

- of directors. The detail business report is as Annex 1.
- ii. The company's parent company only financial statements and consolidated financial statements for 2022 have been reviewed by Lin Ya-Hui CPA and Xu Yong-Jian CPA of PWC. After being submitted to the company's audit committee for review, they found that there were no discrepancies and issued a review report for the record. .
- iii. Detailed accountant's audit report, balance sheet, comprehensive income statement, statement of changes in equity and cash flow statement for 2022 are as Annex 4.

Resolution :

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 68,586,515.

Voting results	% of voting rights of shareholders present
Number of votes in agree : <u>67,869,861</u> (Including <u>1,817,668</u> voting rights exercised electronically)	98.95%
Number of votes in objections : <u>114,816</u> (Including <u>114,816</u> voting rights exercised electronically)	0.16%
Number of votes in Invalid : <u>0</u> (Including <u>0</u> voting rights exercised electronically)	0.00%
Number of votes in abstentions/no voting : <u>601,838</u> (Including <u>601,838</u> voting rights exercised electronically)	0.87%

**(II) Please acknowledge the 2022 loss appropriation case
【proposed by the BOD】**

Explanation :

Tah Tong Textile Co., Ltd.
loss appropriation of 2022

Item	Unit : NTD Amount
Losses to be made up at the beginning of the period	(\$212,992,767)
Added : 2022 defined benefit plan remeasurements	616,057
Add : Number of impacts from discounted issuance of private equity common shares	(31,440,000)
Losses to be made up after adjustment	(243,816,710)
Add : Net loss for the period	(262,231,046)
Losses to be made up at the end of the period	(506,047,756)
Losses to be made up at the end of the period (after appropriation)	(506,047,756)

Chaiman :
Chen, Shiou-Chung

General Manager :
Chen, Chien-Choan

Accountant :
Kuo, Shun-Yi

Resolution :

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 68,586,515.

Voting results	% of voting rights of shareholders present
Number of votes in agree : <u>67,854,113</u> (Including <u>1,801,920</u> voting rights exercised electronically)	98.93%
Number of votes in objections : <u>126,341</u> (Including <u>126,341</u> voting rights exercised electronically)	0.18%

Voting results	% of voting rights of shareholders present
Number of votes in Invalid : <u>0</u> (Including <u>0</u> voting rights exercised electronically)	0.00%
Number of votes in abstentions/no voting : <u>606,061</u> (Including <u>606,061</u> voting rights exercised electronically)	0.88%

V. Matters for discussion

(I) The proposal to amend the company's "Articles of Association" is submitted for discussion.

【proposed by the BOD】

Explanation :

- i. According to Huang Yijing Letter No. 202100115851 dated December 29, 2021, and in line with laws and future needs, some provisions of the company's "Articles of Association" have to revise.
- ii. Comparison table of revised provisions, as detailed in the table below .

Amended provisions	Current provisions	Note
Article 1 The company is organized in accordance with the provisions of the Company Law and is named 「大東紡織股份有限公司」 with the English name TAH TONG TEXTILE CO., LTD.	Article 1 The company is organized in accordance with the provisions of the Company Law and is named 「大東紡織股份有限公司」	Cooperate with legal amendments.
Article 15 Within six months after the end of each fiscal year of the company, the board of directors will convene a regular meeting of shareholders. If necessary, an extraordinary meeting of shareholders may be convened in accordance with the law. The company's shareholders' meeting can be held via video conference or other methods announced by the central competent authority. The conditions, operating procedures and other matters that should be complied with when adopting a video-conference shareholders' meeting shall be subject to relevant regulations. If the competent authority has other regulations, such regulations shall prevail.	Article 15 Within six months after the end of each fiscal year of the company, the board of directors will convene a regular meeting of shareholders. If necessary, an extraordinary meeting of shareholders may be convened in accordance with the law.	Revised to comply with laws and future needs.
Article 18 Each shareholder of the company has one voting right per share, but the company shall not have the right to vote if the company has the circumstances specified in Article 179 of the Company Law. When a shareholders' meeting is held by video conference, shareholders who participate in the meeting via video conference are deemed to be present in person.	Article 18 Each shareholder of the company has one voting right per share, but the company shall not have the right to vote if the company has the circumstances specified in Article 179 of the Company Law.	Revised to comply with laws and future needs.
Article 38 This Articles of Association was established on 1958/03/10 and was	Article 38 This Articles of Association was established on 1958/03/10 and was	Update this revision date

Amended provisions	Current provisions	Note
first revised on 1958/11/15... The 57th amendment was made on 2016/06/16, the 58th amendment was made on 2020/06/15, and the 59th amendment was made on 2021/07/06, The 60th amendment was made on 2023/5/22	first revised on 1958/11/15... The 57th amendment was made on 2016/06/16, the 58th amendment was made on 2020/06/15, and the 59th amendment was made on 2021/07/06	

Resolution :

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 68,586,515.

Voting results	% of voting rights of shareholders present
Number of votes in agree : <u>67,862,704</u> (Including <u>1,810,511</u> voting rights exercised electronically)	98.94%
Number of votes in objections : <u>119,722</u> (Including <u>119,722</u> voting rights exercised electronically)	0.17%
Number of votes in Invalid : <u>0</u> (Including <u>0</u> voting rights exercised electronically)	0.00%
Number of votes in abstentions/no voting : <u>604,089</u> (Including <u>604,089</u> voting rights exercised electronically)	0.88%

(II) Plan to handle capital reduction case to make up for losses, proposed for discussion.

【proposed by the BOD】

Explanation :

- i. As of December 31, 2022, the company recorded a cumulative loss of NT\$506,047,756
- ii. The company's current paid-in capital is NT\$1,139,000,000, with a par value of NT\$10 per share, and a total of 113,900,000 ordinary shares issued. In order to improve the financial structure, it plans to reduce the capital by NT\$506,047,750 in accordance with Article 168 of the Company Law. 50,604,775 shares were canceled to make up for losses.
- iii. Improve the operating plan : The company's planned capital reduction to make up for losses is mainly to improve the financial structure, and plans to improve operating performance in the following aspects
 - 1) Market business : The spinning business division will continue to develop high added value and functional and special yarn types according to trends; the fabric business division will develop customized products based on meeting the product needs of brand customers. and services, developing functional knitted fabrics, etc.
 - 2) Manufacturing : Continue to improve production efficiency and control production costs, and strengthen cost competitiveness.
 - 3) Financial structure : On the premise of maintaining a sound financial structure, timely raise funds required for operations.
 - 4) Talent cultivation : Strengthen essential academic skills, attract outstanding talents and retain high-performing employees.
 - 5) Sustainable management : sustainable environmental protection, fulfilling social responsibilities and adhering to corporate governance.
- iv. This capital reduction will reduce the number of shares held by shareholders recorded in the shareholder list on the base date of capital reduction to

approximately 556 shares per thousand shares, with a capital reduction ratio of 44.429126%. After the capital reduction, the paid-in capital amount is NT\$632,952,250, the par value per share is NT\$10, and the total number of issued shares is 63,295,225 shares.

- v. The new shares exchanged after this capital reduction will all be issued without entity. After the capital reduction, the odd shares that are less than one share will be converted into cash according to the par value of the stock up to RMB. The chairman of the board is authorized to contact a designated person for the odd shares that are less than one share. If purchased at face value, the rights and obligations of the new shares after the capital reduction will be the same as those of the issued ordinary shares.
- vi. Once this capital reduction proposal is approved by the regular meeting of shareholders and submitted to the competent authority for approval, the board of directors will be authorized to set another base date for capital reduction and handle matters related to capital reduction.
- vii. If matters related to capital reduction are subject to changes as approved by laws or competent authorities or need to be adjusted due to factual needs, the chairman of the board of directors will be authorized to handle matters with full authority.

Resolution :

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 68,586,515.

Voting results	% of voting rights of shareholders present
Number of votes in agree : <u>67,809,940</u> (Including <u>1,757,747</u> voting rights exercised electronically)	98.86%
Number of votes in objections : <u>172,887</u> (Including <u>172,887</u> voting rights exercised electronically)	0.25%
Number of votes in Invalid : <u>0</u> (Including <u>0</u> voting rights exercised electronically)	0.00%
Number of votes in abstentions/no voting : <u>603,688</u> (Including <u>603,688</u> voting rights exercised electronically)	0.88%

**(III) Plan to handle private equity common stock case, proposed for discussion.
【proposed by the BOD】**

Explanation :

- i. In order to enrich working capital, repay bank loans, improve financial structure and meet other capital needs for the company's future development, the company plans to, depending on the market conditions and the company's capital needs, at an appropriate time, in accordance with Article 43 of the Securities and Exchange Act 6 stipulates that for the issuance of ordinary shares through cash capital increase through private placement, the shareholders' regular meeting shall be requested to authorize the board of directors to issue in installments within one year from the date of the shareholders' regular meeting resolution on this private placement case, depending on the actual fund-raising situation. The number of times is expected to be no more than 3. The purpose of each private placement fund and the expected benefits are the same as the original planning of this case.
- ii. Principles for authorizing the board of directors to handle private placement of ordinary shares :

- 1) Number of private placement shares : The number of issued shares shall not exceed 30 million shares.
- 2) Par value per share : NT\$10
- 3) Total private placement amount : calculated based on the final private placement price..
- 4) The basis and rationality for setting the private placement price : The company's private placement price is determined by calculating the simple arithmetic average of the closing price of the common stock 1, 3 or 5 business days before the pricing date, deducting free allotments, ex-rights and dividends , and add back the stock price after capital reduction and anti-ex-rights, and then compare it with the simple arithmetic average of the closing prices of common stocks in the 30 business days before the pricing date, deducting free allotment ex-rights and dividends, and add back the stock price after capital reduction and anti-ex-rights. The two The higher price is used as the reference price, and the private placement price shall not be lower than 80% of the reference price. The actual pricing date and actual private placement price are authorized to be determined by the board of directors based on future consultation with specific persons and market conditions..
The price of the Company's private placement ordinary shares is determined in accordance with relevant laws and regulations. However, based on the basis for price determination, it cannot be ruled out that the price of this private placement may be lower than the face value. If such events occur, the impact on shareholders' equity will be the accumulated losses arising from the difference between the actual private placement price and the face amount. This accumulated loss will be made up based on the company's future operating conditions. It does not rule out that reductions will be required due to the increase in accumulated losses. capital.
- 5) Method of selecting specific persons for private placement :
 - (1) The candidates for this offering of common shares must meet the applicant qualifications stipulated in Article 43-6 of the Securities and Exchange Act and other relevant laws and regulations and letters from the competent authority.
 - (2) The purpose of selecting candidates : to enrich the company's working capital, improve the company's financial structure, and expand the operating territory. If they are insiders or related parties, they will enrich the company's working capital and understand the company, which will be beneficial to the company's future operations.
 - (3) The list of insiders or related parties who intend to participate in the private placement is as follows :

Investor	Purpose	Relative
Chen, Chien-Choan (3.61%)	Enrich the company's working capital and improve the company's financial structure to expand its operating territory.	General Manager
Chen, Shiou-Chung (4.63%)		Chairman
Yan Li-rong (2.07%)		Chairman's spouse
Chen Jian-min (1.48%)		Relative within first degree of chairman

List of legal person applicants and matters to be disclosed :

Legal investor	Top ten shareholder	Relative
Yung Huang Investment Co. ,	Chen Jianmin 24.50%, Chen Xiuzhong 23.15%, Yan Lirong 18.73%, Chen Xiuyi 10.97%, Chen Xiuxiong	Major shareholder

Legal investor	Top ten shareholder	Relative
Ltd.	9.51%, Chen Jianzhou 9.31%, Chen Hongru 0.52%, Chen Hongwen 0.52%, Wang Zhihong 0.52%, Wu Xinchang 0.52%.	
GREAT BELL PRINTING & DYEING CO., LTD.	Hanbao Agriculture and Livestock 23.13%, Dadong Textile 21.19%, Chen Xiuxiong 14.79%, Qingyi 7.12%, Chen Yanming 6.27%, Jianyi Investment 3.62%, Yan Lirong 2.55%, Chen Hongru 2.52%, Chen Hongwen 2.44%, Chen Xiuzhong 2.17%.	Related
HANBO LIVESTOCK & FARMING PRODUCTS CO., LTD	Great Bell 41.99%, Chen Yanming 12.00%, Chen Xiuxiong 5.84%, Hanbao Energy Technology 4.33%, Qingyi 4.11%, Yan Lirong 3.59%, Yonghuang Investment 3.35%, Wang Xiangyuan 2.24%, Chen Hongwen 2.23%, Wang Yuxian 2.08 %	Related
King Textile Co., Ltd	Zhang Yizhao 23.85%, Zhang Yahui 21.65%, Zhang Xiuru 21.65%, Zhang Lingqi 21.65%, Chen Junping 10%, and Zhang Yingfu 1.2%.	Major shareholder

- 6) Necessary reasons for private placement :
- (1) Reasons for not adopting public offering : Considering factors such as timeliness, convenience, issuance cost and equity stability of raising capital, private placement is used to raise funds.
 - (2) Use of private placement funds and expected benefits : The use of private placement funds is to enrich the company's working capital, repay bank loans, and other capital needs to meet the company's future development. It is expected to improve the company's financial structure and help the company's stable growth. It will have positive benefits to shareholders' rights and interests, and the number of times is expected to be no more than three times. The purpose of each private placement fund and the expected benefits are the same as the original planning of this case.
- 7) The rights and obligations of this private placement of ordinary shares : In principle, they are the same as those of the company's issued ordinary shares. However, in accordance with Article 43-8 of the Securities and Exchange Act, this private placement of ordinary shares, unless certain circumstances are met, It will not be freely transferable until three years after the date of delivery or transfer, and three years after the date of delivery of the private placement ordinary shares, the board of directors is authorized to decide whether to apply to the competent authority for supplementary issuance and listing and trading of securities in accordance with the relevant regulations in accordance with the prevailing conditions. .
- 8) In order to cooperate with this private placement of securities, the shareholders' meeting is proposed to authorize the chairman or his designated person to sign, negotiate and change all contracts and documents related to the issuance of ordinary shares in the form of private placement on behalf of the company, and provide the company with Handle all matters related to the private placement of common shares.
- 9) Others : This private placement issuance of ordinary shares, in addition to the private placement pricing ratio, includes the actual issuance price, number of shares, issuance conditions and methods, planned projects, raised amount, expected progress, expected benefits and others If any unfinished matters are subsequently revised by the competent authority

or need to be changed or revised based on operational assessment or changes in objective environmental requirements or laws, it is proposed that the shareholders' meeting authorize the board of directors to handle them with full authority.

- 10) The company's private placement of securities proposal, in accordance with the provisions of Article 43-6 of the Securities and Exchange Act, please refer to the Disclosure Information Observatory (website : <https://mops.twse.com.tw>) and the company's website for matters that should be explained. (Website : <http://tw.tahtong.com.tw/>).

Resolution :

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 68,586,515.

Voting results	% of voting rights of shareholders present
Number of votes in agree : <u>67,818,866</u> (Including <u>1,766,673</u> voting rights exercised electronically)	98.88%
Number of votes in objections : <u>168,007</u> (Including <u>168,007</u> voting rights exercised electronically)	0.24%
Number of votes in Invalid : <u>0</u> (Including <u>0</u> voting rights exercised electronically)	0.00%
Number of votes in abstentions/no voting : <u>599,642</u> (Including <u>599,642</u> voting rights exercised electronically)	0.87%

(IV) The company's directors are re-elected in advance, and the election is submitted. 【proposed by the BOD】

Explanation :

- i. According to the fourth point of the matters that should be observed in the establishment and exercise of powers of the board of directors of a listed company, if the chairman of the board of directors and the general manager or a person with equivalent positions of a listed company are the same person or each other's spouse or first-degree relative, they shall be The number of independent directors shall not be less than four before December 31, 2023. The company should elect an additional independent director this year. The term of the current director will expire on July 5, 2024, and it is planned to re-elect the directors in advance at this year's regular meeting of shareholders.
- ii. According to the Articles of Association of the Company, there are seven to nine directors with three-year terms. The term of the 32nd director was originally from July 6, 2021 to July 5, 2024. Considering practical needs, a comprehensive re-election is planned. The term of office of the directors shall be until the completion of this ordinary shareholders' meeting. The term of the new director will be from May 22, 2023 to May 21, 2026, and the audit committee will be composed of all independent directors.
- iii. According to the Articles of Association of the Company, a candidate nomination system is adopted for the election of directors. After the board of directors has reviewed the qualifications of the nominees on April 7, 2023, those who meet the qualifications will be included in the candidate list. The shareholders' meeting will determine the qualifications of the nominees. The person chooses it.

The brief introduction of the director candidates is as follows :

Job Title	Name	Educational qualifications	Experience	Current position	Number of shares held
Director	Chen, Shiou-Chung,	Department of Business Administration, Feng Chia University	1. Chairman of Textile Development Association 2. Chairman of Taiwan Spinning Industry Association	1. Chairman, Tah Tong Textile 2. Independent Director, Everest Textile 3. Independent Director, Yi Jinn Industrial 4. Director, Great Bell 5. Director, HANBO LIVESTOCK & FARMING 6. Director, King Textile	5,276,711 shares
Director	Chen, Chien-Choan	Master of Business Administration from the University of Michigan	1. MAGSPIN TEXTILE CORP. 2. A.T. KEARNEY 3. GRAND ORIENT SECURITIES CORPORATION 4. CEF HOLDINGS LIMITED	1. General manager of Tah Tong Textile 2. Chairman of InnoPeak	4,107,262 shares
Director	Yung Huang Investment Co., Ltd	not applicable	Legal Director of Tah Tong Textile	Legal Director, Tah Tong Textile	24,972,025 shares
Director	FOUNDATION EVER GLORY EDUCATION FOUNDATION	not applicable	Legal Director of Tah Tong Textile	Legal Director, Tah Tong Textile	3,103,550 shares
Independent director	Sun, Chin-Feng	Master of Business Administration from the University of Michigan	1. Associate vice present of Integrity Venture Capital 2. Emerson Electric director	1. President, SAGA Unitek Ventures 2. Independent director, Tah Tong Textile 3. Independent director, Hua Eng Wire & Cable 4. Independent director, Wonderful Hi-Tech 5. Independent director, Chicony Power	0 shares
Independent director	Lin, Win-Jon	Master's degree from the Institute of Business Automation, Taipei University of Technology	1. Chairman of LIBOLON ENTERPRISE 2. Vice chairman of LI PENG ENTERPRISE 3. Vice chairman of LEALEA ENTERPRISE	1. General Manager, Lippo Investment 2. Independent director, Tah Tong Textile 3. Independent director, UNIVERSAL TEXTILE 4. Independent director, YI SHIN TEXTILE	0 shares
Independent director	Lin, Chien-Ping	Department of Finance, Tamkang University	1. General Manager/ Director, NIKO SEMICONDUCTOR 2. Vice present ,USUN 3. Vice present ,Quanyou Technology	1. Independent director, Tah Tong Textile 2. Independent director, FORESHOT 3. Independent director, DIVA Laboratories 4. Independent director, RBC Bioscience	0 shares
Independent director	Lin, Zheng-Yi	Department of Accounting, National Chung Hsing University	KPMG	1. Lilu Accounting Firm 2. Independent director, BRIGHT LED ELECTRONICS 3. Supervisor director, jorjin	0 shares

Explain the reasons why the independent director candidate has been nominated for three consecutive terms :

Mr. Sun, Chin-Feng has actively participated in the operation of the board of directors and provided various important suggestions in the past. Although he has been elected as an independent director of the company for three consecutive terms, considering Mr. Sun Qingfeng's professional experience in business management, he believes that he will continue to have the ability to be independent and fair in judgment, and to provide professional opinions. Since he is able to supervise the company's operating performance, it is planned to continue to nominate him as an independent director candidate.

Election results : list of elected directors :

Job Title	ID	Name	Number weights of elected
Director	6	Chen, Shiou-Chung,	106,253,736 weight
Director	8	Chen, Chien-Choan	90,258,476 weight
Director	1	Yung Huang Investment Co., Ltd	79,629,890 weight
Director	2	FOUNDATION EVER GLORY EDUCATION FOUNDATION	78,364,780 weight
Independent director	J12049****	Sun, Chin-Feng	45,863,409 weight
Independent director	A10040****	Lin, Win-Jon	45,699,309 weight
Independent director	A12150****	Lin, Chien-Ping	45,681,872 weight
Independent director	F12201****	Lin, Zheng-Yi	45,564,427 weight

VI. Other matters for discussion

(I) **The case of lifting the non-competition restrictions on the company's new directors and their representatives is proposed for discussion.**

【proposed by the BOD】

Explanation :

- i. According to Article 209 of the Company Law, "When a director commits an act within the scope of the company's business for himself or others, he shall explain the important content of his act to the shareholders' meeting and obtain its permission."
- ii. In order to make use of the expertise and relevant experience of the company's directors, it is planned to submit to the shareholders' meeting for approval after being elected to lift the prohibition on non-competition behavior of the new directors and their representatives.
- iii. The company plans to lift the non-competition restrictions as follows :

Name	Plan to lift non-compete content	Explanation
Chen, Shiou-Chung,	<ul style="list-style-type: none"> ● Independent Director, Everest Textile ● Independent Director, Yi Jinn Industrial ● Director, Great Bell ● Director, King Textile 	The important strategic partners The important strategic partners Investment with 19% Related
Chen, Chien-Choan	<ul style="list-style-type: none"> ● Chairman of InnoPeak 	Investment with 40%
Lin, Win-Jon	<ul style="list-style-type: none"> ● Independent director, UNIVERSAL TEXTILE ● Independent director, YI SHIN TEXTILE 	The important strategic partners The important strategic partners

Resolution :

The voting results are as follows. The number of votes in favor has reached the statutory amount, and the case is passed accordingly.

The number of voting rights of shareholders present at the time of voting was 68,586,515.

Voting results	% of voting rights of shareholders present
Number of votes in agree : <u>67,333,395</u> (Including <u>1,281,202</u> voting rights exercised electronically)	98.17%
Number of votes in objections : <u>529,968</u> (Including <u>529,968</u> voting rights exercised electronically)	0.77%
Number of votes in Invalid : <u>0</u> (Including <u>0</u> voting rights exercised electronically)	0.00%

Voting results	% of voting rights of shareholders present
Number of votes in abstentions/no voting : <u>723,152</u> (Including <u>723,152</u> voting rights exercised electronically)	1.05%

VII. Provisional motion : None

VIII. Meeting adjourned : 10 : 10 am

Tah Tong Textile Co., Ltd.

Annual business report of 2022

Dear shareholders, ladies and gentlemen, public opinion

Thank you to all shareholders for taking time out of your busy schedule to attend this year's shareholders' meeting of the Company.

The consolidated revenue in 2022 is 1,588,312 thousand yuan, an increase of 41,822 thousand yuan compared with 2021; the consolidated operating gross loss in 2022 is 108,200 thousand yuan, an increase of 180,822 thousand yuan compared with 2021; the after-tax net loss attributable to the company in 2022 is 262,231 thousand yuan, an increase compared with 2021 186,176 thousand yuan.

In 2022, as the global vaccine penetration rate increases, countries begin to unblock, and overall business activities enter a state of recovery. In the optimistic global atmosphere, various economic needs are gradually unfolding, but this has also caused international floating funds to fluctuate in various major commodities. The upward flow of materials caused the international cotton index to soar by 54% in less than a year, but then plummeted in one quarter. This led to a sharp increase in overall material purchase costs and a rapid decline in end market prices in 2022, which had an impact on the overall operation.

Looking forward to 2023, after a turbulent year, Dadong Textile continues to optimize its product portfolio, focusing on the development of special yarn products, reducing the proportion of cotton yarn and increasing gross profit margin. At the same time, we have established vertical integration of the supply chain, deepened the customer service of the cloth business, strengthened marketing and business capabilities, focused on brand customers, successfully expanded the customer base of the cloth business, and effectively increased the group's overall revenue. Overall, the company's operations Strategies gradually reflect results.

The company will adhere to the core values of "integrity and ethics, self-transcendence, unity, and outstanding contribution", continue the established operating strategy, and promise to provide customers with high-quality, diversified, and innovative products in order to achieve stable growth and profitability.

The company's 2022 business results and 2023 business plan summary report are as follows :

I、 Business results for 2022

(一) 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

(二) 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%

(三) 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)

Item		2022	2021
	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

(四) 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 :

(一) 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.

(二) Expected sales volume

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

(三) 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 :

(一) 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.

(二) Price of energy :

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

(三) 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.

(四) 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.

(五) 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 2022 Business Report and a summary of the 2023 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 :
Chen, Shiou-Chung

General Manager :
Chen, Chien-Choan

Accountant :
Kuo, Shun-Yi

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

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	The actual subscription price was NT\$8.21 per share, equal to 93% of the reference price.				

conversion) price and 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.

【Annex 4】

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000604

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>

(to next page)

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		<u>\$ 1,008,000</u>	<u>\$ 3,988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 212,993)</u>	<u>(\$ 62,420)</u>	<u>\$ 9,219</u>	<u>\$ 219</u>	<u>\$ 746,013</u>
<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	VI(XVII)	-	-	-	-	(49)	-	49	-	-
Balance at the end of December 31		<u>\$ 1,139,000</u>	<u>\$ 11,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 506,048)</u>	<u>(\$ 37,582)</u>	<u>\$ 17,586</u>	<u>\$ 219</u>	<u>\$ 624,356</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 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									
9750 Basic loss per share	六(二十七)	(\$		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>												
	Beginning balance on January 1	\$ 1,008,000	\$ 3,988	\$ 51,155	\$ 59,305	(\$ 250,941)	(\$ 59,148)	\$ 10,498	\$ 219	\$ 823,076	\$ 141,713	\$ 964,789
	Net Loss	-	-	-	-	(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>												
	Beginning balance on January 1	\$ 1,008,000	\$ 3,988	\$ -	\$ -	(\$ 212,993)	(\$ 62,420)	\$ 9,219	\$ 219	\$ 746,013	\$ 74,492	\$ 820,505
	Net Loss	-	-	-	-	(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)

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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

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Chairman: Chen Xiuzhong

Manager: Chen Jianzhou

Accounting supervisor: Kuo Shunyi