

Stock No.: 1441

TAH TONG TEXTILE CO., LTD.

2023 Annual Shareholders' Meeting
Agenda Handbook

Form of Shareholders' Meeting: Physical

Date: May 22, 2023

Venue: 15F., No. 99, Fuxing N. Rd., Songshan Dist., Taipei City
(Primasia Conference & Business Center)

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Tah Tong Textile Co., Ltd. Procedures for 2023 Annual General Shareholders' Meeting

- I. Call Meeting to Order
- II. Chairman's Address
- III. Reports
- IV. Ratifications
- V. Discussions and Election
- VI. Other Discussions
- VII. Extempore Motions
- VIII. Adjournment

Tah Tong Textile Co., Ltd.

Agenda of 2023 Annual General Shareholders' Meeting

Time: 9:30 A.M., May 22 (Mon), 2023

Venue: 15F, No. 99, Fuxing N. Rd., Songshan District, Taipei City (Primasia Conference & Business Center)

- I. Call the Meeting to Order (reporting the attending shares)
- II. Chairman's Address
- III. Reports:
 - (I) 2022 Business Report.
 - (II) The Audit Committee's 2022 Review Report on Settlement Statements and Books.
 - (III) 2022 Report on Private Placement of Ordinary Shares.
- IV. Ratifications:
 - (I) 2022 Business Report and Financial Statements.
 - (II) 2022 Loss Appropriation Proposal.
- V. Discussions and Election:
 - (I) Amendments to The Articles of Incorporation.
 - (II) Proposal for capital reduction to make up losses.
 - (III) Proposal for private placement of ordinary shares.
 - (IV) Proposal for early election of the Company's directors.
- VI. Other Discussions
 - (I) Proposal for lifting non-competition restrictions on the Company's new directors and their representatives.
- VII. Extempore Motions
- VIII. Adjournment

[Reports]

I. The Company's 2022 Business Report is submitted for review.

Description: Please refer to pages 13-16 of this handbook (Annex 1) for the Company's 2022 Business Report.

II. The Audit Committee's 2022 Review Report on Settlement Statements and Books is submitted for review.

Description: Please refer to page 17 (Annex 2) of this handbook for the 2022 Audit Committee's Review Report.

III. The Company's 2022 Report on Private Placement of Ordinary Shares is submitted for review.

Description: On September 13, 2022, the Company's board of directors resolved to increase capital through private placement of ordinary shares to repay borrowings and improve the Company's financial structure. It will contribute to the stable growth of the Company's operations in the future and also contribute positively to shareholders' equity. Please refer to page 18 of this handbook (Annex III).

[Ratifications]

Proposal 1

(Proposed by the board of directors)

Cause: The 2022 Business Report and financial statements are submitted for ratification.

Description: I. The Company's 2022 Business Report has been prepared and reviewed by the Audit Committee and approved by the board of directors. Please refer to Pages 13-16 of this handbook for the Business Report.

II. The Company's parent-only and consolidated financial statements for 2022 have been audited by Lin, Ya-Hui, CPA, and Hsu, Yung-Chien, CPA from PwC Taiwan, and submitted to the Audit Committee for review. No discrepancies were found, and the review report is presented for review.

III. Please refer to Pages 19-44 of this handbook for the 2022 independent auditor's report, balance sheet, comprehensive statement of income, statement of changes in equity, and statement of cash flows.

Resolution:

Proposal 2

(Proposed by the board of directors)

Cause: The 2022 proposal for loss appropriation is submitted for rectification.

Description: Please refer to the 2022 Loss Appropriation Statement as follows:

Tah Tong Textile Co., Ltd.
Loss Appropriation Statement
2022

Item	Unit: NT\$ thousand Amount
Opening losses to be made up	(\$212,992,767)
Plus: 2022 remeasurement of defined benefit programs	616,057
Plus: Effects of private placement of ordinary shares at a discount	(31,440,000)
Adjusted losses to be made up	<u>(243,816,710)</u>
Plus: net loss for the year	<u>(262,231,046)</u>
Closing losses to be made up	<u>(506,047,756)</u>
 Closing losses to be made up (after appropriation)	 <u><u>(506,047,756)</u></u>

Chairman:

Managerial Officer:

Accounting Officer:

Resolution:

[Discussions and Election]

Proposal 1

(Proposed by the board of directors)

Cause: Amendments to The Articles of Incorporation are submitted for discussion.

Description:

- I. Pursuant to Letter No. Hua-Zong-Yi-Jing-11000115851 dated December 29, 2021, some amendments to the "Articles of Incorporation" of the Company were made in accordance with laws and future needs.
- II. Please refer to page 45 of this handbook (Annex 5) for the comparison table for amended clauses.

Resolution:

Proposal 2

(Proposed by the board of directors)

Cause: The proposal for capital reduction to make up losses is submitted for discussion.

Description:

- I. As of December 31, 2022, the Company had accumulated losses of NT\$506,047,756.
- II. The Company currently has paid-in capital of NT\$1,139,000,000, with a par value of NT\$10 per share, for which 113,900,000 ordinary shares were issued. In order to improve the financial structure, it is proposed to reduce the paid-in capital by NT\$506,047,750 according to Article 168 of the Company Act. 50,604,775 shares should be canceled to cover the losses.
- III. Sound operation plan: The Company plans to reduce capital to make up losses mainly to improve the financial structure, and intends to raise operating performance in the following aspects
 - (1) Markets: The Spinning Business Division will continue to develop high-value-added, functional and special yarns according to the trend; the Fabrics Business Division will develop customized products and services and functional knitted fabrics to meet the product needs of brand customers.
 - (2) Manufacturing: Continue to increase production efficiency and control production costs, and strengthen cost competitiveness.
 - (3) Financial structure: The Company will raise funds required for operation in a timely manner with the premise of maintaining a stable financial structure.
 - (4) Talent cultivation: Strengthen essential learning skills, attract top talents, and retain top performers.
- IV. The capital reduction will reduce every thousand shares held by the shareholders as recorded in the shareholder register on the date of capital reduction to about 556 shares by 44.429126%. After the capital reduction, the Company's paid-in capital amounted to NT\$632,952,250, with a par value of NT\$10 per share, for which a total of 63,295,225 shares should be issued.
- V. After the capital reduction, all shares will be issued without physical certificates. Any fractional shares will be converted into cash at a par value accurate to 1 NT\$. The Chairman is authorized to appoint a specified person to purchase such fractional shares at par value. Shareholders of the new shares will have identical rights and obligations to those of the issued ordinary shares.

- VI. Once the proposal for capital reduction is approved by the shareholders' meeting and presented to the competent authority for approval, the Board of Directors is authorized to determine the record date for capital reduction and handle matters related to capital reduction.
- VII. The Chairman is to be authorized with full power and authority to deal with matters related to capital reduction that are subject to change pursuant to laws or regulations, or when adjustment is necessary.

Resolution:

Proposal 3

(Proposed by the board of directors)

Cause: The proposal for private placement of ordinary shares is submitted for discussion.

Description:

- I. In order to replenish working capital, repay bank loans, improve the financial structure, and meet other capital needs for the Company's future development, the Company intends to increase cash capital and issue ordinary shares through private placement at an appropriate time in accordance with Article 43-6 of the Securities and Exchange Act, subject to market conditions and the Company's capital needs, and requests that the shareholders' regular meeting authorize the board of directors to issue shares in rounds within one year from the date when the annual general shareholders' meeting decides on the private placement proposal, depending on actual fund-raising. It's expected to be no more than 3 rounds. The use of all funds raised through private placement and expected benefits are as originally planned in this proposal.
- II. Principles for authorizing the board of directors to issue ordinary shares through private placement:
 - (I) Number of shares to be privately placed: No more than 30 million shares.
 - (II) Par value per share: NT\$10.
 - (III) Total amount of private placement: Calculated based on the final private placement price.
 - (IV) Basis and rationality of determining the private placement price: The Company's private placement price is determined upon the reference price, which is the higher of (1) the arithmetic mean of the closing prices of the ordinary shares 1, 3, or 5 business days before the pricing date, less the ex-rights of the free shares and dividends, and plus the share price after capital reduction and anti-ex-rights purchase or (2) the arithmetic mean of the closing prices of the ordinary shares 30 business days before the pricing date, less the share price ex-right and dividends, and the share price after capital reduction and ex-rights reduction. The private placement price shall not be less than 80% of the reference price. The Board of Directors is authorized to determine the actual pricing date and the actual private placement price after consulting with specified persons later and taking into account the market conditions then.

The price of the Company's ordinary shares to be privately placed should be determined in accordance with applicable laws. However, given the basis for determining the price, the possibility of the price of such ordinary shares determined being below par value cannot be ruled out. In such a case, the impact on shareholders' equity will be the accumulated losses arising from the difference between the actual private placement price and the face value. Such

accumulated losses will be made up depending on the Company's future operating conditions. An increase in accumulated losses may require a capital reduction.

(V) The manner in which the specified persons are selected:

1. The ordinary shares are offered to those applicants qualified under Article 43-6 of the Securities and Exchange Act, and other applicable laws and interpretations issued by the competent authorities.
2. Purpose of selecting applicants: To replenish the Company's working capital and improve its financial structure, thereby expanding its operating territories. In the case of an insider or a related party, this will help replenish the working capital and gain an understanding of the Company that is beneficial to the Company's future operations.
3. The list of insiders or related parties planning to participate in the private placement is presented as follows:

Applicant	How and why to select	Relationship with the Company
Chen, Chien-Choan (3.61% shareholding)	To replenish the Company's working capital and improve its financial structure, thereby expanding the operating territories.	President of the Company
Chen, Shiou-Chung (4.63% shareholding)		Chairman of the Company
Yen, Li-Rong (2.07% shareholding)		The spouse of the chairperson of the Company
Chen, Chien-Ming (1.48% shareholding)		Chairman's 1st-degree relative

List of legal person applicants and matters to be disclosed:

Legal person applicant	Top 10 shareholders and their shareholding ratios	Relationship with the Company
EVER GLORY INVESTMENT COM, LTD.	Chen, Chien-Ming 24.50%; Chen, Shiou-Chung 23.15%; Yen, Li-Rong 18.73%; Chen, Hsiu-Yi 10.97%; Chen, Hsiu-Hsiung 9.51%; Chen, Chien-Choan 9.31%; Chen, Hung-Ru 0.52%; Chen, Hung-Wen 0.52%; Wang, Chih-Hung 0.52%; Wu, Hsin-Chang 0.52%.	The Company's major shareholders
Great Bell Printing & Dyeing Co., Ltd.	Hanbo Livestock & Farming 23.13%, Tah Tong Textile 21.19%, Chen, Hsiu-Hsiung 14.79%, KINGTEX CORPORATION 7.12%, Chen, Yan-Ming 6.27%, Jianyi Investment 3.62%, Yen, Li-Rong 2.55%, Chen, Hung-Ru 2.52%, Chen, Hung-Wen 2.44%, Chen, Shiou-Chung 2.17%.	Affiliates
Hanbo Livestock and Farming Product Co., Ltd.	Great Bell Printing & Dyeing 41.99%, Chen, Yan-Ming 12.00%, Chen, Hsiu-Hsiung 5.84%, Hanpower Energy Technology 4.33%, KINGTEX CORPORATION 4.11%, Yen, Li-Rong 3.59%, Ever Huang Investment Co., Ltd. 3.35%, Wang, Xiang-Yuan 2.24%, Chen, Hung-Wen 2.23%, Wang, Yu-Xian 2.08%.	Other related party
KINGTEX CORPORATION	Zhang Yi-Zhao 23.85%, Zhang Ya-Hui 21.65%, Zhang Xiu-Ru 21.65%, Zhang Ling-Qi 21.65%, Chen Jun-Ping 10%, Zhang Ying-Fu 1.2%.	The Company's major shareholder

(VI) Necessary reasons for private placement:

1. Reason for not adopting a public offering: Considering the timeliness and convenience of raising capital, issuance cost, and stability of equity, private placement will be adopted to raise capital.
 2. Use of private placement funds and expected benefits: The private placement funds will be used to supplement the Company's working capital, repay bank loans, and meet other capital needs for the Company's future development. It can be anticipated to improve the Company's financial structure, contribute to the stable growth of the Company's operations, and provide shareholders' equity with its positive benefits. It's expected to be no more than 3 rounds. The use of all funds raised through private placement and expected benefits are as originally planned in this proposal.
- (VII) Rights and obligations to the ordinary shares to be privately placed: In principle, purchasers of the ordinary shares to be privately placed will have identical rights and obligations to those of the issued ordinary shares, except that in accordance with Article 43-8 of the Securities and Exchange Act, unless in certain circumstances, the ordinary shares may be freely transferable only when three full years have elapsed since the delivery date. After three years from the delivery date, the Board of Directors will be authorized to decide whether to apply to the competent authority for additional public and trading of securities as the case may be then.
- (VIII) In cooperation with this private placement, it is proposed that the Chairman of the Board of Directors or his/her designee be authorized by the shareholders' meeting to sign, negotiate and alter, on behalf of the Company, all contracts and documents related to the issuance of ordinary shares through private placement and to deal with all matters related to the issuance of ordinary shares for the Company.
- (IX) Others: Apart from the pricing ratio, for any change or amendment to the actual issuing price, number of shares, issuance terms and measures, a planned project, raised amount, estimated schedule, estimated possible benefits, and other uncovered matters required later by the competent authority or based on operational evaluation or changes in the objective environment, it is proposed to request the shareholders' meeting to authorize the board of directors to deal with it with full authority.
- (X) For the particulars in respect of the Company's proposal for private placement of securities to be enumerated under Article 43-6 of the Securities and Exchange Act, see the MOPS (<https://mops.twse.com.tw>) and the Company's website (<http://tw.tahtong.com.tw/>).

Resolution:

Proposal 4

(Proposed by the board of directors)

Cause: The proposal for early election of the Company's directors is submitted for election.

Description:

- I. According to Point 4 of the "Guidelines for Compliance with the Establishment and Exercise of Powers by the Board of Directors of Listed Companies", a listed company with its Chairman and President or those with equivalent positions held by the same

person or spouses or first-degree relatives shall have no less than 4 independent directors as of December 31, 2023. The Company shall elect one more independent director this year. The term of office of current directors will expire on July 5, 2024 and it is planned to elect new directors early at this year's annual shareholders' meeting.

- II. According to the Articles of Incorporation, the Company should have 7 to 9 directors for a term of 3 years. The term of office of the 32nd board of directors is originally from July 6, 2021 to July 5, 2024. An election of new directors is proposed based on practical needs. The term of office of the original directors will expire as of the end of the current annual general shareholders' meeting. The term of office of new directors will be from May 22, 2023 to May 22, 2026, and the Audit Committee will consist of all the independent directors.
- III. According to the Articles of Incorporation, the candidate nomination system is adopted for the election of directors. After the board of directors examines the qualifications of nominees on April 7, 2023, those who are qualified will be included in the list of candidates. The annual general shareholders' meeting will elect new directors from qualified candidates.

Director candidates are briefed as follows:

Title	Name	Education	Experience	Current Position	Shareholding increase
Director	Chen, Shiou-Chung	Department of Business Administration, Feng Chia University -	1. Chairman of Textile Extension Association 2. Chairman of Taiwan Spinning Industry Association	1. Chairman, Tah Tong Textile Co., Ltd. 2. Independent director, Everest Textile Co., Ltd. 3. Independent director, Yi Jinn Industrial Co., Ltd. 4. Director, Great Bell Printing & Dyeing Co., Ltd. 5. Director, KINGTEX CORPORATION 6. Director, Hanbo Livestock & Farming Products Co., Ltd.	5,276,711 shares
Director	Chen, Chien-Choan	MBA, University of Michigan, the U.S	1. MAGSPIN TEXTILE CORP. 2. A.T. KEARNEY 3. GRAND ORIENT SECURITIES CORPORATION 4. CEF HOLDINGS LIMITED	1. President, Tah Tong Textile Co., Ltd. 2. Chairman, InnoPeak Advanced Materials Co., Ltd.	4,107,262 shares
Director	EVER GLORY INVESTMENT COM, LTD.	Not applicable.	Corporate Director, Tah Tong's Spinning Corporation	Corporate Director, Tah Tong's Spinning Corporation	24,972,025 shares
Director	FOUNDATION TAICHUNG CITY PRIVATE	Not applicable.	Corporate Director, Tah Tong's Spinning Corporation	Corporate Director, Tah Tong's Spinning Corporation	3,103,550 shares

Title	Name	Education	Experience	Current Position	Shareholding increase
	EVER GLORY EDUCATION FOUNDATION				
Independent Director	Sun, Chin-Feng	MBA, University of Michigan	<ol style="list-style-type: none"> Investment Associate, CX Venture Group Director, Asia Pacific Technology Center, Emerson Electric Director, Lytone Enterprise Inc. 	<ol style="list-style-type: none"> President, SAGA Unitek Ventures Independent Director, Tah Tong Textile Co., Ltd. Independent director, Hua Eng Wire & Cable Co., Ltd. Independent director, Wonderful Hi-Tech Co., Ltd. Independent director, Chicony Power Technology Co., Ltd. 	0 shares
Independent Director	Lin, Win-Jon	Master from the Department of Business Management, National Taipei University of Technology	<ol style="list-style-type: none"> Chairman, Libolon Enterprise Co. Ltd Vice Chairman, Li Peng Enterprise Co., Ltd. Vice Chairman, Lealea Group 	<ol style="list-style-type: none"> President, Lippo Investments Management Limited Independent Director, Tah Tong Textile Co., Ltd. Independent director, Universal Textile Co., Ltd. Independent director, Yi Shin Textile Industrial Co., Ltd. 	0 shares
Independent Director	Lin, Chien-Ping	Department of Finance, Tamkang University	<ol style="list-style-type: none"> President/Director, Niko Semiconductor Co., Ltd. Vice President, USUN Company Ltd. Vice President, ChuanYu SMT Enterprise 	<ol style="list-style-type: none"> Independent director, Tah Tong Textile Co., Ltd. Independent director, FORESHOT Industrial Corporation Independent director, DIVA Laboratories Ltd. Independent director, RBC Bioscience Corporation 	0 shares
Independent Director	Lin, Zheng-Yi	Department of Accounting, National Chung Hsing University	KPMG Taiwan	<ol style="list-style-type: none"> Lee & Li Accounting Firm Independent director, Bright LED electronics Corp. Supervisor, Jorjin Technologies Inc. 	0 shares

Explain why independent director candidates that have served for three consecutive terms are nominated:

Mr. Sun, Chin-Feng Sun has had an active part in the operation of the Board and provided various important suggestions. Although he has been elected Independent Director for three consecutive terms, given his professional business management experience, Mr. Sun, Chin-Feng is believed to be still able to make independent, fair judgments, provide professional advice and supervise the Company's operating performance. It is therefore proposed to nominate him as an independent director candidate again.

Votes:

[Other Discussions]

Proposal 1

(Proposed by the board of directors)

Cause: The proposal for lifting non-competition restrictions on new directors and their representatives is submitted for discussion.

Description:

- I. Pursuant to Article 209 of the Company Act, "a director who does anything for himself or on behalf of another person that is within the scope of the company's business shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- II. In order to make use of the expertise and relevant experience of the Company's directors, it is proposed to submit a motion to the shareholders' meeting for approval to lift non-competition restrictions on new directors and their representatives after they are elected.
- III. The Company intends to lift non-competition restrictions as follows:

Name of director	Lifted non-competition restrictions	Description
Chen, Shiou-Chung	Independent Director, Everest Textile Co., Ltd. Independent director, Yi Jinn Industrial Co., Ltd. Director, Great Bell Printing & Dyeing Co., Ltd. Director, KINGTEX CORPORATION	An important strategic partner in the same industry as the Company An important strategic partner in the same industry as the Company An investee of the Company A related party of the Company
Chen, Chien-Choan	Chairman, InnoPeak Advanced Materials Co., Ltd.	An investee of the Company
Lin, Win-Jon	Independent director, Universal Textile Co., Ltd. Independent director, Yi Jinn Industrial Co., Ltd.	An important strategic partner in the same industry as the Company An important strategic partner in the same industry as the Company

Resolution:

[Extempore Motions]

[Adjournment]

[Annex 1]

Tah Tong Textile Co., Ltd. Business Report

All shareholding ladies and gentlemen,

Thank you for sparing time to attend the shareholders' meeting this year.

The 2022 consolidated revenue is NT\$1,588,312 thousand, increased by NT\$41,822 thousand from 2021; the 2022 consolidated gross operating loss is NT\$108,200 thousand, increased by NT\$180,822 thousand from 2021; the 2022 net loss after tax attributed to the Company is NT\$262,231 thousand, increased by NT\$186,176 thousand from 2021.

In 2022, with growing vaccination penetration worldwide and lifted lockdowns in all countries, business activities began to recover on the whole. Under the optimistic global economy, various economic needs were gradually expanded. However, with international floating capital flooding raw materials, Cotlook A Index soared by 54% in less than a year, but plummeted in Q1. This resulted in sharply rising costs of materials purchased and rapidly falling prices in the end market overall for 2022, thereby leading to an impact on overall operations.

Looking forward to 2023, after a turbulent and critical year, Tah Tong Textile will continue to optimize its product mix, with a focus on developing special yarn products, to reduce the proportion of cotton yarn and increase gross profit margin. Meanwhile, the Company will vertically integrate the supply chain, deepen the services provided by Fabrics Division, enhance marketing and sales, mainly serve brand customers, and expand the customer base of Fabrics Division, in the hope of effectively increasing the Group's overall revenue. Overall, the Company's operating strategy will gradually yield results.

The Company will adhere to its core values of "Integrity and Ethics, Self-transcendence, Unity of Excellence, and Outstanding Contributions", continue the established business strategies, and commit to provide customers with high-quality, diversified and innovative products for stable growth and profitability.

The business results for 2022 and the 2023 business plan are summarized as follows:

I. Business results for 2022

(I) Implementation results of the business plan:

Unit: NT\$ thousand	2021	2022	Difference	%
Consolidated revenue	1,546,490	1,588,312	41,822	2.70
Consolidated gross profit (loss)	72,622	(108,200)	(180,822)	-248.99
Consolidated operating income (loss)	(114,449)	(315,437)	(200,988)	175.61
Consolidated net income (loss) after tax	(162,356)	(319,852)	(157,496)	97.01
Net income (loss) after tax attributed to the Company	(76,055)	(262,231)	(186,176)	244.79
Earnings (loss) per share (NT\$)	(0.75)	(2.52)	(1.77)	236.00

(II) Achievement of budget:

	Actual volume:	Budgeted volume	Achievement rate
Yarn (ton)	8,309	9,977	83.28%
Fabrics (thousand yards)	7,628	9,285	82.15%

(III) Financial revenue and expense and profitability analysis

Unit: NT\$ thousand; %

Item		2022	2021
Financial revenue	Operating revenue	1,546,490	1,588,312
	Gross profit (loss)	72,622	(108,200)
	Net operating profit (loss)	(114,449)	(315,437)
	Net income (loss) after tax	(162,356)	(319,852)
	Attributed to the parent company	(76,055)	(262,231)
	Non-controlling interests	(86,301)	(57,621)
Profitability analysis	Gross margin %	4.70	(6.81)
	Net profit margin (%)	(10.50)	(20.14)
	Return on equity (%)	(18.19)	(34.69)
	Earnings per share (NT\$)	(0.75)	(2.52)

Note : The aforesaid financial data for each year have been audited by CPAs

(IV) Research and development
R&D expenses for 2022

Unit: NT\$ thousand

Item	Amount
Research and development expenses	10,233
Net operating revenue	1,588,312
In net operating revenue (%)	0.64%

II. Summary of the 2023 business plan

In the post-COVID-19 era, when the market is seeing uncertainties and risks, Tah Tong Textile will continue to optimize its product mix, with a focus on developing special yarn products to increase gross profit margin. Meanwhile, the Company will vertically integrate the supply chain, deepen the services provided by Fabrics Division, enhance marketing and sales, mainly serve brand customers, and expand the customer base of Fabrics Division, in the hope of effectively increasing the Group's overall revenue and operational performance.

The Company will adhere to its core values of "Integrity and Ethics, Self-transcendence, Unity of Excellence, and Outstanding Contributions", continue the established business strategies, and commit to provide customers with high-quality, diversified and innovative products for stable growth and profitability. The company's 2023 business strategy and important production and sales policies are presented as follows:

- (I) Operating strategy
Focus on product development in the textile industry and deepen cooperation with the industrial supply chain.
- (1) Yarn Business Division
1. Continue to improve product quality, win strategic customers to place orders, and raise profitability.
 2. Concentrate production capacity for environmental yarn, blended yarn and special yarn, and emphasizes differentiation in order to improve profitability.
- (2) Fabrics Business Division
1. Continue to strengthen supply chain management strengths and increase orders from brand customers.

2. Strengthen research and development, provide better product mix, and expand market share.
3. Target new customers for business development, and cut to niche products.

(II) Expected sales volume

Unit: tons	Budgeted volume
Yarn (ton)	8,497
Fabrics (thousand yards)	10,976

(III) Important production and sales policy

As textile products are developing towards functionality and comfort, the Yarn Business Division will continue to expand new markets and develop functional and special yarn types; the Fabric Business Division will develop customized products and services based on the needs of brand customers and develop the functional knitted fabrics.

III. How the Company's development strategy is affected by the competitive environment, the regulatory environment and the overall business environment is analyzed in the following aspects:

(I) Price of raw materials:

The international raw cotton price still accounts for a large proportion of the Company's product costs. Fluctuation in international raw cotton prices will have a significant impact on the Company's production costs. Therefore, the Company will continue to increase the proportion of blended yarn products to reduce the consumption of raw cotton and cope with the uncertain price fluctuations.

(II) Price of energy:

Fluctuations in international crude oil prices will affect the industrial electricity price and directly affect manufacturing costs.

(III) The downstream consumer market:

The Company's yarn and fabric products are mainly supplied in the form of semi-finished products to customers in Taiwan, Japan, Europe, America, mainland China, and the ASEAN, who will produce garments for sale in the global market.

We must pay more attention and observe the international political and economic situation, especially whether the US, mainland China, ASEAN, and the EU can maintain economic growth. Each country's political and economic situation, monetary policy and global inflation situation may affect the Company's sales and operating profit.

(IV) Competition with mainland China and ASEAN countries:

Functional fabrics produced in Mainland China and neighboring countries in Asia have significantly improved quality in recent years, posing competition with the Company's products. In order to differentiate in the market, the Company is currently developing higher value-added and special products to minimize the impact on the yarn supply chain system.

(V) ASEAN and CPTPP:

Under the framework of a FTA, member states of regional economies are entitled to trade liberalization and tariff reduction and exemption. Led by Japan, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed on March 8, 2018 by 11 countries including Vietnam and came into effect in 2019. Due to the advantages in infrastructure and an open policy to attract foreign investment, Vietnam will enjoy higher competitiveness among regional economies in the future. The Company

has invested and expanded in Vietnam, and can expect reduced operating costs, more opportunities for export expansion, and industrial upgrades with preferential tariffs competitiveness.

Looking at 2023, the overall business environment remains complex. The Company will respond to changes in the external environment and make even harder efforts to expand operating results and gain sustainable operation competitiveness.

With regard to the 2021 Business Report and a summary of the 2021 Business Plan, I would like to thank all shareholders for their support. All of the Company's employees will also do their utmost to forge better operating strength than before and repay the shareholders' support with performance. In the future, I still hope that all shareholders will show your continued support and encouragement to the Company and let's create a brighter future together. We wish all shareholders good health and best of luck!

Chairman:

Managerial Officer:

Accounting Officer:

[Annex 2]

Audit Committee's Review Report

The board of directors has submitted the Company's Business Report, Financial Statements (parent-only and consolidated included), and proposal for loss appropriation for the year ended December 31, 2022. Lin, Ya-Hui, CPA, and Hsu, Yung-Chien, CPA from PwC Taiwan, have audited the said (parent-only and consolidated) financial statements and issued an unqualified opinion. The said financial statements and proposal for loss appropriation were audited by the Audit Committee and found to be satisfactory and are therefore submitted for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Regards

2023 Annual General Shareholders' Meeting, Tah Tong Textile Co., Ltd.

Tah Tong Textile Co., Ltd.
Convener of the Audit Committee

March 23, 2023

[Annex 3]

First private placement of marketable securities in 2022

Item	First private placement in 2022 Date: October 21, 2022				
Type of securities privately placed	Ordinary shares				
Date of approval and amount approved by the board of directors	Annual general shareholders' meeting on June 14, 2022 No more than 30 million shares issued				
The basis for and reasonableness of the pricing	The Company's privately placed shares were priced pursuant to Article 2 of the Directions for Public Companies Conducting Private Placements of Securities, at no lower than 80% of the reference price, which is the higher of: a. The arithmetic mean of the closing prices of the ordinary shares 1, 3, or 5 business days, less the ex-rights of the free shares and dividends, and plus the share price after capital reduction and anti-ex-rights, or b. The arithmetic mean of the closing prices of the ordinary shares 30 business days before the pricing date, less the share price ex-right and dividends, and the share price after capital reduction and anti-ex-rights.				
The manner in which the specified persons were selected	Applicants qualified under Article 43-6 of the Securities and Exchange Act, other applicable laws and interpretations issued by the competent authorities.				
Necessary reasons for private placement:	Given that raising funds by issuing securities are unlikely to obtain the required funds in a short period of time and that raising capital through private placement is time-efficient, convenient and low in issuance costs, the Company intended to issue ordinary shares through private placement.				
Completion date of consideration payment	Base date: September 27, 2022				
Information of the subscribers	The targets of the private placement	Qualifications	Subscription amounts	Relationship with the Company	Involvement in the Company's operation
	EVER GLORY INVESTMENT COM, LTD.	Eligible under Subparagraph 3, Paragraph 1, Article 43-6 of the Securities and Exchange Act	13,100,000 shares	A corporate director/major shareholder of the Company	None
The actual subscription (or conversion) price)	NT\$7.60 per share				
The difference between the actual subscription (or conversion) price and the reference price	The actual subscription price was NT\$8.21 per share, equal to 93% of the reference price.				
The effect of the private placement on shareholders' equity (e.g. increasing the accumulated loss...)	The impact on shareholders' equity is the accumulated loss generated from the difference between the actual price and the face value. Such accumulated loss may be eliminated in the future depends on the Company's operations.				
The status of use of the capital raised through the private placement of securities, and the implementation progress of the plan	All funds were used to repay bank loans and completed as of Q3 2022.				
The realization of the benefits of the plan	The funds raised from the first private placement in 2022 were fully used to repay bank loans while improving the Company's financial structure. In the future, it would contribute to the stable growth of the Company's operations and positively to the shareholder's equity.				

To the Board of Directors and Shareholders of TAH TONG TEXTILE CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of TAH TONG TEXTILE CO., LTD. (the “Company”) as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company' s 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company' s 2022 parent company only financial statements are stated as follows:

Assessment of allowance for inventory valuation losses (including inventories of subsidiaries accounted for under the equity method)

Description

Refer to Notes 4(9) and 4(12) for accounting policy on inventory valuation and investments accounted for under the equity method, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Notes 6(4) and 6(6) for details of inventories. As of December 31, 2022, the textile inventories and allowance for inventory valuation losses amounted to NT\$121,142 thousand and NT\$17,513 thousand, respectively. As of December 31, 2022, the inventories and allowance for inventory valuation losses in the consolidated financial statements amounted to NT\$616,359 thousand and NT\$51,251 thousand, respectively.

The Company is engaged in the sales of cotton yarn that was produced by the subsidiary in Vietnam and finished fabrics outsourced, etc. As textile products are subject to the fluctuations in raw material prices and the intense competition in textile market, there is a higher risk of inventory losing value or becoming obsolete. The Company' s and its subsidiary' s inventory are valued at the lower of cost and net realisable value, and the net realisable value of inventory over a certain age is evaluated based on the historical data on inventory clearance and discounts. The allowance for inventory valuation losses is presented in "inventories" and "investments accounted for under the equity method" in the parent company only financial statements.

As the Company and its Vietnam subsidiary operate in an industry where raw material prices fluctuate continuously, and the net realisable value used in evaluating obsolete inventories involves subjective judgement resulting in a high degree of uncertainty. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, we consider the Company' s and its Vietnam subsidiary' s assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures for allowance for valuation loss on inventories that were over a certain age and individually identified as obsolete and damaged:

1. Ascertained whether the policies on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.

2. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed the information in the reports is consistent with the relevant policies.
3. Discussed with management the estimated net realisable value of individually identified obsolete and damaged inventories and obtained supporting documents to determine the reasonableness of allowance for inventory valuation losses.
4. Recalculated the net realisable value of individual inventory and calculated the required amount of the allowance for individual inventory valuation losses and compare it with the assessment result of the management.

Subsidiaries accounted under the equity method – impairment assessment of property, plant and equipment

Description

Refer to Note 4(11) in the parent company only financial statements and Note 4(18) in the consolidated financial statements for accounting policies on investments accounted for under the equity method and impairment of non-financial assets, Note 5(2) in the consolidated financial statements for the uncertainty of accounting estimates and assumptions applied on property, plant and equipment valuation, and Note 6(6) in the parent company only financial statements, Notes 6(7) and 6(10) in the consolidated financial statements for details of property, plant and equipment. As of December 31, 2022, the Company's property, plant and equipment in the consolidated financial statements amounted to NT\$940,694 thousand.

As the operation of the subsidiary was not as expected due to the fluctuations in international raw material and the uncertainty of supply and demand in the overall economic market, the management assessed the impairment of the assets held by the subsidiary and the assessment result may affect the amount of investments accounted under the equity method. The management hired an external expert to evaluate the value of property, plant and equipment using the market method and the cost method and used it as reference of the fair value of these assets. The valuation method performed by the external appraiser involves the choice of comparable properties, the evaluation of asset utilisation and the adjustment factors, and they are subjective judgement resulting in a high degree of estimation uncertainty. Thus, we consider the impairment assessment of assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the Company's policies and procedures in relation to the property, plant and equipment impairment assessment, including

collection of internal and external data, long-term and short-term business forecasts and industry changes, as well as obtained the asset impairment assessment reports that were assessed by the Company for cash-generating units.

2. Obtained the assets appraisal report issued by the appraiser and performed the following procedures:
 - Examined the appraiser's qualification and assessed his or her independence, objectiveness and competence
 - Assessed whether the valuation method in the appraisal report was commonly used and appropriate
 - Ascertained whether the replacement costs, comparable properties and the asset utilisation used in the appraisal report were applied reasonably and were in accordance with the actuality
 - Examined the reasonableness of the assumptions used in the appraisal report and ascertained the accuracy of the calculations

Other matter - Reference to the audits of other auditors

We did not audit the financial statements of certain investments which were prepared using a different financial reporting framework and were audited by other auditors. We have performed necessary audit procedures on the adjustments made on the transition of preparing financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission. Therefore, our opinion expressed herein, insofar as it relates to the unadjusted amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT\$258,323 thousand and NT\$276,713 thousand, constituting 15% and 16% of the parent company only total assets as at December 31, 2022 and 2021, respectively, and the comprehensive loss recognised from associates and joint ventures accounted for under the equity method amounted to (NT\$46,819) thousand and (NT\$19,583) thousand, constituting 20.5% and 25.4% of the parent company only total comprehensive income for the years then ended December 31, 2022 and 2021, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional

omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Ya-Hui

Hsu, Yung-Chien

For and on behalf of PricewaterhouseCoopers, Taiwan

March 25, 2022

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, 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 parent company only financial statements and independent auditor's report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.

Tah Tong Textile Co., Ltd.
Parent Company Only Balance Sheet
December 31 of 2022 & 2021

Unit : KNTD

Assets	Notes	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
Current Assets						
1100	Cash and cash equivalents	VI(I)	\$ 112,098	6	\$ 102,020	6
1110	Financial assets at fair value through income statement	VI(II) & VIII	1,900	-	33,202	2
1150	Notes receivable	VI(III)	1,779	-	844	-
1170	Accounts receivable	VI(III)	28,874	2	36,269	2
1180	Accounts receivable - related parties	VII	568,547	32	351,239	20
1200	Other receivables		2,108	-	3,790	-
1210	Other receivables - related parties	VII	64,420	4	278,468	16
130X	Inventories	VI(IV)	103,629	6	103,792	6
1410	Prepaid		680	-	541	-
1470	Other current assets	VIII	15,225	1	23,333	2
11XX	Total current assets		<u>899,260</u>	<u>51</u>	<u>933,498</u>	<u>54</u>
Non-current assets						
1517	Financial assets at fair value through income statement - noncurrent	VI(V)	46,347	2	37,114	2
1550	Long-term investments at equity	VI(VI)	757,472	43	479,833	28
1600	PROPERTY, PLANT AND EQUIPMENT	VI(VII)及 VIII	41,021	2	41,822	2
1755	Right-of-use asset	VI(VIII)及 VII	2,033	-	4,743	-
1780	Intangible assets		100	-	304	-
1840	deferred income tax assets - noncurrent	VI(XXIV)	16,488	1	16,488	1
1940	ong-term notes, accounts and overdue receivables - related parties	VII	-	-	214,915	12
1975	Net defined benefit assets - non-current	VI(XIII)	11,585	1	9,519	1
1990	Other non-current assets - other	VII	68	-	103	-
15XX	Total non-current assets		<u>875,114</u>	<u>49</u>	<u>804,841</u>	<u>46</u>
1XXX	Total Assets		<u>\$ 1,774,374</u>	<u>100</u>	<u>\$ 1,738,339</u>	<u>100</u>

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Tah Tong Textile Co., Ltd.
Parent Company Only Balance Sheet
December 31 of 2022 & 2021

Unit : KNTD

Liabilities and Equity		Note	2022/12/31		2021/12/31	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term debt	VI(IX)	\$ 756,529	43	\$ 557,690	32
2150	Notes payable		6,692	-	9,401	1
2170	Accounts payable	VII	127,266	7	161,881	9
2200	Other payable	VI(XII)及 VII	29,450	2	30,506	2
2280	Lease liability-current	VII	2,054	-	2,699	-
2320	current portion of long-term liabilities	VI(XI)	29,715	2	29,650	2
2399	Other current liabilities-oher		895	-	4,115	-
21XX	Total current liabilities		<u>952,601</u>	<u>54</u>	<u>795,942</u>	<u>46</u>
Non-current liabilities						
2530	Bonds payable	VI(X)及 VII	100,000	5	100,000	6
2540	Long-term debt payable	VI(XI)	35,126	2	64,430	3
2570	Deferred income tax liabilities	VI(XXIV)	30,167	2	29,754	2
2580	Lease liability-noncurrent	VII	-	-	2,054	-
2600	Other noncurrent liabilities	VII	32,124	2	146	-
25XX	Total Non-current liabilities		<u>197,417</u>	<u>11</u>	<u>196,384</u>	<u>11</u>
2XXX	Total liabilities		<u>1,150,018</u>	<u>65</u>	<u>992,326</u>	<u>57</u>
Equity						
Capital VI(XIV)						
3110	Common stock		1,139,000	64	1,008,000	58
Additional paid-in capital VI(XV)						
3200	Additional paid-in capital		11,181	1	3,988	-
Return earning VI(XVI)						
3350	Accumulated deficit		(506,048)	(29)	(212,993)	(12)
Other equity VI(XVII)						
3400	Other equity		(19,777)	(1)	(52,982)	(3)
3XXX	Total equity		<u>624,356</u>	<u>35</u>	<u>746,013</u>	<u>43</u>
Significant contingent liabilities and unrecognized contractual commitments IX						
Material Subsequent Events XI						
3X2X	Total Liabilities and Equity		<u>\$ 1,774,374</u>	<u>100</u>	<u>\$ 1,738,339</u>	<u>100</u>

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

Tah Tong Textile Co., Ltd.
Parent Company Only Statement of Comprehensive Income
Jan.1 ~ Dec.31 of 2022 & 2021

Unit : KNTD
(Except loss per share in NTD)

	Item	Note	The year of 2022		The year of 2021	
			Amount	%	Amount	%
4000	Operating revenue	VI(XVII) & VII	\$ 943,406	100	\$ 910,198	100
5000	Operating costs	VI(IV)(XXII) & VII	(898,547)	(95)	(856,763)	(94)
5900	Operating profit		44,859	5	53,435	6
5910	Unrealized sales benefit		(11,804)	(1)	(11,968)	(1)
5920	Realized sales benefit		11,968	1	13,018	1
5950	Net operating profit		45,023	5	54,485	6
	Operating expenses	VI(XXII) & VII				
6100	Selling expenses		(31,381)	(3)	(29,222)	(3)
6200	Administrative expense		(56,121)	(6)	(53,221)	(6)
6300	R&D expenses		(7,698)	(1)	(6,617)	(1)
6450	Expected credit impairment benefit XII		2,185	-	68	-
6000	Total operating expenses		(93,015)	(10)	(88,992)	(10)
6900	Operating loss		(47,992)	(5)	(34,507)	(4)
	Non-operating revenue and expenses					
7100	Interest revenue		4,828	-	3,585	-
7010	Other non-operating revenue	VI(XIX)	5,392	1	5,604	1
7020	Other non-operating revenue and loss	VI(XX)	59,708	6	24,672	3
7050	Financial cost	VI(XXI)	(18,712)	(2)	(13,362)	(1)
7070	investment loss recognized under equity method		(265,298)	(28)	(60,014)	(7)
7000	Total Non-operating revenue and expenses		(214,082)	(23)	(39,515)	(4)
7900	Loss before tax		(262,074)	(28)	(74,022)	(8)
7950	income tax expense	VI(XXIV)	(157)	-	(2,033)	-
8200	Net Loss		<u>(\$ 262,231)</u>	<u>(28)</u>	<u>(\$ 76,055)</u>	<u>(8)</u>
	Other comprehensive income (net)	VI(XVII)				
	Items not reclassified to profit or loss					
8311	Defined benefit plan remeasurements	VI(XIII)	\$ 1,281	-	\$ 3,448	-
8316	Unrealized valuation gains and losses on equity instrument investments measured at fair value through other comprehensive income	VI(V)	8,909	1	(1,096)	-
8330	Share of other comprehensive profit and loss of affiliated enterprises and joint ventures recognized using the equity method - items not reclassified to profit or loss		(694)	-	602	-
8349	Income tax related to items not reclassified	VI(XXIV)	(256)	-	(690)	-
8310	Total items not reclassified to profit or loss		9,240	1	2,264	-
	Subsequent items that may be reclassified to profit or loss					
8361	cumulative translation adjustment		24,821	3	(3,266)	-
8380	Recognition of the share of other comprehensive profit and loss of affiliated enterprises and joint ventures using the equity method - items that may be reclassified to profit or loss		17	-	(6)	-
8360	The total amount of items that may be subsequently reclassified to profit or loss		24,838	3	(3,272)	-
8300	Other comprehensive income (net)		<u>\$ 34,078</u>	<u>4</u>	<u>(\$ 1,008)</u>	<u>-</u>
8500	Total comprehensive P&L for the period		<u>(\$ 228,153)</u>	<u>(24)</u>	<u>(\$ 77,063)</u>	<u>(8)</u>
	Loss per share	VI(XXV)				
9750	Basic loss per share		<u>(\$ 2.52)</u>		<u>(\$ 0.75)</u>	

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

Tah Tong Textile Co., Ltd.
Parent Company Only Statement of changes in equity
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD

	Note	Retained earnings				Other Equity			Total Equity	
		Common Stock	Additional paid-in capital from investee under equity method	Legal reserve	Special reserve	Accumulated deficit	Cumulative translation adjustment	Unrealized gains and losses on financial assets at fair value through other comprehensive income		Other Equity-other
<u>The year of 2021</u>										
Beginning balance on January 1		\$ 1,008,000	\$ 3,988	\$ 51,155	\$ 59,305	(\$ 250,941)	(\$ 59,148)	\$ 10,498	\$ 219	\$ 823,076
Net Loss		-	-	-	-	(76,055)	-	-	-	(76,055)
Other comprehensive profit and loss	VI(XVII)	-	-	-	-	3,543	(3,272)	(1,279)	-	(1,008)
Total comprehensive profit and loss		-	-	-	-	(72,512)	(3,272)	(1,279)	-	(77,063)
Legal reserves make up losses	VI(XVI)	-	-	(51,155)	(59,305)	110,460	-	-	-	-
Balance at the end of December 31		\$ 1,008,000	\$ 3,988	\$ -	\$ -	(\$ 212,993)	(\$ 62,420)	\$ 9,219	\$ 219	\$ 746,013
<u>The year of 2022</u>										
Beginning balance on January 1		\$ 1,008,000	\$ 3,988	\$ -	\$ -	(\$ 212,993)	(\$ 62,420)	\$ 9,219	\$ 219	\$ 746,013
Net Loss		-	-	-	-	(262,231)	-	-	-	(262,231)
Other comprehensive profit and loss	VI(XVII)	-	-	-	-	1,272	24,838	7,968	-	34,078
Total comprehensive profit and loss		-	-	-	-	(260,959)	24,838	7,968	-	(228,153)
Recognition of changes in ownership of subsidiaries		-	7,193	-	-	(257)	-	-	-	6,936
cash capital increase	VI(XIV)	131,000	-	-	-	(31,440)	-	-	-	99,560
Disposal of equity instruments measured at fair value through other comprehensive income	VI(XVII)	-	-	-	-	(350)	-	350	-	-
Disposal of equity instruments measured at fair value through other comprehensive income - subsidiaries		-	-	-	-	(49)	-	49	-	-
Balance at the end of December 31		\$ 1,139,000	\$ 11,181	\$ -	\$ -	(\$ 506,048)	(\$ 37,582)	\$ 17,586	\$ 219	\$ 624,356

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

Tah Tong Textile Co., Ltd.
Parent Company Only Statement of Cash Flow
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD

	Note	The year of 2022	The year of 2021
<u>Cash Flow from Operating Activities</u>			
Net loss before tax for the period		(\$ 262,074)	(\$ 74,022)
adjustment item			
income expense item			
Depreciation expense	VI(XXII)	4,232	11,878
Amortization fee	VI(XXII)	204	1,353
Expected credit impairment reversal benefit		(2,185)	(68)
interest income		(4,828)	(3,585)
dividend income	VI(XIX)	(2,403)	(3,952)
Interest expense	VI(XXI)	18,712	13,362
Net (loss) interest in financial assets at fair value through profit or loss	VI(XX)	1,501	(31,501)
Profit and loss share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method		265,298	60,014
Disposal of interests in real property, plant and equipment	VI(XX)	-	(4,161)
Impairment reversal interest on non-financial assets	VI(XX)	-	(8,827)
Realized sales benefit		(164)	(1,050)
Unrealized exchange (benefit) loss		(52,745)	(10,593)
Disposal of interests in non-current assets to be sold	VI(XX)	-	(2,292)
Lease modification loss		-	333
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Note receivable		(935)	401
Accounts receivable		9,492	(832)
Accounts receivable - related parties (including long-term receivables)		(145,419)	(44,741)
Other receivables (including long-term receivables)		219,986	1,660
Inventories		163	(3,067)
other current assets		7,969	8,932
Other non-current assets		(785)	(736)
Net change in liabilities related to operating activities			
Notes payable		(2,710)	3,307
accounts payable		(34,740)	63,424
Other payables		(1,056)	(13,106)
Other current liabilities		(3,220)	(5,025)
Cash inflows (outflows) from operations		14,293	(42,894)
interest charged		4,828	3,579
dividends received		2,403	3,952
interest paid		(18,657)	(13,136)
Net cash inflow (outflow) from operating activities		<u>2,867</u>	<u>(48,499)</u>

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Tah Tong Textile Co., Ltd.
Parent Company Only Statement of Cash Flow
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD

	Note	The year of 2022	The year of 2021
<u>Cash flow from investing activities</u>			
Acquisition of financial assets at fair value through profit or loss		(\$ 4,288)	(\$ 10,828)
Disposal of financial assets at fair value through profit or loss		34,089	87,597
Capital loans and related parties decrease (increase)	VII	191,333	(141,833)
Refund of capital reduction of financial assets measured at fair value through other comprehensive income	VI(V)	26	2,596
Increase in investments using the equity method		(512,042)	(20,000)
Acquisition of real estate, plant and equipment	VI(VII)	(721)	-
Disposal of real estate, plant and equipment prices		-	17,962
Receivables on behalf of procurement decrease		-	90,348
Cash received from disposal of non-current assets to be sold		-	25,877
Deposit Margin Reduction		35	6,845
Decrease in other current assets		-	5,522
Net cash (outflow) inflow from investing activities		(291,568)	64,086
<u>Cash Flow from Financing Activities</u>			
long-term borrowing		-	17,160
repayment of long-term loans		(29,239)	(25,000)
short-term borrowing		2,064,005	1,289,718
Repayment of short-term loans		(1,866,963)	(1,348,309)
issue corporate bonds		-	100,000
lease principal repayment		(2,754)	(3,783)
Increase (decrease) in other non-current liabilities cash capital increase	V(XIII)	31,978	(1,680)
Net cash inflow from financing activities		296,587	28,106
exchange rate impact number		2,192	954
Increase in cash and cash equivalents for the current period		10,078	44,647
Beginning cash and equivalent cash balance		102,020	57,373
Ending cash and equivalent cash balance		\$ 112,098	\$ 102,020

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

To the Board of Directors and Shareholders of TAH TONG TEXTILE CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of TAH TONG TEXTILE CO., LTD. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. 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.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Allowance for inventory valuation losses

Description

Refer to Note 4(11) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for details of allowance for inventory valuation losses. As of December 31, 2022, the balances of inventories and allowance for inventory valuation losses were NT\$616,359 thousand and NT\$51,251 thousand, respectively.

The Group is engaged in the textile industry of manufacturing and sales of cotton yarn and finished fabrics. As textile products are subject to the fluctuations in raw material prices and the intense competition in textile market, there is a higher risk of inventory losing value or becoming obsolete. The Group's inventory is stated at the lower of cost and net realisable value, and the net realisable value of inventory over a certain age is evaluated based on the historical data on inventory clearance and discounts.

As the Group operates in an industry where raw material prices fluctuate continuously, and the net realisable value used in evaluating obsolete inventories involves subjective judgement resulting in a high degree of uncertainty. Considering that the inventory and allowance for inventory valuation losses were material to the financial statements, we consider the assessment of allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures for allowance for valuation loss on inventories that were over a certain age and individually identified as obsolete and damaged:

1. Ascertained whether the policies on allowance for inventory valuation losses were reasonable and consistently applied in all the periods.
2. Verified the appropriateness of the system logic in calculating the ageing of inventories, and confirmed the information in the reports is consistent with the relevant policies.
3. Discussed with management the estimated net realisable value of individually identified obsolete and damaged inventories and obtained supporting documents to determine the reasonableness of allowance for inventory valuation losses.
4. Recalculated the net realisable value of individual inventory and calculated the required amount of the allowance for individual inventory valuation losses and compared it with the assessment result of the management.

Impairment assessment of property, plant and equipment

Description

Refer to Note 4(18) for accounting policies on impairment of non-financial assets, Note 5(2)

for the uncertainty of accounting estimates and assumptions applied on property, plant and equipment impairment valuation, and Note 6(7) for details of property, plant and equipment.

As of December 31, 2022, the Group's property, plant and equipment amounted to NT\$940,694 thousand. As the operation of the subsidiary was not as expected due to the recent fluctuations in raw material prices and the uncertainty of supply and demand in the overall economic market, the management assessed the impairment of the assets held by the subsidiary and the assessment result may affect the amount of impairment of non-financial assets. The management hired an external expert to evaluate the value of property, plant and equipment using the market method and the cost method and used it as reference of the fair value of these assets. The valuation method performed by the external appraiser involves the choice of comparable properties, the evaluation of asset utilisation and the adjustment factors, and they are subjective judgement resulting in a high degree of estimation uncertainty. Thus, we consider the impairment assessment of assets a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the Group's policies and procedures in relation to the property, plant and equipment impairment assessment, including collection of internal and external data, long-term and short-term business forecasts and industry changes, as well as obtained the asset impairment assessment reports that were assessed by the Company for cash-generating units.
2. Obtained the assets appraisal report issued by the appraiser and performed the following procedures:
 - Examined the appraiser's qualification and assessed his or her independence, objectiveness and competence
 - Assessed whether the valuation method in the appraisal report was commonly used and appropriate
 - Ascertained whether the replacement costs, comparable properties and the asset utilisation used in the appraisal report were applied reasonably and were in accordance with the actuality
 - Examined the reasonableness of the assumptions used in the appraisal report and ascertained the accuracy of the calculations

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted under the equity method which were prepared using a different financial reporting framework and were audited by other auditors. We have performed necessary audit procedures on the adjustments made on the transition of preparing financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC

Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission. Therefore, our opinion expressed herein, insofar as it relates to the unadjusted amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method amounted to NT\$450,844 thousand and NT\$427,511 thousand, constituting are both 18% of the consolidated total assets at December 31, 2022 and 2021, and operating revenue amounted to NT\$54,383 thousand and NT\$1,889 thousand, constituting 3.4% and 0.1% of the consolidated total operating revenue for the years then ended December 31, 2022 and 2021, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion and the *Other matter* section on the parent company only financial statements of TAH TONG TEXTILE CO., LTD. as at and for the years ended December 31, 2022 and 2021.

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 Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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 charged with governance are responsible for overseeing the Group's financial reporting process.

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China 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.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, 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 risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Lin, Ya-Hui
For and on behalf of PricewaterhouseCoopers, Taiwan
March 25, 2022

Hsu, Yung-Chien

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, 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 auditor's report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers 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.

Tah Tong Textile Co., Ltd.
consolidated balance sheet
December 31 of 2022 & 2021

Unit : KNTD

Assets	Note	2022/12/31		2021/12/31		
		Amount	%	Amount	%	
Current assets						
1100	cash and cash equivalents	VI(I)	\$ 212,398	8	\$ 141,032	6
1110	financial assets at fair value through income statement-current	VI(II) & VIII	1,900	-	33,202	1
1150	Note Receive	VI(III)	1,779	-	844	-
1170	Accounts receivable	VI(III)	89,746	4	99,509	4
1200	Other receivables	VII	2,420	-	1,900	-
130X	Inventories	VI(IV)	565,108	22	425,415	18
1410	Prepaid	VI(XI)	74,364	3	101,113	4
1470	Other current assets	VIII	70,504	3	59,500	3
11XX	Total current assets		<u>1,018,219</u>	<u>40</u>	<u>862,515</u>	<u>36</u>
Non-current assets						
1517	Financial assets at fair value through income statement - noncurrent	VI(V)	46,347	2	39,234	2
1550	Long-term investments at equity	VI(VI)	236,537	9	252,262	10
1600	PROPERTY, PLANT AND EQUIPMENT	VI(VII) & VIII	940,694	37	897,818	38
1755	Right-of-use asset	VI(VIII) & VIII	180,833	7	205,219	9
1760	INVESTMENT PROPERTY	VI(IX)	42,404	2	40,675	2
1780	Intangible assets		5,222	-	5,915	-
1840	deferred income tax assets - noncurrent		16,725	1	16,682	1
1975	Net defined benefit assets - non-current	VI(XVI)	11,585	1	9,519	-
1990	Other non-current assets - other	VI(XI) & VIII	27,531	1	44,226	2
15XX	Total non-current assets		<u>1,507,878</u>	<u>60</u>	<u>1,511,550</u>	<u>64</u>
1XXX	Total Assets		<u>\$ 2,526,097</u>	<u>100</u>	<u>\$ 2,374,065</u>	<u>100</u>

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Tah Tong Textile Co., Ltd.
consolidated balance sheet
December 31 of 2022 & 2021

Unit : KNTD

Liabilities and Equity		Note	2022/12/31		2021/12/31	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term debt	VI(XII)	\$ 1,103,200	44	\$ 847,977	36
2150	Notes payable		6,724	-	9,401	-
2170	Accounts payable		190,777	7	230,438	10
2200	Other payable	VI(XV) & VII	63,892	2	53,133	2
2280	Lease liability-current	VII	14,380	1	15,768	1
2320	current portion of long-term liabilities	VI(XIV)	92,193	4	52,522	2
2399	Other current liabilities-oher	VI(XXI) & VII	102,723	4	47,387	2
21XX	Total current liabilities		<u>1,573,889</u>	<u>62</u>	<u>1,256,626</u>	<u>53</u>
Non-current liabilities						
2530	Bonds payable	VI(XIII) & VII	100,000	4	100,000	4
2540	Long-term debt payable	VI(XIV)	43,098	2	81,870	3
2570	Deferred income tax liabilities		41,963	2	41,829	2
2580	Lease liability-noncurrent	VII	30,788	1	44,552	2
2600	Other noncurrent liabilities	VII	44,939	2	28,683	1
25XX	Total Non-current liabilities		<u>260,788</u>	<u>11</u>	<u>296,934</u>	<u>12</u>
2XXX	Total liabilities		<u>1,834,677</u>	<u>73</u>	<u>1,553,560</u>	<u>65</u>
Equity						
Capital VI(XVII)						
3110	Common stock		1,139,000	45	1,008,000	43
Additional paid-in capital VI(VIII)						
3200	Additional paid-in capital		11,181	-	3,988	-
Return earning VI(XIX)						
3350	Accumulated deficit		(506,048)	(20)	(212,993)	(9)
Other equity VI(XX)						
3400	Other equity		(19,777)	-	(52,982)	(2)
31XX	Total equity attributable to owners of the parent company		<u>624,356</u>	<u>25</u>	<u>746,013</u>	<u>32</u>
36XX	minority interest		<u>67,064</u>	<u>2</u>	<u>74,492</u>	<u>3</u>
3XXX	Total equity		<u>691,420</u>	<u>27</u>	<u>820,505</u>	<u>35</u>
Significant contingent liabilities and unrecognized contractual commitments IX						
Material Subsequent Events XI						
3X2X	Total Liabilities and Equity		<u>\$ 2,526,097</u>	<u>100</u>	<u>\$ 2,374,065</u>	<u>100</u>

The appended notes to the consolidated financial statements are part of this consolidated financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

Tah Tong Textile Co., Ltd.
Consolidated Income Statement
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD
(Except loss per share in NTD)

Item	Note	The year of 2022		The year of 2021		
		Amount	%	Amount	%	
4000	Operating revenue	VI(XXI)	\$ 1,588,312	100	\$ 1,546,490	100
5000	Operating costs	VI(IV)(XXIV)	(1,696,512)	(107)	(1,473,868)	(95)
5900	Operating profit		(108,200)	(7)	72,622	5
	Operating expenses	VI(XXIV) & VII				
6100	Selling expenses		(93,851)	(6)	(79,786)	(5)
6200	Administrative expense		(105,531)	(6)	(99,114)	(6)
6300	R&D expenses		(10,223)	(1)	(9,814)	(1)
6450	Expected credit impairment benefit		2,368	-	1,643	-
6000	Total operating expenses		(207,237)	(13)	(187,071)	(12)
6900	Operating loss		(315,437)	(20)	(114,449)	(7)
	Non-operating revenue and expenses					
7100	Interest revenue		635	-	491	-
7010	Other non-operating revenue		5,644	1	5,661	1
7020	Other non-operating revenue and loss	VI(XXII)	46,546	3	(45,586)	(3)
7050	Financial cost	VI(XXIII)	(43,096)	(3)	(28,868)	(2)
7060	investment loss recognized under equity method		(15,633)	(1)	1,940	-
7000	Total Non-operating revenue and expenses		(5,904)	-	(66,362)	(4)
7900	Loss before tax		(321,341)	(20)	(180,811)	(11)
7950	income tax expense	VI(XXVI)	1,489	-	18,455	1
8200	Net Loss		(\$ 319,852)	(20)	(\$ 162,356)	(10)

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Tah Tong Textile Co., Ltd.
Consolidated Income Statement
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD
(Except loss per share in NTD)

項目	附註	111 年 度			110 年 度				
		金	額	%	金	額	%		
Other comprehensive income (net)	六(二十)								
Items not reclassified to profit or loss									
8311 Defined benefit plan remeasurements	六(十六)	\$	1,281	-	\$	3,448	-		
8316 Unrealized valuation gains and losses on equity instrument investments measured at fair value through other comprehensive income	六(五)		7,925	1	(1,090)	-		
8320 Share of other comprehensive profit and loss of affiliated enterprises and joint ventures recognized using the equity method - items not reclassified to profit or loss			290	-		596	-		
8349 Income tax related to items not reclassified	六(二十六)	(256)	-	(690)	-		
8310 Total items not reclassified to profit or loss			9,240	1		2,264	-		
Subsequent items that may be reclassified to profit or loss									
8361 cumulative translation adjustment			38,049	2	(4,186)	-		
8370 Recognition of the share of other comprehensive profit and loss of affiliated enterprises and joint ventures using the equity method - items that may be reclassified to profit or loss			17	-	(6)	-		
8360 The total amount of items that may be subsequently reclassified to profit or loss			38,066	2	(4,192)	-		
8300 Other comprehensive income (net)		\$	47,306	3	(\$	1,928)	-		
8500 Total comprehensive P&L for the period		(\$	272,546)	(17)	(\$	164,284)	(10)
Net loss attributable to:									
8610 parent company owner		(\$	262,231)	(16)	(\$	76,055)	(4)
8620 minority interest		(57,621)	(4)	(86,301)	(6)
		(\$	319,852)	(20)	(\$	162,356)	(10)
Total comprehensive loss attributable to:									
8710 parent company owner		(\$	228,153)	(14)	(\$	77,063)	(4)
8720 minority interest		(44,393)	(3)	(87,221)	(6)
		(\$	272,546)	(17)	(\$	164,284)	(10)
Loss per share	六(二十七)								
9750 Basic loss per share		(\$		2.52)	(\$		0.75)		

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

Tah Tong Textile Co., Ltd.
Consolidated Statement of changes in equity
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD

Note	Equity attributable to owners of the parent company										Total Equity
	Common Stock	Additional paid-in capital from investee under equity method	Legal reserve	Special reserve	Accumulated deficit	Cumulative translation adjustment	Unrealized gains and losses on financial assets at fair value through other comprehensive income	Other Equity-other	Subtotal	minority interest	
<u>The year of 2021</u>											
	\$ 1,008,000	\$ 3,988	\$ 51,155	\$ 59,305	(\$ 250,941)	(\$ 59,148)	\$ 10,498	\$ 219	\$ 823,076	\$ 141,713	\$ 964,789
	-	-	-	-	(76,055)	-	-	-	(76,055)	(86,301)	(162,356)
Other comprehensive profit and loss	六(二十)	-	-	-	3,543	(3,272)	(1,279)	-	(1,008)	(920)	(1,928)
Total comprehensive profit and loss	-	-	-	-	(72,512)	(3,272)	(1,279)	-	(77,063)	(87,221)	(164,284)
Legal reserves make up losses	-	-	(51,155)	(59,305)	110,460	-	-	-	-	-	-
Cash capital increase from non-controlling interests	-	-	-	-	-	-	-	-	-	20,000	20,000
Balance at the end of December 31	\$ 1,008,000	\$ 3,988	\$ -	\$ -	(\$ 212,993)	(\$ 62,420)	\$ 9,219	\$ 219	\$ 746,013	\$ 74,492	\$ 820,505
<u>The year of 2022</u>											
	\$ 1,008,000	\$ 3,988	\$ -	\$ -	(\$ 212,993)	(\$ 62,420)	\$ 9,219	\$ 219	\$ 746,013	\$ 74,492	\$ 820,505
	-	-	-	-	(262,231)	-	-	-	(262,231)	(57,621)	(319,852)
Other comprehensive profit and loss	六(二十)	-	-	-	1,272	24,838	7,968	-	34,078	13,228	47,306
Total comprehensive profit and loss	-	-	-	-	(260,959)	24,838	7,968	-	(228,153)	(44,393)	(272,546)
Recognition of changes in ownership of subsidiaries	六(二十八)	-	7,193	-	(257)	-	-	-	6,936	-	6,936
cash capital increase	六(十七)	131,000	-	-	(31,440)	-	-	-	99,560	-	99,560
Disposal of equity instruments measured at fair value through other comprehensive income	六(二十)	-	-	-	(399)	-	399	-	-	-	-
Cash capital increase from non-controlling interests	-	-	-	-	-	-	-	-	-	36,965	36,965
Balance at the end of December 31	\$ 1,139,000	\$ 11,181	\$ -	\$ -	(\$ 506,048)	(\$ 37,582)	\$ 17,586	\$ 219	\$ 624,356	\$ 67,064	\$ 691,420

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

會計主管：郭舜儀

Tah Tong Textile Co., Ltd.
Consolidated Statement of Cash Flow
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD

	Note	The year of 2022	The year of 2021
<u>Cash Flow from Operating Activities</u>			
Net loss before tax for the period		(\$ 321,341)	(\$ 180,811)
adjustment item			
income expense item			
Depreciation expense	六(二十四)	132,823	128,776
Amortization fee	六(二十四)	1,087	1,829
Expected credit impairment reversal benefit		(2,368)	(1,643)
interest income		(635)	(491)
dividend income		(2,403)	(3,952)
Interest expense	六(二十三)	43,096	28,868
Disposal of property, plant and equipment losses	六(二十二)	198	(4,161)
Impairment losses on non-financial assets	六(二十二)	929	76,410
Disposal of interests in non-current assets to be sold		-	(2,292)
Net loss (gain) on financial assets at fair value through profit or loss	六(二十二)	1,501	(31,501)
Lease modification loss		-	333
Profit and loss share of affiliated enterprises and joint ventures using the equity method		15,633	(1,940)
unrealized conversion benefit		(52,745)	(10,593)
Changes in assets/liabilities related to operating activities			
Net change in assets related to operating activities			
Notes receivable		(935)	401
Accounts receivable		70,826	1,927
Other receivable		4,145	7,349
Inventories		(115,406)	107,062)
Prepaid		36,864	(15,966)
Other current assets		(8,019)	(1,075)
Other non-current assets		(785)	(736)
Net change in liabilities related to operating activities			
Notes payable		(2,677)	3,307
accounts payable		(81,594)	88,750
Other payables		9,510	(8,404)
Other current liabilities		25,656	7,664
Other non-current liabilities		(13,467)	1,838
Cash outflow from operations		(260,107)	(23,175)
interest charged		635	485
dividends received		2,403	3,952
interest paid		(40,419)	(27,980)
Net cash outflow from operating activities		(297,488)	(46,718)

(to next page)

Tah Tong Textile Co., Ltd.
Consolidated Statement of Cash Flow
Jan. 1 ~ Dec. 31 of 2022 & 2021

Unit : KNTD

	<u>Note</u>	<u>The year of 2022</u>	<u>The year of 2021</u>
Cash flow from investing activities			
Acquisition of financial assets at fair value through profit or loss		(\$ 4,288)	(\$ 10,828)
Disposal of financial assets at fair value through profit or loss		34,089	87,597
Refund of capital reduction of financial assets measured at fair value through other comprehensive income	十二	1,345	3,806
Acquisition of real estate, plant and equipment	六(二十九)	(67,698)	(55,182)
Disposal of real estate, plant and equipment prices		-	17,962
Cash received from disposal of non-current assets to be sold		-	25,877
Disposal of financial assets measured at amortized cost		-	124
Other non-current assets (increase) decrease		(6,493)	4,581
Net cash (outflow) inflow from investing activities		(43,045)	73,937
Cash Flow from Financing Activities			
short-term borrowing		3,686,682	2,533,662
Repayment of short-term loans		(3,465,082)	(2,571,674)
long-term borrowing		82,034	59,658
repayment of long-term loans		(82,256)	(117,437)
Loan from a related party		67,272	23,840
Repayment of related party loans		(23,840)	-
lease principal repayment		(22,040)	(11,349)
issue corporate bonds	六(十三)	-	100,000
Changes in non-controlling interests - cash capital increase		43,901	20,000
cash capital increase	六(十七)	99,560	-
Net cash inflow from financing activities		386,231	36,700
exchange rate impact number		25,668	(3,766)
Increase in cash and cash equivalents for the current period		71,366	60,153
Beginning cash and equivalent cash balance		141,032	80,879
Ending cash and equivalent cash balance		\$ 212,398	\$ 141,032

The accompanying notes to individual financial statements are part of this individual financial report, please also refer to °

Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi

[Annex 5]

Tah Tong Textile Co., Ltd.

Comparison Table for Amendments to the Articles of Incorporation

Amended Articles	Current Articles	Description
<p>Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, <u>under the name of TAH TONG TEXTILE CO., LTD.</u></p>	<p>Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is Tah Tong Textile Co., Ltd.</p>	<p>Amended to be in line with the Company Act.</p>
<p>Article 15 The regular shareholders' meetings are convened by the board of directors within six months after close of each fiscal year; special shareholders' meetings are convened when required. <u>The Company's Shareholders' Meeting may be convened by video conference or by other means as announced by the central competent authority. The requirements to be met, and the standard operating procedure, for holding a shareholders' meeting by videoconference and other related matters otherwise specified by competent authorities shall apply.</u></p>	<p>Article 15 The regular shareholders' meetings are convened by the board of directors within six months after close of each fiscal year; special shareholders' meetings are convened when required.</p>	<p>Amended to be in line with the Company Act and given future requirements.</p>
<p>Article 18 A shareholder shall be entitled to one vote for each share held, except when any of the circumstances specified in Article 179 of the Company Act exist. <u>If a shareholders' meeting is held by video conference, shareholders attending the meeting via video conference shall be deemed to be present at the meeting in person.</u></p>	<p>Article 18 A shareholder shall be entitled to one vote for each share held, except when any of the circumstances specified in Article 179 of the Company Act exist.</p>	<p>Amended to be in line with the Company Act and given future requirements.</p>
<p>Article 38 These Articles of Incorporation were made on March 10, 1958, and 1st amended on November 15, 1958. 57th amended on June 16, 2016, 58th amended on June 15, 2020, 59th amended on June 16, 2021, <u>and 60th amended on May 22, 2023.</u></p>	<p>Article 38 These Articles of Incorporation were made on March 10, 1958, and 1st amended on November 15, 1958. 57th amended on June 16, 2016, 58th amended on June 15, 2020, and 59th amended on July 6, 2021.</p>	<p>To add the current amendment date</p>

Chapter One General

Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is Tah Tong Textile Co., Ltd.

Article 2 The Company operates the following business:

- I. C301010 Spinning of Yarn
- II. C302010 Weaving of Textiles
- III. C305010 Printing, Dyeing, and Finishing
- IV. C306010 Wearing Apparel
- V. C399990 Other Textile and Products Manufacturing
- VI. C801120 Manufacture of Man-made Fibers
- VII. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- VIII. F113010 Wholesale of Machinery
- IX. F113020 Wholesale of Electrical Appliances
- X. F113050 Wholesale of Computers and Clerical Machinery Equipment
- XI. F118010 Wholesale of Computer Software
- XII. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- XIII. F213010 Retail Sale of Electrical Appliances
- XIV. F213030 Retail Sale of Computers and Clerical Machinery Equipment
- XV. F213080 Retail Sale of Machinery and Tools
- XVI. F218010 Retail Sale of Computer Software
- XVII. F401010 International Trade
- XVIII. H701010 Housing and Building Development and Rental
- XIX. H703100 Real Estate Leasing
- XX. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 Where the Company is a liability-limited shareholder of another company, the total investment may exceed forty percent of the paid-in capital of the Company.

Article 4 The Company may provide guarantee to third-parties if the business requires

Article 5 The Company is established in Taipei City and branches may be set up in other proper locations if needed.

Article 6 The Company makes announcement in the manner of publication at the apparent places of daily newspaper published in the Company's location or in correspondences, unless the Company Act or the securities competent authorities specify otherwise.

Chapter Two Shares

Article 7 The Company's authorized total capital is One Billion Six Hundred Twenty-Five Million New Taiwan Dollars, and divided into One Hundred Sixty-Two Million and Five Hundred Thousand shares, at the par value of Ten New Taiwan Dollars, and issued in batches.

Article 8 The shares of the Company are registered and numbered, signed or sealed by the director representing the Company, and issued upon the certification of the certifying agency.

The issued Company's shares, and other marketable securities, are exempted from

printing hardcopies; however, the registration shall be made to the collective securities custody enterprises.

- Article 9 The shareholders shall fill in the seal card pursuant to the Regulations Governing the Administration of Shareholder Services of Public Companies.
- Article 10 Where the seal of a shareholder registered with the Company is lost or stolen, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.
- Article 11 Where the Company's shares are transferred or set up with the rights pledge, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.
- Article 12 Where the shares are lost or stolen, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.
- Article 13 Where the Company's shares are stained or damaged and a replacement is desired, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.
- Article 14 Share transfer registration shall be suspended for 60 days prior to a regular shareholders' meetings, or for 30 days prior to a special shareholders' meetings, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter Three Shareholders' Meetings

- Article 15 The regular shareholders' meetings are convened by the board of directors within six months after close of each fiscal year; special shareholders' meetings are convened when required.
- Article 16 The shareholders shall be notified 30 days prior to the convening date of the regular shareholders' meetings, or 15 days prior to the special shareholders' meeting, with the meeting date, venue, and reason of convention.
- Article 17 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson is absent, one of the directors shall be appointed to act as chair, or one director shall be selected from among themselves. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 18 A shareholder shall be entitled to one vote for each share held, except when any of the circumstances specified in Article 179 of the Company Act exist.
- Article 19 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf with a proxy form the seal registered with the Company, indicating the authorization scope. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.
- Article 20 Resolutions at the Company's shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
According to the regulations of the competent authorities, the Company's shareholders may exercise the voting power at a shareholders' meeting by way of electronic

transmission. A shareholder who exercises one's voting power at a shareholders meeting by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. The relevant matters shall be conducted in accordance with applicable laws and regulations.

- Article 21 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes specifying the meeting date, venue, chair's name, resolution methods, key points of the process of agenda and the results, and signed or sealed by the chair of the meeting. The copies shall be distributed to each shareholder within 20 days after the conclusion of the meeting to each shareholder. The preparation and distribution of meeting minutes may be in the electronic manner.
The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
The meeting minutes are retained in the Company with the attendance book and proxies.

Chapter Four Board of Directors

- Article 22 The board of directors of the Company consists of seven to nine directors; and are elected by the shareholders' meeting from among the persons with disposing capacity. The term of office is three years, and may be re-elected
The Company adopts the candidates' nomination system specified in Article 192-1 of the Company Act. The number of independent directors, among the aforementioned number of directors, shall be no less than three, and shall be no less than one-fifth of the total number of directors, and be elected among the nominees listed in the roster of independent director candidates.
Matters regarding professional qualification, shareholdings, term of office, restrictions on concurrent positions held, determination of independence, method of nomination and election and other matters for compliance with respect to independent directors shall be subject to the regulations prescribed by the Company Act and the securities competent authorities.
- Article 23 The directors form the board of directors, and the chairman is elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman of the board of directors coordinates all business of the Company and externally represents the Company.
- Article 24 The business guidelines and other key matters of the Company shall be resolved by the board of directors. Except for the first board meeting of each term that is convened pursuant to Article 203 of the Company Act, other board meetings are convened by the chairman. The chairman shall chair the board meetings. Where the chairman is absent, he/she shall designate a director to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.
Where convening a board meeting, the cause shall be notified to each director seven days prior to the meeting; however, in case of emergency, the meeting may be convened anytime. The notice of convening board meetings may be given by means of correspondence, fax or e-mail.
- Article 25 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a

majority of the directors. Where a director is absent from a board meeting due to any reason, he/she may appoint another director to attend a meeting of the board of directors in his/her behalf, with a written proxy and state therein the scope of authority with reference to the cause of convention. A director may accept the appointment to act as the said proxy of one other director only, and the Article 205 of the Company Act shall be complied with.

Article 26 To sell or buy, set up a mortgage the Company's fixed assets, or provide guarantee for related business, the board of directors may handle such affairs except in the circumstances specified in the Company Act.

Article 27 When the number of vacancies in the board of directors equals one-third of the total number of directors, the board of directors shall call, within 60 days, a special shareholders meeting to elect succeeding directors to fill the vacancies for the remaining service time of the dismissed directors.

Article 28 The Board of Directors is authorized to decide the rates of remuneration to directors, based on the extent of their participation in and value of the contribution to the Company's operations and concerning industry common standards.

Chapter Five Functional Committees

Article 29 The Company, pursuant to Article 14-4 of the Securities and Exchange Act, establishes an Audit Committee, consisting of all independent directors. The Audit Committee is responsible for performing duties of supervisors under the Company Act, the Securities and Exchange Act, and other laws and regulations.

The members, power, and other matters to be complied with of the Audit Committee, shall comply with the Audit Committee Charter established separately.

Article 30 Deleted

Article 31 Deleted

Chapter Six Managerial Officers

Article 32 The Company may have several managerial officers; the appointment, discharge, and remunerations of them shall be resolved in a board meeting attended by the majority of the directors, and favored by the majority of the attending directors.

Chapter Seven Accounting

Article 33 At the close of each fiscal year, the board of directors shall prepare the following statements and reports, which shall be submitted to the audit committee for review 30 days prior to the date of an annual general shareholders' meeting and then submitted to the annual general shareholders' meeting for ratification.

I. Business report

II. Financial statements

III. Proposal for Profit Distribution or Loss Appropriation

Article 34 The Company shall, before deducting the remunerations distributed to the employees and directors, and reserving the amount to offset the cumulative loss from the profit before tax of the year, distribute the remaining balance as the remuneration to employees at a rate of not less than 3% and no more than 15%, and the remuneration to directors at a rate of not more than 3% of such balance. The remunerations distributed to the employees and directors shall be resolved by a majority vote at a

board meeting attended by two-thirds of the total number of directors, and reported to the shareholders' meeting.

The remunerations to the employees may be distributed in cash or shares, and the employees of subsidiaries meeting certain specific requirements are entitled to receive the employee remunerations.

- Article 35 If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital. The special reserves shall be set aside or reversed pursuant to the laws or competent authorities' requirements; if there is any remaining balance, with the undistributed earnings in previous years it shall be set aside as the cumulative distributable earnings. After considering the Company's future funding and budget plans, and measuring the fund requirements in the coming years, the retained earnings will be used to fund; if there is any balance, the shareholders' meeting may resolve to distribute the shareholders' bonus. The percentage of cash dividends being no less than 10% of the total dividend; provided, where the cash dividend is lower than NT\$0.2, dividends may be distributed in share dividends.

Chapter Eight Supplemental Provisions

- Article 36 The Company's charter and operational regulations shall be separately adopted by the board of directors.
- Article 37 For matters not covered in the Articles of Incorporation, the Company Act shall apply.
- Article 38 The Articles of Incorporation were made on March 10, 1958; 1st amended on November 15, 1958; 2nd amended on April 10, 1960; 3rd amended on May 20, 1961; 4th amended on April 20, 1963; 5th amended on August 25, 1964; 6th amended on May 16, 1965; 7th amended on July 16, 1965; 8th amended on March 3, 1966; 9th amended on March 3, 1967; 10th amended on December 23, 1967; 11th amended on April 2, 1968; 12th amended on April 28, 1969; 13th amended on April 25, 1970; 14th amended on April 15, 1971; 15th amended on July 1, 1971; 16th amended on April 22, 1972; 17th amended on April 28, 1973; 18th amended on November 20, 1974; 19th amended on October 25, 1975; 20th amended on January 15, 1976; 21st amended on May 10, 1976; 22nd amended on May 15, 1977; 23rd amended on December 10, 1981; 24th amended on March 15, 1984; 25th amended on April 7, 1984; 26th amended on October 20, 1984; 27th amended on December 29, 1984; 28th amended on June 8, 1985; 29th amended on November 15, 1985; 30th amended on May 8, 1986; 31st amended on October 17, 1986; 32nd amended on May 27, 1987; 33rd amended on May 28, 1988; 34th amended on March 15, 1989; 35th amended on June 16, 1989; 36th amended on December 12, 1989; 37th amended on May 19, 1990; 38th amended on May 25, 1991; 39th amended on June 13, 1992; 40th amended on June 8, 1995; 41st amended on May 10, 1997; 42nd amended on June 20, 1998; 43rd amended on June 2, 2000; 44th amended on June 1, 2001; 45th amended on June 7, 2002; 46th amended on June 3, 2003; 47th amended on October 17, 2003; 48th amended on June 9, 2006; 49th amended on June 8, 2007; 50th amended on June 12, 2008; 51st amended on June 4, 2009; 52nd amended on June 9, 2010; 53rd amended on June 10, 2011; 54th amended on June 1, 2012; 55th amended on June 3, 2013; 56th amended on June 11, 2014; 57th amended on June 16, 2016; 58th amended on June 15, 2020; and 59th amended on July 6, 2021.

[Appendix 2]

Rules of Procedures for Shareholders Meetings, Tah Tong Textile Co., Ltd.

(July 2021)

- I. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by laws and regulations, shall be as provided in these Rules.
- II. The Company shall furnish the attending shareholders with a sign-in book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
The attending shares are calculated based on the sign-in book or cards.
- III. Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.
- IV. The meeting shall be held at the head office of the Company or at any other appropriate place that is convenient for the shareholders to attend. The time to start the meeting shall not be earlier than 9:00 A.M or later than 3:00 P.M.
Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
30 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS). Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its shareholder service agency, and distributed at the venue of the shareholders' meeting.
A shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.
After the delivery of the authorization of agent to the Company and the shareholder desires to attend the meeting in person or exercise the voting rights by correspondence or electronic means, a written notice of revocation of the authorization of agent shall be sent to the company two days prior to the scheduled date of revocation. The voting rights of each person attending the meeting shall be counted.
- V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where there is no such a position as Vice Chairman or the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails

to make such a designation, the managing directors or directors shall select, from among themselves, one person to serve as the chair.

Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

- VI. The Company may appoint its attorneys, certified public accountants, or related persons to attend the meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear an identification badge or an armband.

- VII. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.

- VIII. The chair shall call the meeting to order at the scheduled time, and announce the number of non-voting rights and attending shares. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made.

If there are not enough shareholders representing at least one-third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in accordance with Article 175-1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.

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

- IX. If a Meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in accordance with the agenda, which may not be changed without a resolution of the meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including motions), except by a resolution of the shareholders' meeting. Unless the chair announced adjournment by violating the Rules of Procedures, where the shareholders may elect one of them as the chair with the majority of the voting rights of the attending shareholders, the shareholders may not elect another chair to continue the meeting at the original meeting place or at another place after the meeting was adjourned.

- X. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Attending shareholders may not interfere with the speaking shareholders without the Chairman's consent and the speaking shareholders. The Chairman will have the violating shareholders stopped.

- XI. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

- XII. The juridical person who has attended the shareholder's meeting by proxy can authorize only one representative to attend the meeting.
When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XIII. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- XIV. When the chair deems that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.
- XV. Scrutineers and vote counting personnel for the voting on proposals shall be appointed by the chair, provided all scrutineers be shareholders of the Company. The outcome of a vote at the audit committee meeting shall be reported on the spot and be recorded accordingly.
- XVI. When a meeting is in progress, the chair may announce a break based on time considerations. If the agenda cannot be completed in one meeting, the shareholders' meeting may resolve to postpone or continue the meeting within five days, without separate notification and announcement.
- XVII. Each shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179-2 of the Company Act. When a shareholders' meeting is convened, the voting rights may be exercised in writing or electronically (for the companies specified to adopt the electronic voting pursuant to the proviso of paragraph 1, Article 177-1 of the Company Act: When convening a shareholders' meeting, the Company shall adopt the electronic transmission and writing for exercising the voting power); when voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived their rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extempore motions and amendments to original proposals.
- A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph Two. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail. For the resolution of proposals, unless otherwise provided in the Company Act and the Articles of Incorporation, the consent of a majority vote of the attending shareholders shall prevail. When a shareholder authorizes a proxy to attend a shareholders' meeting, except for trust enterprises or stock agencies approved by the competent authority, when a person who

acts as the proxy for two or more shareholders, the voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

During voting, if the chair solicits and receives no dissents, the motion is deemed passed, with equivalent force as a resolution by vote.

- XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The Chairman may direct disciplinary personnel or security personnel to help keep the meeting place in order. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purposes.
- XX. A shareholders' meeting to elect directors shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the directors elected shall be announced on-site immediately, including the names of those elected as directors and those who have lost the election and the numbers of votes in favor of each candidate. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.
- XXI. Resolutions adopted at a meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the Chairman of the meeting and shall be distributed to all shareholders within twenty days after the meeting. The meeting minutes may be produced and distributed in electronic form. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS. The minutes of shareholders' meeting shall truly record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company. For the said resolution method, where the opinions of shareholders are solicited by the chair and no dissent is expressed to the proposal, it shall indicate as "all shareholders were inquired by the chair and the proposal is approved without dissent." Provided, any dissent is expressed by any shareholder, the voting method and the ratio of voting rights in favor of the whole voting rights shall be indicated.
- XXII. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies, and make an express disclosure of the same at the place of the shareholders meeting. In case of any resolution adopted by the shareholders' meeting is deemed a material information, the Company shall transmit its content to the MOPS within the specified timeframe.
- XXIII. These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting. The same applies to the amendments.

- I. The Company's directors shall be elected in accordance with the Rules, unless otherwise governed by any applicable act or the Articles of Incorporation.
- II. The candidate nomination system required under Article 192-1 of the Company Act shall be adopted for the election of the Company's directors (including independent directors) in accordance with the Company Act, the Securities and Exchange Act and other relevant acts. The cumulative voting system shall be adopted for the election of the Company's directors.
- III. At the time of election, each share bears the same voting right as the number of directors to be elected. One director only or a number of directors allocated may be elected.
- IV. The names of the voters are represented by the attendance card numbers printed on the ballots.

Subject to the number of directors assigned in the Articles of Incorporation, the voting rights shall be calculated for independent directors and non-independent directors, respectively. Candidates with votes representing more voting rights will be elected as directors. If two or more candidates get votes representing equal voting rights to the extent of exceeding the number of directors assigned, such candidates shall draw lots to decide who will be included in the board of directors. The chairman will draw lots on behalf of any such tying candidate that is not present.
- V. The Company's directors shall be elected, taking into account the overall composition of the board of directors. Members of the Board of Directors shall possess the necessary expertise, skills, and qualities to fulfill their duties.

Directors shall be able to represent a majority and shall not have spouses or relatives within the second degree.
- VI. If the number of elected directors assigned is not met after any directors are removed for any reason, the company shall hold a by-election at the next shareholders' meeting. However, if one-third of the number of elected directors assigned in the Articles of Incorporation is vacant, the Company shall hold a by-election at an extraordinary general meeting of shareholders within 60 days from the date of such vacancy.

If the number of independent directors is less than required in any applicable act or the Articles of Incorporation, the Company shall hold a by-election at the next shareholders' meeting; when any independent director is removed, an extraordinary shareholders' meeting shall be called for by-election within 60 days from the date of such removal.
- VII. The ballots shall be printed by the Company and distributed to all shareholders according to attendance card numbers for the election of the number of persons to be elected.

Voters shall fill in the candidate's account name in the "Candidate" column on the ballot, and may add the shareholder account number. If a candidate is a non-shareholder, the uniform number shall be indicated. If a candidate is a corporate shareholder, the "Candidate" column shall be filled in with the name of the corporate entity, and may also contain the name of the corporate entity and the name of its representative. However, if a candidate elected is a non-shareholder, the identity document of the candidate shall be presented.
- VIII. At the beginning of the election, the chairman shall designate a number of scrutineers, tellers, and counters who are shareholders to perform various related tasks.
- IX. Ballots will be determined invalid under any of the following circumstances:
 - (I) Ballots prepared by a person with the right to convene are not used.
 - (II) A blank ballot is put into the ballot box.
 - (III) The handwriting is illegible or has been altered.

- (IV) If a candidate is a shareholder, but his/her account name and shareholder account number are different from the register of shareholders; if a candidate is not a shareholder, the name and identity document number deviate.
 - (V) Ballots that contain other writings in addition to the number of voting rights allocated.
- X. The voting rights shall be calculated on-site immediately after voting, and the list of elected directors and the number of votes shall be announced by the chair.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with Article 189 of the Company Act, the ballots involved shall be kept by the Company until the legal proceedings are concluded.
- XI. The Company shall give notice of election to the directors elected.
- XII. For matters not covered in the rules, the Company Act and other applicable acts shall apply.
- XIII. The Rules shall become effective when passed by the shareholders' meeting. The same applies to any amendment hereto.

[Appendix 4]

Tah Tong Textile Co., Ltd.
Shareholding of All Directors

Date of suspension of transfer: March 24, 2023

Title	Name	Date of election	Shareholding while elected		Number of shares recorded in the shareholder roster at the book closure date	
			No. of shares	Percentage	No. of shares	Percentage
Chairman	Chen, Shiou-Chung	July 6, 2021	5,576,711	5.53%	5,276,711	4.63%
Director	Chen, Chien-Choan	July 6, 2021	5,107,262	5.07%	4,107,262	3.61%
Independent Director	Sun, Chin-Feng	July 6, 2021	0	0%	0	0%
Independent Director	Lin, Win-Jon	July 6, 2021	0	0%	0	0%
Independent Director	Lin, Chien-Ping	July 6, 2021	219,376	0.22%	0	0%
Director	EVER GLORY INVESTMENT COM, LTD.	July 6, 2021	13,807,649	13.70%	24,972,025	21.93%
Director	FOUNDATION TAICHUNG CITY PRIVATE EVER GLORY EDUCATION FOUNDATION	July 6, 2021	3,103,550	3.08%	3,103,550	2.73%
Total by all directors			27,814,548	27.60%	37,459,548	32.89%

- I. The Company has a paid-in capital of NT\$1,139,000,000, and has issued 113,900,000 shares.
- II. According to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,”
 1. The minimum required combined shareholding of all directors by law is 8,542,500 shares.