2024	20223
At January 1	(\$ 629,620)	(\$ 506,082)
Exchange differences arising on translation to the presentation currency	199,269	(123,538)
At December 31	(\$ 430,351)	(\$ 629,620)

(16) *Revenue*

	<u>For the year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Revenue from customer contracts		
Sales revenue - merchandise	<u>\$ 132,576</u>	<u>\$ 209,995</u>

Breakdown information of the Group's revenue from customer contracts in 2024 and 2023:

	<u>For the year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
<u>Primary geographical markets</u>		
China	<u>\$ 132,576</u>	<u>\$ 209,995</u>
<u>Major merchandise</u>		
Clothing and footwear	\$ 132,576	\$ 209,995
Cosmetics	<u>-</u>	<u>-</u>
	<u>\$ 132,576</u>	<u>\$ 209,995</u>
<u>Timing of revenue recognition</u>		
At a point in time	<u>\$ 132,576</u>	<u>\$ 209,995</u>

(17) *Interest income*

	<u>For the year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 10,436	\$ 14,311
Interest income from financial assets measured at amortized cost	<u>16,132</u>	<u>21,757</u>
Total	<u>\$ 26,568</u>	<u>\$ 36,068</u>

(18) *Other income*

	<u>For the year ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Rental revenue	\$ 19,775	\$ 18,587
Other income	<u>3,283</u>	<u>1,333</u>
Total	<u>\$ 23,058</u>	<u>\$ 19,920</u>

(19) *Other gains and losses*

	For the year ended December 31,	
	2024	2023
Gain on disposal of property, plant and equipment, net	\$ 404	\$ -
Gain on termination of lease	2,009	-
Net currency exchange loss	(6,835)	(7,109)
Depreciation for investment property	(16,168)	(15,431)
Depreciation charges on right-of-use assets	(2,621)	(2,587)
Total	(\$ 23,211)	(\$ 25,127)

(20) *Additional disclosures related to cost of revenues and operating expenses are as follows:*

	For the year ended December 31,					
	2024			2023		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefit expenses	\$ -	\$ 30,477	\$ 30,477	\$ 43,842	\$ 32,801	\$ 76,643
Depreciation	-	2,349	2,349	4,496	1,213	5,709

(21) *Employee benefit expenses*

	For the year ended December 31,	
	2024	2023
Wages and salaries	\$ 17,700	\$ 56,104
Severance pay	6,643	-
Pension costs	2,492	8,455
Other personnel expenses	3,642	12,084
Total	\$ 30,477	\$ 76,643

A. In accordance with the Articles of Association, the current year's earnings, of the Company, shall be allocated no less than 0.1% as employees' compensation, and no more than 2% shall be paid as directors' remuneration. However, if the Company still has accumulated losses, it should reserve the earnings to make up for the losses.

B. The Company had a deficit in 2024 and 2023, therefore the remuneration payable to employees and director was not accrued.

If there is a change in the amount after publication of the annual consolidated financial statements, the differences are adjusted and

recorded as change in accounting estimates next year.

C. Please refer to Market Observation Post System for more information on the resolution related to the appropriation of distributable earnings as employees' compensation and directors' remuneration of the Company's board of directors and shareholders' meeting.

(22) *Finance costs*

	For the year ended December 31,	
	2024	2023
Interest expense	\$ 633	\$ 1,626

(23) *Income tax*

A. Income tax expense

Components of income tax expense:

	For the year ended December 31,	
	2024	2023
Current income tax for the year		
Current income tax for the year	\$ 778	\$ 1,579
Deferred tax		
Relating to origination and reversal of temporary differences	-	-
Income tax expense	\$ 778	\$ 1,579

B. Reconciliation between income tax expense and income (loss) before income tax:

	For the year ended December 31,	
	2024	2023
Loss before income tax	(\$ 2,575)	(\$ 12,904)
Income tax expense at statutory rate	4,953	1,845
Tax effect of adjusting items		
Unrecognized temporary differences	651	2,458
Loss on unrecognized deferred tax assets	(4,732)	(2,724)
Loss carryforward	(94)	-
Income tax expense	\$ 778	\$ 1,579

C. Deferred income tax assets and liabilities are as follows:

For the year ended December 31, 2024				
	At January 1	Recognized in profit or loss	Exchange differences	At December 31
Deferred tax liabilities				
Income tax on				
overseas				
earnings	(\$ 570,133)	\$ -	(\$ 42,507)	(\$ 612,640)
Unrealized				
exchange gain	(17)	-	(220)	(237)
	(\$ 570,150)	\$ -	(\$ 42,727)	(\$ 612,877)
For the year ended December 31, 2023				
	At January 1	Recognized in profit or loss	Exchange differences	At December 31
Deferred tax liabilities				
Income tax on				
overseas				
earnings	(\$ 571,807)	\$ -	\$ 1,674	(\$ 570,133)
Unrealized				
exchange gain	(18)	-	1	(17)
	(\$ 571,825)	\$ -	\$ 1,675	(\$ 570,150)

D. The details of unrecognized deferred tax assets were as follow: (in CNY thousands)

	December 31,	
	2024	2023
Loss carryforward		
Expired in 2024	\$ -	\$ 32,759
Expired in 2025	272,320	272,320
Expired in 2026	1,078	1,078
Expired in 2027	42,111	42,111
Expired in 2028	608	819
Expired in 2029	500	-
	<u>316,617</u>	<u>349,087</u>
Deductible temporary differences		
Unrealized insurance expenses	2,822	2,237
Total	<u>\$ 319,439</u>	<u>\$ 351,324</u>

E. The Company is a registered company in the British Cayman Islands, Jinli Bermuda is a registered company in the Bermuda Islands, and Topoint and Dragon Flair are registered companies in the British Virgin Islands. All

these companies are exempt from business income tax under local laws and regulations.

F. Gold Apple (HK) and Million Win are registered companies in the Hong Kong Special Administrative Region of the People's Republic of China. Under the rules of Hong Kong's Inland Revenue Ordinance, only income sourced in Hong Kong is taxable. The aforementioned subsidiaries did not generate taxable income for the years ended December 31, 2024 and 2023.

G. Gold Apple (China) and Aiqi (Fujian) were established in People's Public of China, and their applicable income tax rate were both 25% effective from 2013.

H. The profit-seeking enterprise income tax returns of Leads Bio through 2022 have been assessed and approved by the Tax Authority.

(24) *Earnings per share*

A. The calculation of earnings per share and weighted average number of ordinary share is as follows:

For the year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares used in computation of basic earnings (in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Loss attributable to the Company	(\$ 3,297)	185,747	(\$ 0.02)
<u>Diluted earnings per share</u>			
None			

For the year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares used in computation of basic earnings (in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Loss attributable to the Company	(\$ 13,965)	185,747	(\$ 0.08)
<u>Diluted earnings per share</u>			
None			

(25) *Changes in liabilities from financing activities*

The reconciliation of the Group's liabilities from financing activities is as follows:

	January 1, 2024	Cash flow	Other non-cash	Effect of exchange rate changes	December 31, 2024
Lease liability	\$ 34,784	\$ -	(\$ 35,949)	\$ 1,165	\$ -
Other payables to related parties	700	8,518	-	-	9,218
Total	<u>\$ 35,484</u>	<u>\$ 8,518</u>	<u>(\$ 35,949)</u>	<u>\$ 1,165</u>	<u>\$ 9,218</u>

	January 1, 2023	Cash flow	Other non-cash	Effect of exchange rate changes	December 31, 2023
Lease liability	\$ 39,353	(\$ 5,510)	\$ 1,626	(\$ 685)	\$ 34,784
Other payables to related parties	700	-	-	-	700
Total	<u>\$ 40,053</u>	<u>(\$ 5,510)</u>	<u>\$ 1,626</u>	<u>(\$ 685)</u>	<u>\$ 35,484</u>

7. Related party transactions

Balances and amounts of transaction between the Company and subsidiaries had been eliminated upon consolidation and were not disclosed in this note. Details of transactions between the Group and other related parties were disclosed as follows:

(1) Related party name and category

Related party name	Related party category
Longfei Plastic Products Co., Ltd. ("Jinjiang Longfei")	The Company's chairman and the chairman of the company are within first degree of kinship
Aiqi Plastic Product Co., Ltd. ("Jinjiang Aiqi")	The Company's chairman and the chairman of the company are within first degree of kinship
Leads (China) Bio Co., Ltd. ("Leads China")	The Company's chairman is the chairman of the company
Advance Beauty International Company Limited ("Advance Beauty")	The Company's chairman is the chairman of the company
Mr. Chong Chun Lung	The Company's chairman

(2) Lease arrangements - Group as a lessee

A. The Group lease land and plant from Jinjiang Longfei and Jinjiang Aiqi. These leases have terms expiring between 2021 and 2031. Rents are paid at the beginning of each quarter. On May 31, 2024, the contract was terminated early, and the unpaid rent was recognized as other income amounting to \$2,327 thousand.

B. Lease liability is as follows:

Name	For the year ended December 31,	
	2024	2023
Jinjiang Longfei	\$ -	\$ 27,113
Jinjiang Aiqi	-	7,671
	<u>\$ -</u>	<u>\$ 34,784</u>

C. Interest expenses are as follows:

Name	December 31,	
	2024	2023
Jinjiang Longfei	\$ 493	\$ 1,268
Jinjiang Aiqi	140	358
	<u>\$ 633</u>	<u>\$ 1,626</u>

(3) *Lease arrangements – operating lease*

A. Rental expense is as follows:

Name	For the year ended December 31,	
	2024	2023
Advance Beauty	\$ 550	\$ 4,392

B. Total future lease payments to be made is summarized as follows:

Name	For the year ended December 31,	
	2024	2023
Advance Beauty	\$ -	\$ 471

The Group rents office space from related parties, and the rent is based on local market rates as agreed by both parties. The rent is payable monthly based on the lease agreement.

(4) *Lease arrangements - Group as a lessor*

Rental income is as follows:

Name	For the year ended December 31,	
	2024	2023
Leads China	\$ 19,775	\$ 18,587

Future payments of lease receivable are as follows:

Name	December 31,	
	2024	2023
Leads China	\$ 285,120	\$ 8,131

The Group lease plants to related parties, and the rent is based on local market rates as agreed by both parties. The rent is payable monthly based on the lease agreement.

(5) *Other receivables*

Name	December 31,	
	2024	2023
Leads China	\$ 1,657	\$ 1,601

(6) *Prepaid rent*

Name	December 31,	
	2024	2023
Advance Beauty	\$ -	\$ 519

(7) *Loans from related parties*

Other payables

Name	December 31,	
	2024	2023
Mr. Chong Chun Lung	\$ 9,218	\$ 700

The principal must be repaid within 1 year, and the interest rate of the loan is 0%.

(8) *Compensation of key management personnel*

	For the year ended December 31,	
	2024	2023
Short-term employee benefits	\$ 15,076	\$ 15,924
Post-employment benefits	1,174	1,249
	\$ 16,250	\$ 17,173

8. Pledged of assets

None.

9. Significant contingent liabilities and unrecognized commitments

None.

10. Significant disaster loss

None.

11. Significant events after the balance sheet date

None.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts to adjust the most appropriate capital structure. The Group monitors capital on the basis of the gearing ratio. The Group's gearing ratios as of December 31, 2024 and 2023 are as follows:

	December 31,	
	2024	2023
Total liabilities	\$ 711,768	\$ 683,875
Total assets	\$ 7,033,283	\$ 6,809,474
Gearing ratio	10%	10%

In reviewing the current gearing ratio, as of December 31, 2024 and 2023 debt-to-equity ratios are the same.

(2) Financial instruments

A. Financial instruments by category

<u>Financial assets</u>	December 31,	
	2024	2023
Financial assets at amortized cost		
Cash and cash equivalents	\$ 4,783,406	\$ 4,582,929
Financial assets at amortized cost -		
current	1,343,529	1,297,875
Accounts receivables	17,108	28,639
Other receivable (including related parties)	8,263	1,601
Total	\$ 6,152,306	\$ 5,911,044

<u>Financial liabilities</u>	December 31,	
	2024	2023
Financial liabilities at amortized cost		
Accounts payable	\$ 14,277	\$ 8,088
Other payable (includes related parties)	84,377	70,415
Total	<u>\$ 98,654</u>	<u>\$ 78,503</u>
Lease liability (expires within 1 year)	<u>\$ -</u>	<u>\$ 34,784</u>

B. Financial risk management objectives and policies

The Group's financial instruments include equity and accounts receivables, other receivables, refundable deposits, accounts payable and other payables. Risk management is coordinated by the Group's finance department by entering domestic and international financial market operations and responsible to monitor and manage the financial risk according to the degree of risk and evaluating the breadth analysis of risk exposure. Such risk includes market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to reduce the risk by employing a risk management and to analyze, identify and evaluate the related financial risk that potentially poses adverse effects on the Group. The Group has a relevant plan to hedges the adverse factors of financial risk.

(A) Market risk

Market risk is arising from movements in market prices, such as foreign exchange risk and interest rate risk that affecting the Group's earning or financial instruments held by the Group. The objective of market risk management is to control the market risk exposure within affordable range and to optimize the return on investment.

The major markets risks undertake by the Group's operation are foreign exchange risk, interest rate risk and equity price risk. In practice, a movement by a single change in risk variables is rare, hence change in risk variables are always interrelated. The following sensitivity analysis did not consider the interaction of related risks variables.

a. Exchange risk

The exchange rate risk of the Group is mainly related to business activities (when the currency used for income or expenses is different from the functional currency of the Group) and the net investment of foreign operating entities. The Group's exchange risk is mainly arising from translation of the cash and cash equivalents, accounts receivable, other receivables, other receivables from related parties, accounts payable, other payable and other payables to related parties that are dominated in foreign currency

Details of the unrealized exchange gains and losses of the Group's monetary items whose value would significant affected by exchange rate fluctuation are as follows:

For the year ended December 31, 2024			
	Foreign currency amount (in thousands)	Exchange rate	Unrealized exchange gains and losses (NT\$)
<u>Financial assets</u>			
US\$: NT\$	\$ 1	32.785	\$ -
NT\$: US\$	317	0.0305	-
HK\$: CNY	5	0.9428	-

For the year ended December 31, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Unrealized exchange gains and losses (NT\$)
<u>Financial assets</u>			
US\$: NT\$	\$ 1	30.705	\$ -
HK\$: US\$	1	0.128	-
NT\$: US\$	424	1	6
HK\$: CNY	6	0.9080	1

The sensitivity analysis of the Group's exchange risk mainly focuses on the relevant foreign currency appreciation or depreciation of main foreign currency items at the closing date of financial reporting period, and its impact of appreciation/devaluation on the Group's profit and loss and equity.

The determination of below sensitivity analysis is based on the Group's non-functional currency assets and liabilities with significant exchange rate exposure at the balance date. The relevant information is as follows:

December 31, 2024						
	Foreign currency amount	Exchange rate	Carrying amount (NT\$)	Variation	Effect on profit or loss	Effect on equity
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$: NT\$	\$	1	32.785	\$ 35	1%	\$ - \$ -
NT\$: US\$		317	0.0305	317	1%	3 -
HK\$: CNY		5	0.9428	20	1%	- -

December 31, 2023						
	Foreign currency amount	Exchange rate	Carrying amount (NT\$)	Variation	Effect on profit or loss	Effect on equity
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$: NT\$	\$	1	30.705	\$ 32	1%	\$ - \$ -
HK\$: US\$		1	0.1280	2	1%	- -
NT\$: US\$		424	1	424	1%	4 -
HK\$: CNY		6	0.9080	24	1%	- -

b. Cash flow and fair value interest rate risk

Because the Group do not hold long-term and short-term borrowings reclassified as financial liabilities in the consolidated balance sheets, therefore, the Group have no significant cash flow and fair value interest rate risk.

(B) Credit risk

- a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortized cost.

- b. The Group manage their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with an optimized crediting rating are accepted. According to the Group's credit policy, each local entity in the Group are responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- c. The Group adopt following assumptions under IFRS 9 to assess whether there have been a significant increase in credit risk on that instrument since initial recognition. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 90 days.
- d. The Group apply the modified approach using provision matrix to estimate expected credit loss under the provision matrix basis.
- e. The Group used the forecast ability of manufacturing purchasing managers' index released by the National Bureau of Statistics of China to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2024 and 2023, the provision matrix is as follows:

(i) Domestic customers

		Up to 29	30 to 59	60 to 89	Over 90	
	Not past	days past	days past	days	days past	
	due	due	due	past due	due	Total
At December 31, 2024						
Expected loss rate	0.03%	0.07%	0.07%	0.07%	100%	
Total book value	\$ 17,114	-	-	-	-	\$ 17,114
Loss allowance	6	-	-	-	-	6

	Not past due	Up to 29 days past due	30 to 59 days past due	60 to 89 days past due	Over 90 days past due	Total
At December 31, 2023						
Expected loss rate	0.03%	0.07%	0.07%	0.07%	100%	
Total book value	\$ 7,733	-	-	-	-	\$ 7,733
Loss allowance	2	-	-	-	-	2

(ii)Export customers

	Not past due	Up to 29 days past due	30 to 59 days past due	60 to 89 days past due	Over 90 days past due	Total
At December 31, 2024						
Expected loss rate	0.03%	0.07%	0.07%	0.07%	100%	
Total book value	\$ -	-	-	-	-	\$ -
Loss allowance	-	-	-	-	-	-

	Not past due	Up to 29 days past due	30 to 59 days past due	60 to 89 days past due	Over 90 days past due	Total
At December 31, 2023						
Expected loss rate	0.03%	0.07%	0.07%	0.07%	100%	
Total book value	\$ 20,912	-	-	-	-	\$ 20,912
Loss allowance	4	-	-	-	-	4

- f. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the year ended December 31, 2024
At January 1	\$ 6
Provision of impairment loss	-
Written off as uncollectible	-
Effect of exchange rate changes	-
At December 31	\$ 6

	For the year ended December 31, 2023
At January 1	\$ 6
Provision of impairment loss	-
Written off as uncollectible	-
Effect of exchange rate changes	-
At December 31	\$ 6

(C) Liquidity risk

- a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs and to maintain it has sufficient cash to meet capital needs at all times so that the Group do not breach covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements, for example, currency restrictions.
- b. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As of December 31, 2024 and 2023, the Group held money market position of \$4,783,406 thousand and \$4,582,929 thousand, respectively and current financial assets at amortized cost of \$1,343,529 thousand and \$1,297,875 thousand, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

c. Table of liquidity and interest rate risk

The table below analyses the Group's non-derivative financial liabilities based on remaining period to the contractual maturity date during the agreed repayment period and in accordance to the possible earliest required date of repayment. The financial liabilities in below table prepared by undiscounted cash flows.

December 31, 2024				
	Less than 3 months	Between 3 and 12 months	Over 1 years	Total of undiscounted cash flows
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Accounts payable	\$ 14,277	\$ -	\$ -	\$ 14,277
Other payables (include related parties)	84,377	-	-	84,377
Total	<u>\$ 98,654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,654</u>

December 31, 2023				
	Less than 3 months	Between 3 and 12 months	Over 1 years	Total of undiscounted cash flows
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Accounts payable	\$ 8,088	\$ -	\$ -	\$ 8,088
Other payables (include related parties)	70,415	-	-	70,415
Lease liability	983	3,013	30,788	34,784
Total	<u>\$ 79,486</u>	<u>\$ 3,013</u>	<u>\$ 30,788</u>	<u>\$ 113,287</u>

The amount of above non-derivative financial assets and liabilities instruments with floating interest rate will be varied when the estimated rate became different at the end of reporting period.

(3) Fair value information

A. The different levels of valuation techniques which are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: The input value of this level is the public quotation (unadjusted) of the identical asset or liability in the active market. A market is regarded as active when the goods in the market are in the same nature and the price information is readily available in the public market for both buyers and sellers. The fair values of the Group's investments in publicly listed securities and beneficiary certificates are included in this level.

Level 2: Inputs other than the observable publicly quoted prices included within Level 1 for assets and liabilities, either directly (such as price) or indirectly (such as derived from the price).

Level 3: Unobservable inputs for the asset or liability.

B. Please refer to Note 6(9) for the details description of fair value of investment property measured at cost.

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, refundable deposits, accounts payable and other payables are reasonable approximations of fair values.

(4) Other

At the end of December 2023, the Group ceased the operation of its production line. Starting January 2024, the business model was transformed from self-production and sales, to outsourced production and sales.

13. Supplementary disclosures

(1) Significant transactions information:

No.	Items	Footnote
1	Loans to others	Table 1
2	Provision of endorsements and guarantees to others	None
3	Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures)	None
4	Purchase or sale of the same security with the accumulated cost exceeding \$300 million or 20% of paid-in capital or more	None
5	Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more	None
6	Disposal of real estate reaching \$300 million or 20% of paid-in capital or more	None
7	Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more	None
8	Receivables from related parties reaching \$100 million or 20% of paid-in capital or more	Table 2
9	Derivative financial instruments undertaken	None
10	Significant inter-company transactions between the Company and subsidiaries	Table 3

(2) Information on investments: Table 4

(3) Information on investments in Mainland China: Table 5

(4) Information of major shareholders: Table 6

Table 1

Jinli Group Holdings Limited and Subsidiaries

Loans to others

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise specified)

No. (Note 1)	Lender	Borrower	Financial statement account	Related party	Maximum balance for the period	Ending balance	Actual borrowing amount	Interest rate (%)	Nature of financing (Note 2)	Business transaction amount	Reasons for short-term financing	Allowance for impairment loss	Collateral		Financing limit for each borrower (Note 3)	Aggregate financing limit (Note 3)	Note
													Item	Value			
0	The Company	Gold Apple (HK)	Other receivables from related parties	Yes	\$ 400,000	\$ 400,000	\$ 217,902 (CNY 48,661)	1.38%	(2)	\$ -	- Working capital	\$ -	-	-	\$ 2,528,395	2,528,395	-
1	Gold Apple (HK)	Gold Apple (China)	Other receivables from related parties	Yes	400,000	400,000	217,902 (CNY 48,661)	1.38%	(2)	-	- Working capital	-	-	-	2,390,739	4,781,478	-
2	Gold Apple (China)	Gold Apple (Changtai)	Other receivables from related parties	Yes	400,000	450,000	336,074 (CNY 70,050)	1.07%	(2)	-	- Working capital	-	-	-	2,429,864	4,859,727	-

Note 1: The intercompany transactions between the companies are identified and numbered as follows for indication:

(1) Parent company: 0

(2) Subsidiaries start from 1 consecutively.

Note 2: The types of transactions between related parties are as follows:

(1) Have business dealings

(2) Those who need short-term financings.

Note 3: According to the lending policies of the Company and subsidiaries, the Company's limit on loans granted to a single party is 40% of the Company's net value, and the Company's ceiling on total loans granted is 40% of the Company's net value. The subsidiary's limit on loans granted to a single party is 40% of the company's net value, and the subsidiary's ceiling on total loans granted is 80% of the company's net value.

Note 4: Transactions between the Company and its subsidiaries were eliminated on consolidation.

Table 2

Jinli Group Holdings Limited and Subsidiaries
Receivables from related parties reaching \$100 million or 20% of paid-in capital or more

December 31, 2024

(Expressed in thousands of New Taiwan dollars)									
Company name	Transaction party	Relationship	Ending balance of receivables from related parties	Turnover rate	Overdue		Amount received in subsequent period	Allowance for doubtful accounts	
					Amount	Actions taken			
The Company	Gold Apple (HK)	Subsidiary	\$ 217,902	-	\$ -	-	\$ -	-	
Gold Apple (HK)	Gold Apple (China)	Subsidiary	217,902	-	-	-	-	-	
Gold Apple (China)	Gold Apple (Changfai)	Affiliate with same parent company	336,074	-	-	-	-	-	

Note: Transactions between the Company and its subsidiaries were eliminated on consolidation.

Table 3

Jinli Group Holdings Limited and Subsidiaries
Significant inter-company transactions between the Company and subsidiaries

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan dollars and Chinese Yuan)

No.	Transaction party	Counterparty	Type of transactions (Note 1)	Transaction details			
				Financial statement accounts	Amount	Payment terms	% to total sales or total assets
0	The Company	Gold Apple (HK)	1	Interest income	\$ (CNY 2,973 667)	Loan to	2%
0	The Company	Gold Apple (HK)	1	Other receivables	(CNY 217,902 48,661)	Loan to (principal)	3%
0	The Company	Gold Apple (HK)	1	Other receivables	(CNY 1,030 230)	Loan to (interest)	-
0	The Company	Leads Bio	1	Other receivables	60	Reimbursement	-
1	Gold Apple (HK)	Gold Apple (China)	3	Interest income	(CNY 2,973 667)	Loan to	2%
1	Gold Apple (HK)	Gold Apple (China)	3	Other receivables	(CNY 217,902 48,661)	Loan to (principal)	3%
1	Gold Apple (HK)	Gold Apple (China)	3	Other receivables	(CNY 1,030 230)	Loan to (interest)	-
2	Gold Apple (China)	Gold Apple (Changtai)	3	Interest income	(CNY 3,681 826)	Loan to	3%
2	Gold Apple (China)	Gold Apple (Changtai)	3	Other receivables	(CNY 336,074 75,050)	Loan to (principal)	5%
2	Gold Apple (China)	Gold Apple (Changtai)	3	Other receivables	(CNY 2,728 609)	Loan to (interest)	-
3	Aiqi (Fujian)	Gold Apple (China)	3	Rental revenue	(CNY 4,726 1,061)	Note 2	4%
3	Aiqi (Fujian)	Gold Apple (China)	3	Loss from lease modification	(CNY 1,418 318)	Note 2	-

Note 1: The types of transactions between related parties are as follows for indication:

(1) From parent company to subsidiary: 1

(2) From subsidiary to parent company: 2

(3) Between subsidiaries: 3

Note 2: Provided buildings and structures for operation use, rental is mutual agreement and collected monthly. On May 31, 2024, the lease agreement was modified to reduce both rent and the leased area.

Note 3: Transaction between the Company and its subsidiaries were eliminated on consolidation.

Table 4

Jinli Group Holdings Limited and Subsidiaries

Information on investments

For the year ended December 31, 2024

(Expressed in thousands of New Taiwan dollars)

Investor company	Investee company	Location	Main business and products	Original investment amount		As of December 31, 2024			Net income (loss) of the investee	Share of profit (loss)	Note
				December 31, 2024	December 31, 2023	Number of shares	%	Carrying amount			
The Company	Jinli Bermuda	Bermuda Island	Investment holdings	\$ 1,858,875	\$ 1,858,875	825,458,519	100	\$ 6,119,936	\$ 16,884	\$ 16,884	-
The Company	Leads Bio	Taiwan	Manufacture and sales of cosmetics	13,260	13,260	1,326,000	51	549	(114)	(58)	-
Jinli Bermuda	Topoint	BVI	Investment holdings	963,079	963,079	41,100	100	5,977,063	16,428	16,428	-
Jinli Bermuda	Dragon Flair	BVI	Investment holdings	37,501	37,501	20,000	100	142,102	2,334	2,334	-
Topoint	Gold Apple (HK)	Hong Kong	Investment holdings	980,586	980,586	254,217,784	100	5,976,847	16,429	16,429	-
Dragon Flair	Million Win	Hong Kong	Investment holdings	37,320	37,320	10,000,000	100	142,104	2,334	2,334	-

Note 1: Net income of investees, investments accounted for using the equity method of investor and net assets of investee company between the investor and investee company have been eliminated on consolidation.

Note 2: Refer to Table 5 for information relating to investees in Mainland China.

Table 5

Jinli Group Holdings Limited and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2024
(Expressed in thousands of New Taiwan dollars and Chinese Yuan)

Investee company in Mainland China	Main businesses activities	Paid-in capital	Method of investments (Note 1)	Accumulated outward remittance for investment from Taiwan as of January 1, 2024	Remittance of funds		Accumulated outward remittance for investment from Taiwan as of December 31, 2024	Net Income (loss) of the investee	% Ownership of direct or indirect investment	Investment gain (loss) (Note 2)	Carrying amount as of December 31, 2024	Accumulated repatriation of investment income as of December 31, 2024
					Outward	Inward						
Gold Apple (China)	Clothing and footwear manufacturing	\$ 949,186	(2)	\$ -	\$ -	\$ -	\$ -	\$ 19,019 (CNY 4,270)	100	\$ 19,019 (CNY 4,270)	\$ 6,074,659 (CNY 1,356,556)	\$ -
Aiqi (Fujian)	Clothing and footwear manufacturing	37,283	(2)	-	-	-	-	2,334 (CNY 524)	100	2,334 (CNY 524)	142,104 (CNY 31,734)	-
Gold Apple (Changtai)	Clothing and footwear manufacturing	521,566	(2)	-	-	-	-	(2,228) (CNY (500))	100	(2,228) (CNY (500))	519,803 (CNY 116,079)	-

Accumulated outward remittance for investment in Mainland China as of December 31, 2024	Investment amount authorized by Investment Commission, Ministry of Economic Affairs (Note 4)	Upper limit on the amount of investment stipulated by Investment Commission, Ministry of Economic Affairs
Not applicable	Not applicable	Not applicable

Note 1: Three types of investment methods are as follows for indication:

- (1) Invest directly in Mainland China.
- (2) Invest in Mainland China through third-region companies.
- (3) Other methods: Invest in Mainland through Chinese subsidiary

Note 2: The amount is recognized based on the audited financial statements. .

Note 3: Net income of investees, investments accounted for using the equity method of investor and net assets of investee company between the investor and investee company have been eliminated on consolidation.

Note 4: The Company was established in Cayman, thus, the approval from Ministry of Economic Affairs for the Company's investments in Mainland China was not applicable.

Table 6

Jinli Group Holdings Limited and Subsidiaries
Information of major shareholders
For the year ended December 31, 2024

No.	Name of major shareholder	Number of shares held	Percentage of shareholding (%)
1	Chong, Chun Lung	31,818,883	17.13
2	KGI Bank Entrust Dragon Million (Asia) Limited Investment Account	12,160,544	6.54
3	Li, Chun Fei	9,808,652	5.28

Note 1: The information of major shareholders in the above table was calculated by the Taiwan Depository and Clearing Corp. based on the information of shareholders of the Company who hold more than 5% of ordinary shares and special shares and has been completed the non-physical registration and delivery (including treasury shares) on the last business day of the end of each quarter. As for the shares capital recorded in the Company's financial statements may vary from the Company's actual number of shares which has completed the non-physical registration and delivery due to different calculation basis or differences.

Note 2: In the above table, if the shareholder entrusts its shares to the trust, disclosure is made by the individual accounts of the trustee who opened the trust account by the grantor. As for the shareholders' declarations for insider equity holdings exceeding 10% in accordance with the Securities and Exchange Act, his shareholding includes his own shares plus the shares entrusted to the trust with voting rights, etc. For information on the declaration for insider equity, please refer to Market Observatory Post System.

14. Segment information

(1) General information

The management of the Group has identified the reportable segment based on the reported information used by the board of directors in decisions making.

The Group is divided by operating business, and its reportable segments include clothing and footwear and cosmetics.

(2) Segment information

The Group's segment profit (loss) of the operating segments is measured with the profit before tax, which is used as a basis for the Group in assessing the performance.

The revenue from external customers, segment income (loss) reported to the chief operating decision-maker are measured in a manner consistent with revenue and profit before tax in the financial statements. Therefore, such reconciliation is not required.

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2024		
	Clothing and footwear	Cosmetics	Total
Revenue from external customers	\$ 132,576	\$ -	\$ 132,576
Inter-segment revenue	-	-	-
Segment revenue	<u>\$ 132,576</u>	<u>\$ -</u>	<u>\$ 132,576</u>
 Segment net income (loss)	 (\$ 2,461)	(\$ 114)	(\$ 2,575)
Segment assets	<u>\$ 7,032,130</u>	<u>\$ 1,153</u>	<u>\$ 7,033,283</u>
Segment liabilities	<u>\$ 711,691</u>	<u>\$ 77</u>	<u>\$ 711,768</u>

	For the year ended December 31, 2023		
	Clothing and footwear	Cosmetics	Total
Revenue from external customers	\$ 209,995	\$ -	\$ 209,995
Inter-segment revenue	-	-	-
Segment revenue	<u>\$ 209,995</u>	<u>\$ -</u>	<u>\$ 209,995</u>
Segment net income (loss)	<u>(\$ 11,846)</u>	<u>(\$ 1,058)</u>	<u>(\$ 12,904)</u>
Segment assets	<u>\$ 6,808,244</u>	<u>\$ 1,230</u>	<u>\$ 6,809,474</u>
Segment liabilities	<u>\$ 683,834</u>	<u>\$ 41</u>	<u>\$ 683,875</u>

(3) *Products information*

Revenue from external customers is mainly from footwear manufacturing and sales, clothing wholesale and cosmetics sales. Revenue of footwear manufacturing and sales and clothing wholesale is primarily from the Company's own brand "Gold Apple", revenue of cosmetics sales is primarily from the subsidiary, Leads Bio, of the Company.

	For the year ended December 31,	
	2024	2023
Footwear sales	\$ 132,576	\$ 208,143
Clothing sales	-	-
Other sales	-	1,852
	<u>\$ 132,576</u>	<u>\$ 209,995</u>

(4) *Geographical information*

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	For the year ended December 31,			
	2024		2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Mainland China	\$ 132,576	\$ 862,958	\$ 209,995	\$ 881,550
Taiwan	-	-	-	5
	<u>\$ 132,576</u>	<u>\$ 862,958</u>	<u>\$ 209,995</u>	<u>\$ 881,555</u>

(5) *Information about major customers*

For the years ended December 31, 2024 and 2023, the Group's revenue from one single customer which exceeds 10% of total operating revenue is as of the followings:

Customer	For the year ended December 31,			
	2024	%	2023	%
Customer L	\$ -	-	\$ 142,824	68
Customer A	132,576	100	65,317	31

Explanation of major differences between the articles of association or organizational documents of the company and the "Checklist for the Protection of the Rights and Interests of Shareholders in the Country of Registration of Foreign Issuers" published by the Taiwan Stock Exchange Co., Ltd.

We reviewed the Company's Articles of Incorporation, within which the requirements of "Checklist for Protecting Shareholder's Equity Items of Foreign Issuers in Country of Incorporation" amended and announced by Taiwan Stock Exchange Corporation on January 9, 2023 are properly incorporated to the extent permitted under laws of Cayman Islands of British Overseas Territory (hereinafter "Cayman Islands"); and to furthermore comply with added items in "Checklist for Protecting Shareholder's Equity Items of Foreign Issuers in Country of Incorporation" (hereinafter "Checklist for Protecting Shareholder's Equity Items") amended and announced by Taiwan Stock Exchange Corporation on May 2, 2024, the Company will amend Articles of Incorporation in the annual shareholders' meeting this year for achieving the requirements thereunder. However, certain matters are regulated differently from the requirements under the checklist for protecting shareholder's equity items, and please refer to explanation in the following table for reasons, regulations of country of incorporation (if any) and influence of shareholder's equity in Taiwan,:

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
1. When the Company reduces capital without complying with a resolution of a shareholders' meeting, its shares may not be eliminated; capital reduction, shall be done by the share ratio held by shareholders. 2. When the Company reduces capital, it may refund share capital with property other than cash; its refunded property and offset amount shall be resolved by a shareholders' meeting and	Relevant specification of a company's capital reduction is prescribed in Article 14-18 of the Company Act of Cayman Islands, and the relevant specifications are mandatory provision, and shall not amend in accordance with Articles of Incorporation.	Article 14-18 of the Company Act of Cayman Islands has set restrict procedures and substantive norms, and relevant regulations are mandatory provision, shall not amend in accordance with Articles of Incorporation, and requirements of a company's capital reduction norms in checklist for protecting shareholder's equity items has considerable difference. Capital reduction specified in Article 14.1 (d) means capital reduction made in accordance with the Company Act of Cayman Islands, it shall be made in compliance with a special resolution of a shareholders' meeting, and the Company shall acquire capital reduction confirmation order issued by the court of Cayman Islands in accordance with laws of Cayman Islands. Requirement of capital reduction used with share ratio held by shareholders specified in checklist for protecting shareholder's equity items, after it was approved by the attorney of Cayman Islands, may be done by repurchasing shares and elimination, so the regulation of Article 10.7 (1) of Articles of Incorporation: "Except as otherwise provided by laws or regulations, according to a special resolution of a shareholders'

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
approved by the shareholder receiving property. 3. The property value and offset amount in the preceding paragraph shall be submitted to a public certified accountant for audit and verification before a shareholders' meeting.		meeting, the Company may repurchase shares and eliminate in compliance with a shareholder's share ratio (with amounts of less than NT\$ 1.00 unconditionally rounded down). When repurchasing shares in accordance with the preceding section, payable consideration shall be cash or property other than cash; when the consideration is property other than cash, shall be approved by a special resolution of a shareholders' meeting, and agreed by the shareholder receiving property; furthermore, the board of directors shall submit the property value and offset capital amount to a public certified accountant for audit and verification before the shareholders' meeting." As for the Company Act and Securities and Exchange Act of Taiwan, regulation of the Company's treasury stock is in Article 10.1-10.6 of Articles of Incorporation, and they are described together here.
When the Company adopts par-value shares, it shall not convert into non-par value shares; similarly, when the Company adopts non-par value shares, it shall not convert into par value shares.	According to Article 8(1), the last section of the Company Act of Cayman Islands: "Provided further that no exempted company shall divide its capital into both shares of a fixed amount and shares without nominal or par value." After acquiring the attorney's opinion of Cayman Islands, exempting that the Company shall not convert par value shares into non-par value shares in accordance with the preceding regulation and assessment of practical share issuance process; vice versa.	As the shares issued by the Company are par value shares, the Company cannot issue non-par value shares, or convert par value shares into non-par value shares, moreover, the Company shall not actually apply to the norms in the far left column. For the avoidance of doubt, the Company refers to the purpose of norms, and according to the Company's current status, formulates in Article 3.4 in Articles of Incorporation: "The Company shall not issue non-par value shares, or convert par value shares into non-par value shares."
When a shareholder holds 3 percent or more of total number of issued shares continuing for	There's no central authority approving for the convention of a shareholders' meeting in the territory of Cayman Islands.	As the Company was established in accordance with the Company Act of Cayman Islands, there's no central authority taking in charge of review whether a shareholders' meeting can be convened by

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
more than a year, he/she/it may record proposed matters and reasons in writing, and require the board of director to convene an extraordinary shareholders' meeting. The board of directors does not make a convention notice within fifteen days after submitted, shareholders may convene the meeting on their own after approved by central authority.		shareholders on their own, according to Article 16.8 of the Company's Articles of Incorporation, if the board of directors does not made a notice for the convention of an extraordinary shareholders' meeting within fifteen days from shareholders submitted a request, and shareholders submitting a request may convene an extraordinary shareholders' meeting on their own without reporting to central authority for approval. It still meets the intention of Tai Cheng Shang Tzu letter no. 0991701319 issued by Taiwan Stock Exchange Corporation on April 13, 2010, and shareholder's equity shall not have unfavorable affects.
A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person.	There's no relevant regulation in the Company Act of Cayman Islands.	When a shareholder exercises voting rights by correspondence or electronic means, it shall be regarded to appoint the chair of board of directors as a proxy in Cayman Islands, in Article 19.6 of the Company's Articles of Incorporation and according to the regulation of the attorney's opinion of Cayman Islands: "...when voting rights may be exercised by correspondence or electronic means, the way of exercising voting rights shall be specified in the shareholders' meeting notice of sending to all shareholders. A shareholder exercising voting rights by the preceding method shall be regarded to appoint the chair of the shareholders' meeting as a proxy, and the method of exercising voting rights of shares in a shareholders' meeting shall be specified in writing or electronic document. However, the designation shall not be regarded an entrusted proxy in accordance with the Company Act of a public company. The chair serving as a proxy has no right to exercise shareholder's voting rights without mentioning or specifying any matter in writing or electronic document, and shall not exercise voting

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
		rights for the submission of amendments to any original proposal or any extraordinary motion. A shareholder exercising voting rights by this method shall be regarded to renounce the notice of amendments of extraordinary motion or original proposals of the shareholders' meeting and voting rights." Applying to this, it only means that the chair of board of directors nominally serves as a proxy exercising voting right by correspondence or electronic means for meeting that a resolution of board of directors needs to be read by attending shareholders and requirement of simultaneously exercising voting rights in laws and degrees of Cayman Islands, however, there's no difference in actual operating results and laws and regulations of Taiwan.
1. Earnings distribution or loss recovery shall be formulated in Articles of Incorporation, and done each quarter or after the ending of each half of fiscal year. 2. The Company's proposals of earnings distribution or loss recovery of the first three quarters or the first half of fiscal year, shall be submitted to supervisors or audit committee with business report and financial statements before reported	There's no relevant regulation in the Company Act of Cayman Islands.	According to Article 34.1(2) of the Company's Articles of Incorporation, the Company adopts the annual earnings distribution system, does not adopt midterm earnings distribution system, so the Company shall not apply to requirements in fa left column.

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
to the board of directors for a resolution. 3. When the Company distributes earnings in accordance with the preceding paragraph, shall first estimate and reserve tax payable, recover loss and recognize legal reserve in compliance with regulations. However, when legal reserve reaches paid-up capital, shall not apply. 4. When the Company distributes earnings and make by the way of issuing new shares in accordance with paragraph 2, shareholders representing two-thirds or more of the total number of issued shares shall attend, and the attending shareholders represent a majority of the total number of issued shares shall agree. When the attending shareholders do not represent the preceding amount, the shareholders		

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
represent a major of the total number of issued shares shall attend, and an affirmative vote of two-thirds of the voting rights represented by the attending shareholders shall be required; when the Company pay in cash, shall be approved by a resolution of board of directors. 5. When the Company distributes earnings or recovers loss in accordance with the preceding four paragraphs, financial statements shall be audited or reviewed by a public certified accountant.		
1. When the Company has supervisors, they shall be elected in a shareholders' meeting, at least one supervisor shall have a residence in the territory of Republic of China. 2. The term of office of supervisors shall not exceed	There's no relevant regulations in the Company Act of Cayman Islands.	As the Company adopts the audit committee system, and does not have supervisors, the Company shall not apply to requirements in far left column.

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
three years; but he/she may be eligible for re-election. 3. When all supervisors discharge, the board of directors shall elect within 60 days of convening a special shareholders' meeting. 4. Supervisors shall supervise implementation of the Company's business, and shall investigate the Company's business and financial status, audit, copy or duplicate books and documents at any time, and may require the board of directors or managerial officer to submit reports. 5. Supervisors shall audit the various statements and records prepared for submission to the shareholders' meeting by the board of directors, and shall make a report of their findings and opinions at the meeting of shareholders. 6. When supervisors conduct audit matters, may represent the Company to authorize a		

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
public certified accountant and an attorney to audit. 7. Supervisors may attend the meeting of the board of directors to their opinions. In case the board of directors or any director commits any act, in carrying out the business operations of the company, in a manner in violation of the laws, regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting, the supervisors shall forthwith advise, by a notice, to the board of directors or the director, as the case may be, to cease such act. 8. Supervisor may each exercise the supervision power individually. 9. A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the Company.		

The following proposals regarding shareholder's major equity, shall have the attending shareholders represent two-thirds or more of the total number of issued shares, and shall be agreed by the attending shareholder represent a majority of the total number of issued shares. If the quorum is not met the preceding amount, shall have the attending shareholders represent a major of the total number of issued shares, and shall be agreed by the attending shareholders represent two-thirds of the total number of issued shares: 1. The Company enters into, amend, or terminate any contract for lease of the company's business in whole, or for entrusted business, or for regular joint operation with others, transfer the whole or any essential part of its business or assets, or accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company.	A special resolution specified in Article 60 of the Company Act of Cayman Islands, means that a resolution was approved by not lower than two-thirds (if the vote is two-thirds of voting rights) of shareholders having rights to exercise voting rights in a shareholders' meeting in person or appointing proxies to exercise voting rights; matters shall be approved by a special resolution, like alternation of the Articles of Incorporation, dissolution and merger, etc., if a resolution was approved by less than majority, it shall be invalid.	"A special resolution" in Article 1 of the Articles of Incorporation means "a resolution is approved by the attending shareholders represent two-thirds of voting rights have right to exercise voting rights in a shareholders' meeting. The shareholders shall exercise voting rights in person or fully authorize proxies (if authorized proxies are allowed, shall specify a special resolution in the convention notice of a shareholders' meeting which is a special resolution) to exercise voting rights," is the definition of "a special resolution" in the Company Act of Cayman Islands. In addition, the regulations of "a special (major) resolution" means that "(i) shareholders represent two-thirds or more of the total number of issued shares (including proxies appointed by shareholders) attend a shareholders' meeting, a resolution approved by the attending shareholders represent a major of voting rights, or (ii) if the total number of shares represented by the attending shareholders does not reach two-thirds of the total number of issued shares, but exceeds a major of the total number of issued shares, it shall be a resolution approved by the attending shareholders represent two-thirds or more of voting rights," is the same as a special resolution of a public company specified in the Company Act of Taiwan. Any modification or alternation of Articles of Incorporation damages special shareholders' equity; alternation of the Company's name, modification or adding of the Articles of Incorporation; modification or adding of purpose of the Articles of Incorporation outline, rights or other specific specified matters; the Company's capital decrease and capital redemption reserve; according to the Company's decision in a shareholders' meeting, adding share capital or writing off any share not acquired or agreed to acquire by anyone yet on the date of a resolution approval; and proposals, such as the Company cannot payoff and voluntarily dissolve as debt maturity, etc., Article 12.1, Article 14.1 and Article 14.3 (b) of the Company's Articles of Incorporation shall be approved by a special resolution made by the Company Act of Cayman Islands in accordance with "a special resolution" in Article 1 of the Company's Articles of Incorporation; or merger, except approval of a special (major) resolution of a shareholders' meeting (it's a resolution method specified in far left column), shall simultaneously meet regulations of the Company Act of Cayman Islands; the
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Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
2. Any modification or alteration in the Articles of Incorporation. 3. If any alteration in the Articles of Incorporation damages special shareholders' rights, a resolution of a special shareholders' meeting shall be done. 4. All or a part of dividends and bonuses are distributed by issuing new shares. 5. A resolution of dissolution, merger or split-up.	According to Article 116 (d) of the Company Act of Cayman Islands, when the Company cannot pay off maturing debt, it may voluntarily dissolve in accordance with an ordinary resolution.	remaining matters shall be approved by a special (major) resolution of a shareholders' meeting (it's a resolution method specified in far left column). Reviewing that it's not considerable same as requirements of checklist for protecting shareholder's equity matters, however, an excepted norm of a special resolution for a public company in the Company Act of Taiwan (it's (ii) status of a special (major) resolution specified in Article 1 of the Company's Articles of Incorporation and there's no major difference, it means that there's no major unfavorable influence for shareholder's equity. According to Article 14.3 (a) of the Company's Articles of Incorporation, when the Company cannot pay off as debt maturity and resolve to voluntarily dissolve, it shall be done by an ordinary resolution of a shareholders' meeting.
The remuneration of directors, if not prescribed in the Articles of Incorporation, shall be determined by a meeting of shareholders and cannot be ratified by a meeting of shareholders.	There's no relevant regulation in the Company Act of Cayman Islands.	In response to the explanation intention of Shang Tzu no. 09302030870 issued by Ministry of Economic Affairs on March 8, 2004, Article 30.2 of the Company's Articles of Incorporation: "Directors' remuneration may be only paid in cash. The remuneration mount shall be determined by the board of directors, and shall refer to directors' service range and value for the Company's operation and payment standard of the same trade concerned in the territory of Republic of China or overseas." Furthermore, the Company established remuneration committee in accordance with regulations, such as "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange", etc.,

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
1. Shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the Company over six months may request in writing the audit committee of the Company to institute, for the Company, an action against a director of the Company, and Taiwan Taipei District Court may be designated a court of first instance to exercise jurisdiction. 2. When audit committee fails to institute an action within 30 days after a shareholder submitted a request, and Taiwan Taipei District Court may be designated a court of first instance to exercise jurisdiction.	There's no relevant regulations in the Company Act of Cayman Islands.	it's in charge of conduction of relevant matters, and there's no major unfavorable influence for shareholder's equity. Article 25.7 of the Company's Articles of Incorporation was drafted in accordance with a former version of Securities and Exchange Act, which provides that any of independent directors may carry out the duties in far left column by stipulating that "unless otherwise provided for by law, shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of the Company over six months may request in writing the independent of the Company to institute, for the Company, an action against a director of the Company in the court of jurisdiction (including Taiwan Taipei District Court), in case a director has, in performing his functional duties, damaged to the Company or violated the provisions of any law, a public company's law or the Articles of Incorporation, instituting an action against the director. If the independent director fails to institute such action within 30 days from the date of adoption of such resolution, the requesting shareholder may institute an action for the Company." The Company will amend the Articles of Incorporation in this year's annual general meeting to incorporate requirements in far left column.
Where a juristic person acts as a shareholder of the Company, its	The attorney of Cayman Islands expresses, when a juristic person shareholder select a	Whereas the Company Act of Cayman Islands does not have the concept of so-called "a juristic person representative director" in

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
authorized representative may also be elected as a director or supervisor of the Company. If there is a plural number of such authorized representatives, each of them may be so elected, but such authorized representatives may not concurrently be selected or serve as the director or supervisor of the Company.	natural person is elected or acts as a director, the natural person is elected or acts as a director in its (or his/their) own name, but it's not a concept of "a juristic person representative director".	Article 27, paragraph 2 of the Company Act of Republic of China, when a juristic person shareholder selects or nominate its (or his/their) representative to elect or act as a director, the representative acts as a director in its (or his/their) own name, and shall not particularly specify in the Articles of Incorporation. However, to meet requirements of Taiwan Stock Exchange Corporation, Article 23 of the Company's Articles of Incorporation has ruled: when any company, organization or other non-natural person is a shareholder, according to organization documents, or when there's no relevant norms in organization documents, may authorize a considering appropriate person to act as the representative of the Company's meeting or any category of shareholders' meetings by a resolution of board of directors or other authorities, and the authorized person has the right to exercise same rights of representing the juristic person shareholder and acting as a personal shareholder. For the avoidance of doubt, a juristic person shareholder may elect several representatives to elect as the Company's directors, as a means of explicitness.
In the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$2 billion or more, the Company shall transmit the electronic files of agenda of an annual general meeting and	There's no relevant regulations in the Company Act of Cayman Islands.	The Company will amend the Articles of Incorporation in this year's annual general meeting to incorporate requirements in far left column.

Variant Items	Cayman Islands Laws and Description	Regulations of Articles of Incorporation and Description
relevant materials thirty days prior to the scheduled date of the relevant annual general meeting .		

After review, aforementioned variant items do not have an adverse impact on shareholder equity, because regulations are stricter than those of R.O.C., and no violation against checklist for protection of shareholders' equity.

JINLI GROUP HOLDINGS LTD.



Chairman: Chong, Chun Lung

