

### 4.4.2 Resource Recycling

Each year, we set annual recycling targets in accordance with our environmental policy. We selected recyclable packaging materials for domestically-sold products (polymer bags, filament hole boards, and paper tubes) that are available in large quantities for recycling management, and we keep monthly statistics on the recycled quantity, recycling rate, and achievement rate. The implementation results are reported to senior management in the management meeting on a quarterly basis. In 2023, all of our targets were reached; details are as follows:

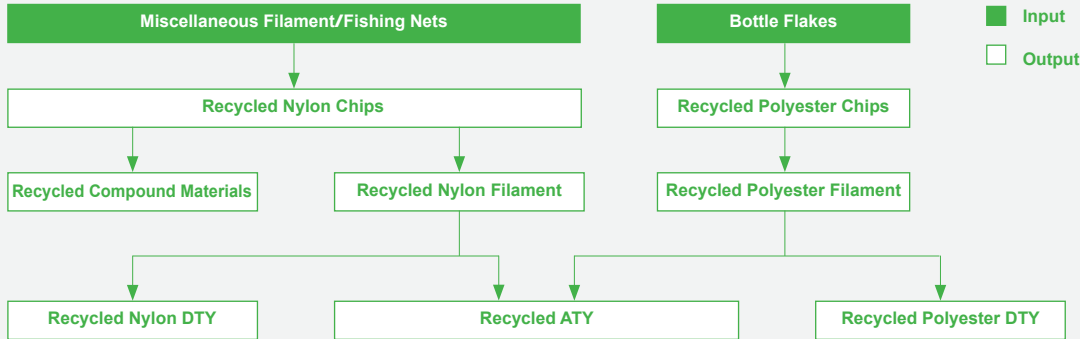
| Item  | Year | 2021         | 2022         | 2023         |              | 2024                    |              |
|---|------|--------------|--------------|--------------|--------------|-------------------------|--------------|
|   |      | Actual Value | Actual Value | Target Value | Actual Value | Recycled amount (piece) | Target Value |
| Polymerization Plant-polymer bag recycling rate |      | 100%         | 100%         | 100%         | 100%         | 7,516                   | 100%         |
| Spinning Plant-hole board recycling rate        |      | 100%         | 100%         | 100%         | 100%         | 366,425                 | 100%         |
| Spinning Plant I-paper tube recycling rate      |      | 80%          | 87%          | 80%          | 93%          | 1,192,072               | 85%          |
| Spinning Plant No.2-paper tube recycling rate   |      | 95%          | 100%         | 100%         | 100%         | 873,529                 | 100%         |

Recycling rate: Recycled amount ÷ Amount of domestic sales × 100%

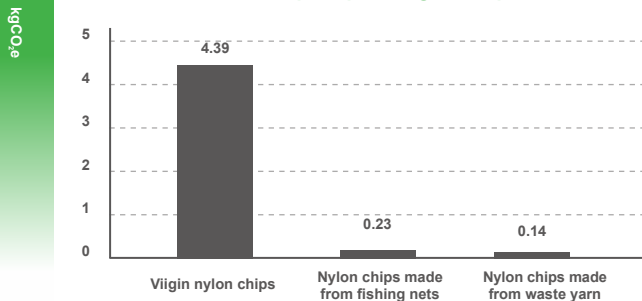
### 4.4.3 Eco-friendly Recycled Products

To implement the resource recycling part of our environmental policy, we produce high-quality recycled products that meet international environmental standards, including nylon chips, nylon filament, polyester chips, polyester filament, DTY, ATY, and compound materials, totaling seven product categories. We have also continued to accept third-party certification by the GRS Global Recycling Standard System. In addition to meeting the needs of our customers, we also do our part to protect the environment.

In addition to recycling waste filament from the Company's own spinning plant, purchasing discarded fishing nets, putting the materials through regenerative processes, as well as integrating spinning processes and the production line of recycled bottle chips, the Company will add a new composite material plant that is GRS-certified in 2023, using waste filament to replace some of the industrial-plastic-grade raw materials, and producing recycled composite materials that can be utilized in goods used in daily lives and sporting goods. This will not only allow us to do our part in environmental protection, but also increase the added value of our products and improve profitability.



Carbon footprint per kilogram of product



The Company completed a carbon footprint inventory of its nylon chip products in 2022, which was verified by a third party (BSI). The results of the inventory showed that the use of recycled nylon chips resulted in a 95-97% reduction in carbon footprint when compared to regular nylon chips. Green products accounted for 8.3% of total revenue in 2023. The Company aims to increase this share to 10% by 2025.

### Restricted Substance Management

In order to prevent the use of restricted substances in production, we start from the procurement control at the source, requiring suppliers to comply with the ZDHC Conformance or related safety standards and to provide inspection reports and Safety Data Sheets (SDS). After entering the plant, the raw material acceptance operation is carried out to confirm again whether the chemicals contain restricted substances, and the list of chemicals is regularly updated to keep track of all the chemicals used in the products. The production data is stored in accordance with the regulations and is traceable.