

All shareholding ladies and gentlemen :

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

The consolidated revenue for the year 2024 was NTD 1,625,979 thousand, an increase of NTD 468,226 thousand than the year 2023. The consolidated gross loss for the year 2024 was NTD 8,083 thousand, a decrease of NTD 141,883 thousand than the year 2023. The consolidated operating loss for the year 2024 was NTD 163,276 thousand, a decrease of NTD 148,141 thousand than the year 2023. The net profit after tax attributable to the Company for the year 2024 was gain NTD 112,419 thousand, an increase of NTD 413,897 thousand than the year 2023.

In 2024, as the impact of the epidemic gradually decreased, the economy gradually recovered, and the overall industry showed positive development and niches. At the same time, it benefited from the strong demand boost during the Olympic year, driving the global economy to strive for recovery. However, the AI chip war ignited by the two superpowers, China and the United States, the geopolitical tensions that follow, the new US leader's re-implementation of tariff barrier policies, and China's weak consumption growth and unstable employment, and the worsening of structural economic problems, are like a butterfly effect, touching the sensitive nerves of the world and bringing hidden worries to the global economic outlook. In the global textile market, although the economies of Europe and the United States are resilient, they are still weak, customer consumer confidence is insufficient, and market purchasing power is relatively weak, which has affected the overall market recovery.

Looking forward to 2025, after a turbulent and critical year, Tah Tong Textile will continue to optimize its product mix, with a focus on developing special yarn products, to reduce the proportion of cotton yarn and increase gross profit margin. Meanwhile, the Company will vertically integrate the supply chain, deepen the services provided by Fabrics Division, enhance marketing and sales, mainly serve brand customers, and expand the customer base of Fabrics Division, in the hope of effectively increasing the Group's overall revenue. Overall, the Company's operating strategy will gradually yield results.

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

The business results for 2024 and the 2025 business plan are summarized as follows :

I. Business results for 2024

(I) Implementation results of the business plan :

Unit : NT\$ thousand	2023	2024	Difference	%
Consolidated revenue	1,157,753	1,625,979	468,226	40.44
Consolidated gross profit (loss)	-149,966	-8,083	141,883	-94.61
Consolidated operating income (loss)	-311,417	-163,276	148,141	-47.57
Consolidated net income (loss) after tax	-332,876	101,452	434,328	-130.5
Net income (loss) after tax attributed to the Company	-301,478	112,419	413,897	-137.3
Earnings (loss) per share (NT\$)	-4.76	1.63	6.39	-134.2

(II) Achievement of budget :

	Actual volume :	Budgeted volume	Achievement rate
Yarn (ton)	4,459	5,308	119.04%
Fabrics (thousand yards)	12,853	11,367	88.44%

(III) Financial revenue and expense and profitability analysis

Unit : NT\$ thousand; %

Item		2023	2024
Financial revenue	Operating revenue	1,157,753	1,625,979
	Gross profit (loss)	(149,966)	(8,083)
	Net operating profit (loss)	(311,417)	(163,276)
	Net income (loss) after tax	(332,876)	101,452
	Attributed to the parent company	(301,478)	112,419
	Non-controlling interests	(31,398)	(10,967)
Profitability analysis	Gross margin %	(12.95)	(0.50)
	Net profit margin (%)	(28.75)	6.24
	Return on equity (%)	(64.17)	22.03
	Earnings per share (NT\$)	(4.76)	1.63

Note 1 : The aforesaid financial data for each year have been audited by CPAs

(IV) Research and development

R&D expenses for 2024

Unit : NT\$ thousand

Item	Amount
Research and development expenses	5,555
Net operating revenue	1,625,979
In net operating revenue (%)	0.34%

II. Summary of the 2025 business plan

In the face of the ever-changing post-epidemic era, there are many uncertainties and risks in the market. Dadong Textile still insists on continuously optimizing its product portfolio, focusing on special product development, and improving gross profit margin.

The company's 2025 business strategy and important production and sales policies are presented as follows :

(I) Operating strategy

Focus on product development in the textile industry and deepen cooperation with the industrial supply chain.

(1) Yarn Business Division

1. Continue to improve product quality, win strategic customers to place orders, and raise profitability.
2. Concentrate production capacity for environmental yarn, blended yarn and special yarn, and emphasizes differentiation in order to improve profitability.

(2) Fabrics Business Division

1. Continue to strengthen supply chain management strengths and increase orders from brand customers.

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

(II) Expected sales volume

Unit : tons	Budgeted volume
Yarn (ton)	4,783
Fabrics (thousand yards)	14,863

(III) Important production and sales policy

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

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

(I) Price of raw materials :

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

(II) Price of energy :

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

(III) The downstream consumer market :

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

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

(IV) Competition with mainland China and ASEAN countries :

Functional fabrics produced in Mainland China and neighboring countries in Asia have significantly improved quality in recent years, posing competition with the Company's

products. In order to differentiate in the market, the Company is currently developing higher value-added and special products to minimize the impact on the yarn supply chain system.

(V) ASEAN and CPTPP :

Under the framework of a FTA, member states of regional economies are entitled to trade liberalization and tariff reduction and exemption. Led by Japan, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed on March 8, 2018 by 11 countries including Vietnam and came into effect in 2019. Due to the advantages in infrastructure and an open policy to attract foreign investment, Vietnam will enjoy higher competitiveness among regional economies in the future. The Company has invested and expanded in Vietnam, and can expect reduced operating costs, more opportunities for export expansion, and industrial upgrades with preferential tariffs competitiveness.

Looking at 2025, 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 2024 Business Report and a summary of the 2025 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!

Tah Tong Textile Co., Ltd.

Chairman Chen, Shiou-Chung