

Stock No. : 1441

TAH TONG TEXTILE CO., LTD.

2024 Annual Shareholders' Meeting Agenda Handbook

Form of Shareholders' Meeting : Physical

Date : May 27, 2024

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

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

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

Tah Tong Textile Co., Ltd.

Agenda of 2024 Annual General Shareholders' Meeting

Time : 9 : 30 A.M., May 27 (Mon), 2024

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

- I. Call the Meeting to Order (reporting the attending shares)
- II. Chairman's Address
- III. Reports :
 - (I) 2023 Business Report.
 - (II) The Audit Committee's 2023 Review Report on Settlement Statements and Books.
 - (III) 2024 Report on Private Placement of Ordinary Shares.
 - (IV) Operational Improvement Report
- IV. Ratifications :
 - (I) 2023 Business Report and Financial Statements.
 - (II) 2023 Loss Appropriation Proposal.
- V. Discussions and Election :
 - (I) Proposal for private placement of ordinary shares.
- VI. Extempore Motions
- VII. Adjournment

[Reports]

- I. The Company's 2023 Business Report is submitted for review.
Description :
 - (I) Please refer to pages 09-11 of this handbook (Annex 1) for the Company's 2023 Business Report.
- II. The Audit Committee's 2023 Review Report on Settlement Statements and Books is submitted for review.
Description :
 - (I) Please refer to page 12 (Annex 2) of this handbook for the 2022 Audit Committee's Review Report.
- III. The Company's 2024 Report on Private Placement of Ordinary Shares is submitted for review.
Description :
 - (I) On Mar 19, 2024, the Company's board of directors resolved to increase capital through private placement of ordinary shares to repay borrowings and improve the Company's financial structure. It will contribute to the stable growth of the Company's operations in the future and also contribute positively to shareholders' equity. Please refer to page 13 of this handbook (Annex III).
- IV. Operational Improvement Report
Description :
 - (I) The company's regular shareholders' meeting on May 22, 2023 passed a capital reduction of NT\$506,047,750 to make up for losses.
 - (II) This case was approved by the Taiwan Stock Exchange on June 21, 2023, Taiwan Stock Exchange No. 1121802835, and approved by the Ministry of Economic Affairs, No. 11230125920, on July 24, 2023.
 - (III) After the completion of the capital reduction in this case, the company was re-listed on August 24, 2023 at NTD 13.74 per share, and the net value per share also increased from NTD 5.16 per share in the first quarter of 2023 to NTD 7.78 per share in the second quarter of 2023.
 - (IV) Initial results have been achieved in improving shareholder net worth and improving the financial structure. Since the sound operating plan is a mid- to long-term operating estimate and improvement plan, the overall improvement benefits should be more visible at the end of each subsequent year.

[Ratifications]

Proposal 1

(Proposed by the board of directors)

Cause : The 2023 Business Report and financial statements are submitted for ratification.

Description :

- (I) The Company's 2023 Business Report has been prepared and reviewed by the Audit Committee and approved by the board of directors. Please refer to Pages 9-11 of this handbook for the Business Report.
- (II) The Company's parent-only and consolidated financial statements for 2023 have been audited by Lin, Ya-Hui, CPA, and Lin, Yung-Chih, CPA from PwC Taiwan, and submitted to the Audit Committee for review. No discrepancies were found, and the review report is presented for review.
- (III) Please refer to Pages 14-41 of this handbook for the 2023 independent auditor's report, balance sheet, comprehensive statement of income, statement of changes in equity, and statement of cash flows.

Resolution :

Proposal 2

(Proposed by the board of directors)

Cause : The 2023 proposal for loss appropriation is submitted for rectification.

Description : Please refer to the 2023 Loss Appropriation Statement as follows :

Tah Tong Textile Co., Ltd.
Loss Appropriation Statement
2023

Item	Unit : NT\$ thousand Amount
Opening losses to be made up	(\$506,047,756)
Plus : 2023 remeasurement of defined benefit programs	(187,826)
Plus : Equity instruments measured at fair value through other comprehensive profit or loss	2,145,302
Plus : capital reduction case to make up for losses	506,047,750
Adjusted losses to be made up	1,957,470
Plus : net loss for the year	(301,478,925)
Closing losses to be made up	(299,521,455)
Closing losses to be made up (after appropriation)	(299,521,455)

Chairman :
Chen, Shiou-Chung

General Manager :
Chen, Chien-Choan

Accountant :
Kuo, Shun-Yi

Resolution :

[Discussions and Election]

Proposal 1

(Proposed by the board of directors)

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

Description :

- I. In order to replenish working capital, repay bank loans, improve the financial structure, and meet other capital needs for the Company's future development, the Company intends to increase cash capital and issue ordinary shares through private placement at an appropriate time in accordance with Article 43-6 of the Securities and Exchange Act, subject to market conditions and the Company's capital needs, and requests that the shareholders' regular meeting authorize the board of directors to issue shares in rounds within one year from the date when the annual general shareholders' meeting decides on the private placement proposal, depending on actual fund-raising. It's expected to be no more than 3 rounds. The use of all funds raised through private placement and expected benefits are as originally planned in this proposal.
- II. Principles for authorizing the board of directors to issue ordinary shares through private placement :
 - (I) Number of shares to be privately placed : No more than 30 million shares.
 - (II) Par value per share : NT\$10.
 - (III) Total amount of private placement : Calculated based on the final private placement price.
 - (IV) Basis and rationality of determining the private placement price : The Company's private placement price is determined upon the reference price, which is the higher of (1) the arithmetic mean of the closing prices of the ordinary shares 1, 3, or 5 business days before the pricing date, less the ex-rights of the free shares and dividends, and plus the share price after capital reduction and anti-ex-rights purchase or (2) the arithmetic mean of the closing prices of the ordinary shares 30 business days before the pricing date, less the share price ex-right and dividends, and the share price after capital reduction and ex-rights reduction. The private placement price shall not be less than 80% of the reference price. The Board of Directors is authorized to determine the actual pricing date and the actual private placement price after consulting with specified persons later and taking into account the market conditions then. The price of the Company's ordinary shares to be privately placed should be determined in accordance with applicable laws. However, given the basis for determining the price, the possibility of the price of such ordinary shares determined being below par value cannot be ruled out. In such a case, the impact on shareholders' equity will be the accumulated losses arising from the difference between the actual private placement price and the face value. Such accumulated losses will be made up depending on the Company's future operating conditions. An increase in accumulated losses may require a capital reduction.
 - (V) The manner in which the specified persons are selected :
 1. The ordinary shares are offered to those applicants qualified under Article 43-6 of the Securities and Exchange Act, and other applicable laws and interpretations issued by the competent authorities.
 2. Purpose of selecting applicants : To replenish the Company's working capital and improve its financial structure, thereby expanding its operating territories. In the case of an insider or a related party, this will help replenish the working capital and gain an understanding of the Company that is beneficial to the Company's future operations.

3. The list of insiders or related parties planning to participate in the private placement is presented as follows :

Applicant	How and why to select	Relationship with the Company
Chen, Chien-Choan (4.96% shareholding)	To replenish the Company's working capital and improve its financial structure, thereby expanding the operating territories.	President of the Company
Chen, Shiou-Chung (3.98% shareholding)		Chairman of the Company
Yen, Li-Rong (1.89% shareholding)		The spouse of the chairperson of the Company
Chen, Chien-Ming (3.50% shareholding)		Chairman's 1st-degree relative

List of legal person applicants and matters to be disclosed :

Legal person applicant	Top 10 shareholders and their shareholding ratios	Relationship with the Company
EVER GLORY INVESTMENT COM, LTD.	Chen, Chien-Ming 23.41%; Chen, Shiou-Chung 22.13%; Yen, Li-Rong 17.90%; Chen, Hsiu-Hsiung 13.52%; Chen, Hsiu-Yi 10.49%; Chen, Chien-Choan 9.18%; Chen, Hung-Ru 0.50%; Chen, Hung-Wen 0.50%; Wang, Chih-Hung 0.50%; Wu, Hsin-Chang 0.50%.	The Company's major shareholders
Great Bell Printing & Dyeing Co., Ltd.	Hanbo Livestock & Farming 23.13%, Tah Tong Textile 19.18%, Chen, Hsiu-Hsiung 14.79%, KINGTEX CORPORATION 7.12%, Chen, Yan-Ming 6.27%, Jian-Yi Investment 3.62%, Yen, Li-Rong 2.55%, Chen, Hung-Ru 2.52%, Chen, Hung-Wen 2.44%, KINGTEX Investment 2.40%	Affiliates
Hanbo Livestock and Farming Product Co., Ltd.	Great Bell Printing & Dyeing 41.99%, Chen, Yan-Ming 12.00%, Hanpower Energy Technology 4.33%, KINGTEX CORPORATION 4.11%, Chen, Hsiu-Hsiung 3.66%, Ever Huang Investment Co., Ltd. 3.35%, Yen, Li-Rong 3.35%, Wang, Xiang-Yuan 2.67%, Wang, Yu-Xian 2.51%, Wu Chenghao 2.41%,	Other related party
KINGTEX CORPORATION	Zhang Yi-Zhao 24.15%, Zhang Ya-Hui 21.95%, Zhang Xiu-Ru 21.95%, Zhang Ling-Qi 21.95%, Chen Jun-Ping 10%, Zhang Ying-Fu 10%.	The Company's major shareholder
Jian-Yi Investment Co., Ltd.	Chen Xiu-Yi (23.38%), Chen, Chien-Choan (21.74%), Chen, Chien-Ming (18.20%), Chen Wei-Ren (7.29%), Chen Wei-Zhi (7.29%), Chen Wei-Hong (6.82%), Chen Wei-Bo (6.82%), Yan Li-Rong (5.59%), Deng Zhu-Zhen (1.81%), Chen, Shiou-Chung (1.07%).	Other related party

(VI) Necessary reasons for private placement :

- Reason for not adopting a public offering : Considering the timeliness and convenience of raising capital, issuance cost, and stability of equity, private placement will be adopted to raise capital.
- Use of private placement funds and expected benefits : The private placement funds will be used to supplement the Company's working capital, repay bank loans, and meet other capital needs for the Company's future development. It can be anticipated to improve the Company's financial structure, contribute to the stable growth of the Company's operations, and provide shareholders' equity with its positive benefits. It's expected to be no more than 3 rounds. The use of all funds raised through private placement and expected benefits are as originally planned in this proposal.

(VII) Rights and obligations to the ordinary shares to be privately placed : In principle, purchasers of the ordinary shares to be privately placed will have

identical rights and obligations to those of the issued ordinary shares, except that in accordance with Article 43-8 of the Securities and Exchange Act, unless in certain circumstances, the ordinary shares may be freely transferable only when three full years have elapsed since the delivery date. After three years from the delivery date, the Board of Directors will be authorized to decide whether to apply to the competent authority for additional public and trading of securities as the case may be then.

- (VIII) In cooperation with this private placement, it is proposed that the Chairman of the Board of Directors or his/her designee be authorized by the shareholders' meeting to sign, negotiate and alter, on behalf of the Company, all contracts and documents related to the issuance of ordinary shares through private placement and to deal with all matters related to the issuance of ordinary shares for the Company.
- (IX) Others : Apart from the pricing ratio, for any change or amendment to the actual issuing price, number of shares, issuance terms and measures, a planned project, raised amount, estimated schedule, estimated possible benefits, and other uncovered matters required later by the competent authority or based on operational evaluation or changes in the objective environment, it is proposed to request the shareholders' meeting to authorize the board of directors to deal with it with full authority.
- (X) For the particulars in respect of the Company's proposal for private placement of securities to be enumerated under Article 43-6 of the Securities and Exchange Act, see the MOPS ([https : //mops.twse.com.tw](https://mops.twse.com.tw)) and the Company's website ([http : //tw.tahtong.com.tw/](http://tw.tahtong.com.tw/)).

Resolution :

[Extempore Motions]

[Adjournment]

Tah Tong Textile Co., Ltd. Business Report

All shareholding ladies and gentlemen,

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

In 2023, the world has ushered in an era of post-epidemic recovery and striving for recovery. However, the U.S. Federal Reserve's decision to raise interest rates to fight inflation has made the market turbulent. In addition, the AI chip war ignited by the two major powers of China and the United States and geopolitical tensions have followed closely. , as well as the challenge of the explosion of Chinese real estate companies to the pressure on the financial system, are like the butterfly effect, touching the sensitive nerves of the world and bringing hidden worries to the global economic prospects.

In the global textile market, although the destocking of international brands has gradually taken effect, the economies of European and American countries are still in a weak state, with insufficient customer and consumer confidence and relatively weak market purchasing power, which has affected the recovery of the overall market. In addition, the international raw cotton price collapsed to the lowest level in nearly three years in October 2022. Although it has gradually recovered since then, it is still hovering at a low level. This has also caused the market yarn price to be at a low level, affecting operating performance.

Facing the treacherous and changeable post-epidemic era, with many uncertainties and risks in the market, Dadong Textile continues to optimize its product portfolio, focusing on the development of special yarn products to increase gross profit margins. At the same time, we will build vertical integration of the supply chain, deepen the customer service of the cloth products business, strengthen marketing and business capabilities, focus on brand customers, and expand the customer base of the cloth products business, in order to effectively increase the group's overall revenue and improve operating performance.

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 business results for 2023 and the 2024 business plan are summarized as follows :

I. Business results for 2023

(I) Business plan implementation results

i. Yarn Business Division

Continue to optimize the product mix, increase the sales proportion of special yarn products, and effectively increase gross profit margin

ii. Fabrics Business Division

The Taiwan business unit has steadily enhanced its cooperative relationship with world-renowned outdoor activity brand customers. At the same time, the Vietnam business unit has also successfully expanded its business and added fashion and leisure brand customers. Therefore, the overall performance of the fabric business has increased compared with the previous year.

(II) Financial revenue and expense and profitability analysis.

Unit : NT\$ thousand; %

Item		2023	2022
Financial revenue	Operating revenue	1, 157, 753	1, 588, 312
	Gross profit (loss)	(149, 966)	(108, 200)
	Net operating profit (loss)	(311, 417)	(315, 437)
	Net income (loss) after tax	(332, 876)	(319, 852)
	Attributed to the parent company	(301, 478)	(262, 231)
	Non-controlling interests	(31, 398)	(57, 621)
Profitability analysis	Gross margin %	(12. 95)	(6. 81)
	Net profit margin (%)	(28. 75)	(20. 14)
	Return on equity (%)	(98. 16)	(46. 26)
	Earnings per share (NT\$)	(4. 76)	(4. 53)

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

Note 2 : Due to capital reduction in 2023 to make up for losses, earnings per share in 2022 were adjusted retrospectively.

II. Summary of the 2024 business plan

With the advent of the post-epidemic era, rising geopolitical tensions, global inflationary pressures, and lack of confidence in the consumer market have all created uncertainty in the global economic environment for the 2024.

Looking back at 2024, in addition to continuing to implement cost control and strengthening risk management, the company will also adjust its product structure and portfolio to steadily improve the quality and gross profit of the spinning business. At the same time, the company will actively expand the customer base of the fabric business to enhance the group's performance. 2024 of operation. The operating principles and important production and marketing policies of the spinning business and fabric business are explained as follows:

(I) Operating strategy

Focus on the product development of the textile industry as the main axis and deepen cooperation with the industrial supply chain.

i. Yarn Business Division

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

ii. Fabrics Business Division

- i) Continue to strengthen supply chain management strengths and increase orders from brand customers.
- ii) Strengthen research and development, provide better product mix, and expand market share.
- iii) Target new customers for business development, and cut to niche products.

(II) Important production and sales policy

Textile products focus on the development trend of functionality and comfort. The spinning business division will continue to develop high added value and functional and special yarn types in accordance with the trend. The fabric business division will be based on meeting the product needs of brand customers. Develop customized product development and services, develop functional knitted fabrics, etc.

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 2024, 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 2022 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-Chuan

Accountant :
Kuo, Shun-Yi

[Annex 2]

Audit Committee's Review Report

The board of directors has submitted the Company's Business Report, Financial Statements (parent-only and consolidated included), and proposal for loss appropriation for the year ended December 31, 2023. Lin, Ya-Hui, CPA, and Lin, Yung-Chih, 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

2024Annual General Shareholders' Meeting, Tah Tong Textile Co., Ltd.

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

March 08, 2024

[Annex 3]

First private placement of marketable securities in 2024

Unit: NT\$ thousand

Item	First private placement in 2024 Date: April 30, 2024				
Type of securities privately placed	Ordinary shares				
Date and amount approved by the board of directors	Annual general shareholders' meeting on May 22, 2023 No more than 30 million shares issued On March 19, 2024, the board of directors approved the issuance of 6,086,957 shares at 11.50 yuan per share.				
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.				
The reasons why the private placement method was necessary	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: March 28, 2024				
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	Yes
	Chen, Chien-Choan	Eligible under Subparagraph 3, Paragraph 1, Article 43-6 of the Securities and Exchange Act	1,156,522 shares	A corporate director/major shareholder of the Company	Yes
	Chen, Chien-Ming	Eligible under Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	1,321,739 shares	General Manager of the company	None
	Hanbo Livestock and Farming Product Co., Ltd.	Eligible under Subparagraph 2, Paragraph 1, Article 43-6 of the Securities and Exchange Act	608,696 shares	Chairman's 1st-degree relative	None
The actual subscription (or conversion) price	NT\$11.50 per share				
The difference between the actual subscription (or conversion) price and the reference price	The actual subscription price was NT\$13.76 per share, equal to 83.59% of the reference price.				
The effect of the private placement on shareholders' equity (e.g. increasing the accumulated loss...)	Increase the amount of equity and increase the net value per share.				
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 loans and completed as of Q2 2024.				
The realization of the benefits of the plan	The funds raised from the first private placement in 2024 were fully used to repay 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

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of 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. 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 2023 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 2023 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, 2023, the balances of inventories and allowance for inventory valuation losses were NT\$365,509 thousand and NT\$51,319 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 textile market is competitive, 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, 2023, the Group's property, plant and equipment amounted to NT\$772,188 thousand. As the operation of the Vietnam subsidiary was not as expected due to the recent fluctuations in international cotton prices and the high competitiveness in quotations for downstream yarn spinning products, 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 common industry practice 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 for 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\$224,714 thousand and NT\$450,884 thousand, constituting 11.74% and 17.85% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and the comprehensive loss recognised from associates and joint ventures accounted for under the equity method amounted to (NT\$26,247) thousand and (NT\$46,819) thousand, constituting 7.87% and 17.18% of the consolidated total comprehensive loss for the years then ended, 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, 2023 and 2022.

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

Independent Accountants

Lin Yung-Chih

PricewaterhouseCoopers, Taiwan

Republic of China

March 8, 2024

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. and subsidiaries
Consolidated balance sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	Asset	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	\$ 133,836	7	\$ 212,398	8
1110	Financial assets at FVTPL - Current	6(2)	-	-	1,900	-
1150	Net value of notes receivable	6(3)	-	-	1,779	-
1170	Net value of accounts receivable	6(3)	78,596	4	89,746	4
1200	Other receivables	7	17,421	1	2,420	-
130X	Inventories	6(4)	314,190	17	565,108	22
1410	Prepayments	6(11)	58,653	3	74,364	3
1470	Other current assets	8	99,047	5	70,504	3
11XX	Total current assets		<u>701,743</u>	<u>37</u>	<u>1,018,219</u>	<u>40</u>
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income- non-current	6(5)	45,862	2	46,347	2
1550	Investment accounted for using the equity method	6(6) and 7	224,714	12	236,537	9
1600	Property, Plant and Equipment	6(7) and 8	772,188	40	940,694	37
1755	Right-of-use asset	6(8) 、 7 and 8	122,337	6	180,833	7
1760	Net investment property	6(9) and 8	-	-	42,404	2
1780	Intangible assets		4,172	-	5,222	-
1840	Deferred tax assets	6(26)	16,488	1	16,725	1
1975	Net defined benefit assets - non-current	6(16)	12,185	1	11,585	1
1990	Other non-current assets - others	6(11) and 8	14,098	1	27,531	1
15XX	Total non-current assets		<u>1,212,044</u>	<u>63</u>	<u>1,507,878</u>	<u>60</u>
1XXX	Total assets		<u>\$ 1,913,787</u>	<u>100</u>	<u>\$ 2,526,097</u>	<u>100</u>

(Continued on next page)

Tah Tong Textile Co., Ltd. and subsidiaries
Consolidated balance sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 880,986	46	\$ 1,103,200	44
2150	Notes payable		9,503	-	6,724	-
2170	Accounts payable	7	196,808	10	190,777	7
2200	Other payables	6(15)	44,089	2	63,892	2
2280	Lease liabilities - Current	7	-	-	14,380	1
2320	Long-term liabilities due within a year or one operating cycle	6(14)	29,803	2	92,193	4
2399	Other current liabilities - other	6(21) and 7	167,837	9	102,723	4
21XX	Total current liabilities		<u>1,329,026</u>	<u>69</u>	<u>1,573,889</u>	<u>62</u>
Non-current liabilities						
2530	Corporate bonds payable	6(13) and 7	100,000	5	100,000	4
2540	Long-term borrowings	6(14)	5,353	1	43,098	2
2570	Deferred tax liabilities	6(26)	37,874	2	41,963	2
2580	Lease liabilities - Non-current	7	-	-	30,778	1
2600	Other non-current liabilities	7	95,451	5	44,939	2
25XX	Total non-current liabilities		<u>238,678</u>	<u>13</u>	<u>260,788</u>	<u>11</u>
2XXX	Total Liabilities		<u>1,567,704</u>	<u>82</u>	<u>1,834,677</u>	<u>73</u>
Equity attributable to owners of parent company						
	Share capital	6(17)				
3110	Common share capital		632,952	33	1,139,000	45
	Capital reserve	6(18)				
3200	Capital reserve		19,186	1	11,181	-
	Retained earnings	6(19)				
3350	Deficit yet to be compensated		(299,521)	(16)	(506,048)	(20)
	Other equity	6(20)				
3400	Other equity		(22,491)	(1)	(19,777)	-
31XX	Total equity attributable to owners of parent company		<u>330,126</u>	<u>17</u>	<u>624,356</u>	<u>25</u>
36XX	Non-controlling interests		<u>15,957</u>	<u>1</u>	<u>67,064</u>	<u>2</u>
3XXX	Total equity		<u>346,083</u>	<u>18</u>	<u>691,420</u>	<u>27</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant Events	11				
3X2X	Total liabilities and equities		<u>\$ 1,913,787</u>	<u>100</u>	<u>\$ 2,526,097</u>	<u>100</u>

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together.

Chairman: Chen, Shiou-Chung

Managerial Officer: Chen, Chien-Choan

Accounting Officer: Kuo, Shun-Yi

Tah Tong Textile Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand
(Except for loss per share in NT\$)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(21)	\$ 1,157,753	100	\$ 1,588,312	100
5000	Operating costs	6(4)(24) and 7	(1,307,719)	(113)	(1,696,512)	(107)
5900	Gross profit (gross loss)		(149,966)	(13)	(108,200)	(7)
	Operating expenses	6(24)(25)				
6100	Selling expenses		(59,460)	(5)	(93,851)	(6)
6200	Administrative expenses		(93,219)	(8)	(105,531)	(6)
6300	Research and development expenses		(7,212)	(1)	(10,223)	(1)
6450	Expected credit impairment gains	12(3)	(1,560)	-	2,368	-
6000	Total operating expenses		(161,451)	(14)	(207,237)	(13)
6900	Operating loss		(311,417)	(27)	(315,437)	(20)
	Non-operating income and expenses					
7100	Interest revenue		1,597	-	635	-
7010	Other income		1,060	-	5,644	1
7020	Other gains or losses	6(10)(22)	53,503	5	46,546	3
7050	Financial costs	6(23)	(48,330)	(4)	(43,096)	(3)
7060	Share of the profit or loss of affiliates and joint ventures recognized using the equity method		(31,092)	(3)	(15,633)	(1)
7000	Total non-operating incomes and expenses		(23,262)	(2)	(5,904)	-
7900	Net loss before tax		(334,679)	(29)	(321,341)	(20)
7950	Income tax benefit	6(26)	1,803	-	1,489	-
8200	Current net loss		(\$ 332,876)	(29)	(\$ 319,852)	(20)

(Continued on next page)

Tah Tong Textile Co., Ltd. and subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand
(Except for loss per share in NT\$)

Item	Notes	2023		2022	
		Amount	%	Amount	%
Other comprehensive profit and loss (net)	6(20)				
Items not reclassified subsequently to profit or loss					
8311 Remeasurement of defined benefit programs	6(16)	(\$ 235)	-	\$ 1,281	-
8316 Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6(5)	(101)	-	7,925	1
8320 Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items not reclassified subsequently to profit or loss		4,901	-	290	-
8349 Income taxes related to the items not re-classified	6(26)	47	-	(256)	-
8310 Total items not reclassified subsequently to profit or loss		4,612	-	9,240	1
Items that may be reclassified subsequently to profit or loss					
8361 Exchange differences on translation of the financial statements of foreign operations		(5,086)	-	38,049	2
8370 Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items may be reclassified subsequently to profit or loss		(56)	-	17	-
8360 Total items that may be reclassified subsequently to profit or loss		(5,142)	-	38,066	2
8300 Other comprehensive profit and loss (net)		(\$ 530)	-	\$ 47,306	3
8500 Total comprehensive income for this period		(\$ 333,406)	(29)	(\$ 572,546)	(17)
Net loss attributable to:					
8610 Owners of the parent-company		(\$ 301,478)	(26)	(\$ 262,231)	(16)
8620 Non-controlling interests		(31,398)	(3)	(57,621)	(4)
		(\$ 332,876)	(29)	(\$ 319,852)	(20)
Total comprehensive loss attributable to:					
8710 Owners of the parent-company		(\$ 302,235)	(26)	(\$ 228,153)	(14)
8720 Non-controlling interests		(31,171)	(3)	(44,393)	(3)
		(\$ 333,406)	(29)	(\$ 272,546)	(17)
Loss per share	6(27)				
9750 Basic loss per share		(\$ 4.76)		(\$ 4.53)	

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together.

Chairman: Chen, Shiou-Chung

Managerial Officer: Chen, Chien-Choan

Accounting Officer: Kuo, Shun-Yi

Tah Tong Textile Co., Ltd. and subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NTS thousand

Equity attributable to owners of parent company											
Notes	Common share capital	Capital reserve - recognized changes in equity ownership of subsidiaries	Retained earnings			Other equity			Total	Non-controlling interests	Total equity
			Statutory reserves	Special reserves	Deficit yet to be compensated	Exchange differences on translation of the financial statements of foreign operations	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Other equity - others			
	\$ 1,008,000	\$ 3,988	\$-	\$-	(\$ 212,993)	(\$ 62,420)	\$9,219	\$ 219	\$ 746,013	\$ 74,492	\$ 820,505
6(20)	-	-	-	-	(262,231)	-	-	-	(262,231)	(57,621)	(319,852)
	-	-	-	-	1,272	24,838	7,968	-	34,078	13,228	47,306
	-	-	-	-	(260,959)	24,838	7,968	-	(228,153)	(44,393)	(272,546)
	-	7,193	-	-	(257)	-	-	-	6,936	-	6,936
	-	-	-	-	-	-	-	-	-	-	-
6(20)	-	-	-	-	(399)	-	399	-	-	-	-
6(17)	131,000	-	-	-	(31,440)	-	-	-	99,560	-	99,560
	-	-	-	-	-	-	-	-	-	36,965	36,965
	\$ 1,139,000	\$ 11,181	\$ -	\$ -	(\$ 506,048)	(\$ 37,582)	\$17,586	\$ 219	\$ 624,356	\$ 67,064	\$ 691,420
	\$ 1,139,000	\$ 11,181	\$ -	\$ -	(\$ 506,048)	(\$ 37,582)	\$17,586	\$ 219	\$ 624,356	\$ 67,064	\$ 691,420
	-	-	-	-	(301,478)	-	-	-	(301,478)	(31,398)	(332,876)
6(20)	-	-	-	-	(170)	(5,369)	4,782	-	(757)	227	(530)
	-	-	-	-	(301,648)	(5,369)	4,782	-	(302,235)	(31,171)	(333,406)
6(28)	-	8,005	-	-	-	-	-	-	8,005	6,995	15,000
6(17)	(506,048)	-	-	-	506,048	-	-	-	-	-	-
6(20)	-	-	-	-	2,127	-	(2,127)	-	-	-	-
6(28)	-	-	-	-	-	-	-	-	-	(26,931)	(26,931)
	\$ 632,952	\$ 19,186	\$ -	\$ -	(299,521)	(\$ 42,951)	\$20,241	\$ 219	330,126	15,957	\$ 346,083

The attached notes to consolidated financial statements are the integral part of the consolidated financial statements, please read together.

Chairman: Chen, Shiou-Chung

Managerial Officer: Chen, Chien-Chao

Accounting Officer: Kuo, Shun-Yi

Tah Tong Textile Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Notes</u>	<u>January 1, 2023 to December 31, 2023</u>	<u>January 1, 2022 to December 31, 2022</u>
<u>Cash flows from operating activities</u>			
Net loss before income tax		(\$ 334,679)	(\$ 321,341)
Adjustments			
Income/expenses items			
Depreciation expense	6(24)	109,048	132,823
Amortization cost	6(24)	946	1,087
Expected credit impairment reversed gains	12(3)	1,560	(2,368)
Interest revenue		(1,597)	(635)
Disposal of investment interests	6(22)	(78,039)	-
Dividend income	6(5)	(855)	(2,403)
Interest expenses	6(23)	48,330	43,096
Losses on disposal of property, plant and equipment	6(22)	-	198
Impairment losses on non-financial assets	6(10)(22)	-	929
Gain from disposing non-current assets held for sale		-	-
Net loss (gain) from financial assets at FVTPL	6(22)	(697)	1,501
Loss from lease modification		-	
Share of the profit or loss of affiliates and joint ventures using the equity method		31,092	15,633
Unrealized exchange gains		16,770	(52,745)
Changes in assets/debts having to do with business activities			
Net changes in the assets related to the operating activities			
Notes receivable		1,779	(935)
Accounts receivable		(20,814)	70,826
Other receivables		(17,036)	4,145
Inventories		233,455	(115,406)
Prepayments		(37)	36,864
Other current assets		(33,371)	(8,019)
Other non-current assets		(835)	(785)
Net changes in the liabilities related to the operating activities			
Notes payable		2,838	(2,677)
Accounts payable		65,435	(81,594)
Other payables		(15,152)	9,510
Other current liabilities		(10,070)	25,656
Other non-current liabilities		(8,796)	(13,467)
Cash outflows generated from operations		(10,725)	(260,107)
Interest received		548	635
Dividends received		855	2,403
Interest paid		(47,390)	(40,419)
Net cash outflow from operating activities		(56,712)	(297,488)

(Continued on next page)

Tah Tong Textile Co., Ltd. and subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Notes</u>	<u>January 1, 2023 to December 31, 2023</u>	<u>January 1, 2022 to December 31, 2022</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at FVTPL		\$ -	(\$ 4,288)
Disposal of financial assets at FVTPL		2,597	34,089
Financial assets at fair value through other comprehensive income - share payment refunded due to capital decrease		255	1,345
Disposal of investment price using equity method	7	87,569	-
Purchase of property, plant and equipment	6(29)	(2,584)	(67,698)
Increase in intangible assets		(17)	-
Decrease (increase) in other non-current assets		(7,910)	(6,493)
Net cash inflow (outflow) from investing activities		<u>79,910</u>	<u>(43,045)</u>
<u>Cash flows from financing activities</u>			
Borrow short-term borrowings		2,658,097	3,686,682
Repay short-term borrowings		(2,868,489)	(3,465,082)
Proceeds from long-term borrowings		-	82,034
Repayments of long-term borrowings		(73,698)	(82,256)
Borrowings from related parties		224,000	67,272
Repayments of loans to related parties		(34,600)	(23,840)
Repaid principal of lease		(5,795)	(22,040)
Changes in non-controlling interests - cash capital increase		15,000	43,901
Cash capital increase	6(17)	-	99,560
Net cash inflow from financing activities		<u>(85,485)</u>	<u>386,231</u>
Effect on foreign currency exchange differences		(16,275)	25,668
Increase of cash and cash equivalents of the current term		(78,562)	71,366
Cash and cash equivalents at the beginning of the year		212,398	141,032
Cash and cash equivalents at the end of the year		<u>\$ 133,836</u>	<u>\$ 212,398</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

INDEPENDENT AUDITORS' REPORT

PWCR23005088

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 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 Financial Statement Audit and Attestation Engagements of 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. 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 2023 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 2023 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(11) 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, 2023, the textile inventories and allowance for inventory valuation losses amounted to NT\$61,010 thousand and NT\$16,916 thousand, respectively. As of December 31, 2023, the inventories and allowance for inventory valuation losses in the consolidated financial statements amounted to NT\$365,509 thousand and NT\$51,319 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 textile market is competitive, there is a higher risk of inventory losing value or becoming obsolete. The Company's and its subsidiary's inventory are 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. 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:

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

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 .

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.

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 for 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, 2023, the Company's property, plant and equipment in the consolidated financial statements amounted to NT\$772,188 thousand

As the operation of the Vietnam subsidiary was not as expected due to the fluctuations in international cotton prices and the high competitiveness in quotations for downstream yarn spinning products, the management assessed the impairment of the assets held by the subsidiary and the assessment result may affect the amount of investments accounted for 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:

3. 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.
4. 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 common industry practice 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\$224,714 thousand and NT\$258,323 thousand, constituting 15.47% and 14.56% of the parent company only total assets as at December 31, 2023 and 2022, respectively, and the comprehensive loss recognised from associates and joint ventures accounted for under the equity method amounted to (NT\$26,247) thousand and (NT\$46,819) thousand, constituting 8.68% and 20.52% of the parent company only total comprehensive loss for the years then ended, 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 8 , 2024

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
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Asset		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 103,262	7	\$ 112,098	6
1110	Financial assets at FVTPL - Current	6(2)	-	-	1,900	-
1150	Net value of notes receivable	(6)3	-	-	1,779	-
1170	Net value of accounts receivable	(6)3	24,887	2	28,874	2
1180	Accounts receivable - related parties, net	7	610,028	42	568,547	32
1200	Other receivables		1,695	-	2,108	-
1210	Other receivables - related parties	7	96,137	7	64,420	4
130X	Inventories	6(4)	44,094	3	103,629	6
1410	Prepayments		620	-	680	-
1470	Other current assets	8	15,624	1	15,225	1
11XX	Total current assets		896,347	62	899,260	51
Non-current assets						
1517	Financial assets at fair value through other comprehensive income- non-current	6(5)	45,862	3	46,347	2
1550	Investment accounted for using the equity method	6(6)and7	432,728	30	757,472	43
1600	Property, Plant and Equipment	6(7) and 8	39,588	3	41,021	2
1755	Right-of-use asset	6(8) and 7	-	-	2,033	-
1780	Intangible assets		60	-	100	-
1840	Deferred tax assets	6(24)	16,488	1	16,488	1
1975	Net defined benefit assets - non-current	6(13)	12,185	1	11,585	1
1990	Other non-current assets - others		9,342	-	68	-
15XX	Total non-current assets		556,253	38	875,114	49
1XXX	Total assets		\$ 1,452,600	100	\$ 1,774,374	100

(Continued on next page)

Tah Tong Textile Co., Ltd.
Parent Company Only Balance Sheet
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 602,489	41	\$ 756,529	43
2150	Notes payable		9,503	1	6,692	-
2170	Accounts payable	7	113,528	8	127,266	7
2200	Other payables	6(12)	29,067	2	29,450	2
2280	Lease liabilities - Current	7	-	-	2,054	-
2320	Long-term liabilities due within a year or one operating cycle	6(11)	29,803	2	29,715	2
2399	Other current liabilities - other	7	113,905	8	895	-
21XX	Total current liabilities		<u>898,295</u>	<u>62</u>	<u>952,601</u>	<u>54</u>
Non-current liabilities						
2530	Corporate bonds payable	6(10) and 7	100,000	7	100,000	5
2540	Long-term borrowings	6(11)	5,353	-	35,126	2
2570	Deferred tax liabilities	6(24)	27,302	2	30,167	2
2580	Lease liabilities - Non-current		-	-	-	-
2600	Other non-current liabilities	7	91,524	6	32,124	2
25XX	Total non-current liabilities		<u>224,179</u>	<u>15</u>	<u>197,417</u>	<u>11</u>
2XXX	Total Liabilities		<u>1,122,474</u>	<u>77</u>	<u>1,150,018</u>	<u>65</u>
Equity						
	Share capital	6(14)				
3110	Common share capital		632,952	44	1,139,000	64
	Capital reserve	6(15)				
3200	Capital reserve		19,186	1	11,181	1
	Retained earnings	6(16)				
3350	Deficit yet to be compensated		(299,521)	(21)	(506,048)	(29)
	Other equity	6(17)				
3400	Other equity		(22,491)	(1)	(19,777)	(1)
3XXX	Total equity		<u>330,126</u>	<u>23</u>	<u>624,356</u>	<u>35</u>
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Significant Events	11				
3X2X	Total liabilities and equities		<u>\$ 1,452,600</u>	<u>100</u>	<u>\$ 1,774,374</u>	<u>100</u>

The attached notes to parent company only financial statements are the integral part of the parent company only financial statements, please read together.

Chairman: Chen, Shiou-Chung

Managerial Officer: Chen, Chien-Choan

Accounting Officer: Kuo, Shun-Yi

Tah Tong Textile Co., Ltd.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand
(Except for loss per share in NT\$)

	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(18) and 7	\$ 484,542	100	\$ 943,406	100
5000	Operating costs	6(4)(22) and 7	(441,001)	(91)	(898,547)	(95)
5900	Gross profit		43,541	9	44,859	5
5910	Unrealized gains from sales		(9,656)	(2)	(11,804)	(1)
5920	Released gains from sales		11,804	2	11,968	1
5950	Gross operating profit, net		45,689	9	45,023	5
	Operating expenses	6(22) (23) and 7				
6100	Selling expenses		(21,973)	(5)	(31,381)	(3)
6200	Administrative expenses		(55,140)	(11)	(56,121)	(6)
6300	Research and development expenses		(6,291)	(1)	(7,698)	(1)
6450	Expected credit impairment gains	12(3)	(254)	-	2,185	-
6000	Total operating expenses		(83,658)	(17)	(93,015)	(10)
6900	Operating loss		(37,969)	(8)	(47,992)	(5)
	Non-operating income and expenses					
7100	Interest revenue		3,032	1	4,828	-
7010	Other income	6(19)	1,059	-	5,392	1
7020	Other gains or losses	6(20)	76,406	16	59,708	6
7050	Financial costs	6(21)	(21,925)	(5)	(18,712)	(2)
7070	Share of profits and losses of subsidiaries, affiliated enterprises and joint ventures using the equity method		(324,899)	(67)	(265,298)	(28)
7000	Total non-operating incomes and expenses		(266,327)	(55)	(214,082)	(23)
7900	Net loss before tax		(304,296)	(63)	(262,074)	(28)
7950	income tax expense	6(24)	2,818	1	157	-
8200	Current net loss		(\$ 301,478)	(62)	(\$ 262,231)	(28)
	Other comprehensive profit and loss (net)	6(17)				
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	6(13)	(\$ 235)	-	\$ 1,281	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6(5)	(101)	-	8,909	1
8330	Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items not reclassified subsequently to profit or loss		4,901	1	(694)	-
8349	Income taxes related to the items not re-classified	6(24)	47	-	(256)	-
8310	Total items not reclassified subsequently to profit or loss		4,612	1	9,240	1
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		(5,313)	(1)	24,821	3
8380	Share of other comprehensive income of affiliates and joint ventures recognized with the equity method - items may be reclassified subsequently to profit or loss		(56)	-	17	-
8360	Total items that may be reclassified subsequently to profit or loss		(5,369)	(1)	24,838	3
8300	Other comprehensive profit and loss (net)		(\$ 757)	-	\$ 34,078	4
8500	Total comprehensive income for this period		(\$ 302,235)	(62)	(\$ 228,153)	(24)
	Loss per share	6(25)				
9750	Basic loss per share		(\$ 4.76)		(\$ 4.53)	

The attached notes to parent company only financial statements are the integral part of the parent company only financial statements, please read together.

Chairman: Chen, Shiou-Chung

Managerial Officer: Chen, Chien-Choan

Accounting Officer: Kuo, Shun-Yi

Tah Tong Textile Co., Ltd.
Unconsolidated Statement of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

Notes	Common share capital	Capital reserve - changes in the net equity in affiliates and the joint ventures recognized with the equity method	Retained earnings		Retained earnings (losses to be compensated)	Exchange differences on translation of the financial statements of foreign operations	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Other equity - others	Total equity
			Statutory reserves	Special reserves					
	\$ 1,008,000	\$ 3,988	\$ -	\$ -	(\$ 212,993)	(\$ 62,420)	\$ 9,219	\$ 219	\$ 746,013
	-	--	-	-	(262,231)	-	-	-	(262,231)
6(17)	-	--	-	-	1,272	24,838	7,968	-	34,078
	-	--	-	-	(260,959)	24,838	7,968	-	(228,153)
	-	7,193	-	-	(257)	-	-	-	6,936
6(14)	131,000	--	-	-	(31,440)	-	-	-	99,560
6(17)	-	--	-	-	(350)	-	350	-	-
6(17)	-	--	-	-	(49)	-	49	-	-
	\$ 1,139,000	\$ 11,181	\$ -	\$ -	(\$ 506,048)	(\$ 37,582)	\$ 17,586	\$ 219	\$ 624,356
	\$ 1,139,000	\$ 11,181	\$ -	\$ -	(\$ 506,048)	(\$ 37,582)	\$ 17,586	\$ 219	\$ 624,356
	-	-	-	-	(301,478)	-	-	-	(301,478)
6(17)	-	-	-	-	(170)	(5,369)	4,782	-	(757)
	-	-	-	-	(301,648)	(5,369)	4,782	-	(302,235)
	-	8,005	-	-	-	-	-	-	8,005
6(14)	(506,048)	-	-	-	506,048	-	-	-	-
6(17)	-	-	-	-	2,127	-	(2,127)	-	-
	\$ 632,952	\$ 19,186	\$ -	\$ -	(\$ 299,521)	(\$ 42,951)	\$ 20,241	\$ 219	\$ 330,126

The attached notes to parent company only financial statements are the integral part of the parent company only financial statements, please read together.

Chairman: Chen, Shiou-Chung

Managerial Officer: Chen, Chien-Choan

Accounting Officer: Kuo, Shun-Yi

Tah Tong Textile Co., Ltd.
Parent-Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Notes</u>	<u>January 1, 2023 to December 31, 2023</u>	<u>January 1, 2022 to December 31, 2022</u>
<u>Cash flows from operating activities</u>			
Net loss before income tax		(\$ 304,296)	(\$ 262,074)
Adjustments			
Income/expenses items			
Depreciation expense	6(22)	3,534	4,232
Amortization cost	6(22)	40	204
Expected credit impairment reversed gains	12(3)	254	(2,185)
Interest revenue		(3,032)	(4,828)
Gain on disposal of investments	6(20)	(78,039)	-
Dividend income	6(19)	(855)	(2,403)
Interest expenses	6(21)	21,925	18,712
Net (loss) gain from financial assets at FVTPL	6(20)	(697)	1,501
Share of profits and losses of subsidiaries, affiliated enterprises and joint ventures using the equity method		324,899	265,298
Gains on disposal of property, plant and equipment		-	-
Reversal of gains from non-financial asset impairment		-	-
Released gains from sales		(2,148)	(164)
Unrealized exchange (profit) losses		16,770	(52,745)
Gain from disposing non-current assets held for sale		-	-
Loss from lease modification		-	-
Changes in assets/debts having to do with business activities			
Net changes in the assets related to the operating activities			
Notes receivable		1,779	(935)
Accounts receivable		3,093	9,492
Accounts receivables - related parties (long-term included)		(53,862)	(145,419)
Other receivables (long-term receivables included)		(1,467)	219,986
Inventories		59,535	163
Other current assets		(339)	7,969
Other non-current assets		(835)	(785)
Net changes in the liabilities related to the operating activities			
Notes payable		2,811	(2,710)
Accounts payable		(13,633)	(34,740)
Other payables		(780)	(1,056)
Other current liabilities		10	(3,220)
Cash inflows (outflows) generated from operations		(25,333)	14,293
Interest received		1,978	4,828
Dividends received		855	2,403
Interest paid		(21,516)	(18,657)
Net cash inflow (outflow) from operating activities		(44,016)	2,867

(Continued on next page)

Tah Tong Textile Co., Ltd.
Parent-Only Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: NT\$ thousand

	<u>Notes</u>	<u>January 1, 2023 to December 31, 2023</u>	<u>January 1, 2022 to December 31, 2022</u>
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at FVTPL		\$ -	(\$ 4,288)
Disposal of financial assets at FVTPL		2,597	34,089
Decrease (increase) in capital loaned to related parties		(31,717)	191,333
Financial assets at fair value through other comprehensive income - share payment refunded due to capital decrease		255	26
Increase in investment accounted for using the equity method		-	(512,042)
Disposal of investment price using equity method	7	87,569	-
Purchase of property, plant and equipment	6(7)	(68)	(721)
Proceeds from disposal of property, plant and equipment		-	-
Decrease in agency purchase receivable		-	-
Receivables from disposal of non-current assets held for sale		-	-
Decrease in refundable deposits		(9,274)	35
Decrease in other current assets		-	-
Net cash inflow (outflow) from investing activities		<u>49,362</u>	<u>(291,568)</u>
<u>Cash flows from financing activities</u>			
Proceeds from long-term borrowings		-	-
Repayments of long-term borrowings		(29,685)	(29,239)
Borrow short-term borrowings		1,874,530	2,064,005
Repay short-term borrowings		(2,028,488)	(1,866,963)
Borrow from related parties borrowings		207,000	-
Repay from related parties borrowings		(34,600)	-
Repaid principal of lease		(2,066)	(2,754)
Increase (decrease) in other non-current liabilities		-	31,978
Cash capital increase	6(14)	-	99,560
Net cash inflow from financing activities		<u>(13,309)</u>	<u>296,587</u>
Effect on foreign currency exchange differences		(873)	2,192
Increase of cash and cash equivalents of the current term		(8,836)	10,078
Cash and cash equivalents at the beginning of the year		<u>112,098</u>	<u>102,020</u>
Cash and cash equivalents at the end of the year		<u>\$ 103,262</u>	<u>\$ 112,098</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

Chapter One General

Article 1 The Company is incorporated as a company limited by shares defined in the Company Act, and the name is Tah Tong Textile Co., Ltd. under the name of TAH TONG TEXTILE CO., LTD.

Article 2 The Company operates the following business :

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

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

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

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

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

Chapter Two Shares

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

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

agency.

The issued Company's shares, and other marketable securities, are exempted from printing hardcopies; however, the registration shall be made to the collective securities custody enterprises.

Article 9 The shareholders shall fill in the seal card pursuant to the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 10 Where the seal of a shareholder registered with the Company is lost or stolen, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.

Article 11 Where the Company's shares are transferred or set up with the rights pledge, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.

Article 12 Where the shares are lost or stolen, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.

Article 13 Where the Company's shares are stained or damaged and a replacement is desired, the Regulations Governing the Administration of Shareholder Services of Public Companies shall be complied with.

Article 14 Share transfer registration shall be suspended for 60 days prior to a regular shareholders' meetings, or for 30 days prior to a special shareholders' meetings, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

Chapter Three Shareholders' Meetings

Article 15 The regular shareholders' meetings are convened by the board of directors within six months after close of each fiscal year; special shareholders' meetings are convened when required.

The Company's Shareholders' Meeting may be convened by video conference or by other means as announced by the central competent authority. The requirements to be met, and the standard operating procedure, for holding a shareholders' meeting by videoconference and other related matters otherwise specified by competent authorities shall apply.

Article 16 The shareholders shall be notified 30 days prior to the convening date of the regular shareholders' meetings, or 15 days prior to the special shareholders' meeting, with the meeting date, venue, and reason of convention.

Article 17 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson is absent, one of the directors shall be appointed to act as chair, or one director shall be selected from among themselves. Where a shareholders' meeting is convened by a party with power to convene other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 18 A shareholder shall be entitled to one vote for each share held, except when any of the circumstances specified in Article 179 of the Company Act exist.

If a shareholders' meeting is held by video conference, shareholders attending the meeting via video conference shall be deemed to be present at the meeting in person.

Article 19 A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf with a proxy form the seal registered with the Company, indicating the authorization scope. Except for trust enterprises or stock agencies approved by the

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

Article 20 Resolutions at the Company's shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

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

Article 21 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes specifying the meeting date, venue, chair's name, resolution methods, key points of the process of agenda and the results, and signed or sealed by the chair of the meeting. The copies shall be distributed to each shareholder within 20 days after the conclusion of the meeting to each shareholder. The preparation and distribution of meeting minutes may be in the electronic manner.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes are retained in the Company with the attendance book and proxies.

Chapter Four Board of Directors

Article 22 The board of directors of the Company consists of seven to nine directors; and are elected by the shareholders' meeting from among the persons with disposing capacity. The term of office is three years, and may be re-elected

The Company adopts the candidates' nomination system specified in Article 192-1 of the Company Act. The number of independent directors, among the aforementioned number of directors, shall be no less than three, and shall be no less than one-fifth of the total number of directors, and be elected among the nominees listed in the roster of independent director candidates.

Matters regarding professional qualification, shareholdings, term of office, restrictions on concurrent positions held, determination of independence, method of nomination and election and other matters for compliance with respect to independent directors shall be subject to the regulations prescribed by the Company Act and the securities competent authorities.

Article 23 The directors form the board of directors, and the chairman is elected from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman of the board of directors coordinates all business of the Company and externally represents the Company.

Article 24 The business guidelines and other key matters of the Company shall be resolved by the board of directors. Except for the first board meeting of each term that is convened pursuant to Article 203 of the Company Act, other board meetings are convened by the chairman. The chairman shall chair the board meetings. Where the chairman is absent,

he/she shall designate a director to act on his/her behalf. In the absence of such a designation, the directors shall elect from among themselves an acting chairman of the board of directors.

Where convening a board meeting, the cause shall be notified to each director seven days prior to the meeting; however, in case of emergency, the meeting may be convened anytime. The notice of convening board meetings may be given by means of correspondence, fax or e-mail.

Article 25 Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors. Where a director is absent from a board meeting due to any reason, he/she may appoint another director to attend a meeting of the board of directors in his/her behalf, with a written proxy and state therein the scope of authority with reference to the cause of convention. A director may accept the appointment to act as the said proxy of one other director only, and the Article 205 of the Company Act shall be complied with.

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

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

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

Chapter Five Functional Committees

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

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

Article 30 Deleted

Article 31 Deleted

Chapter Six Managerial Officers

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

Chapter Seven Accounting

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

- I. Business report
- II. Financial statements
- III. Proposal for Profit Distribution or Loss Appropriation

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

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

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

Chapter Eight Supplemental Provisions

Article 36 The Company's charter and operational regulations shall be separately adopted by the board of directors.

Article 37 For matters not covered in the Articles of Incorporation, the Company Act shall apply.

Article 38 The Articles of Incorporation were made on March 10, 1958; 1st amended on November 15, 1958; 2nd amended on April 10, 1960; 3rd amended on May 20, 1961; 4th amended on April 20, 1963; 5th amended on August 25, 1964; 6th amended on May 16, 1965; 7th amended on July 16, 1965; 8th amended on March 3, 1966; 9th amended on March 3, 1967; 10th amended on December 23, 1967; 11th amended on April 2, 1968; 12th amended on April 28, 1969; 13th amended on April 25, 1970; 14th amended on April 15, 1971; 15th amended on July 1, 1971; 16th amended on April 22, 1972; 17th amended on April 28, 1973; 18th amended on November 20, 1974; 19th amended on October 25, 1975; 20th amended on January 15, 1976; 21st amended on May 10, 1976; 22nd amended on May 15, 1977; 23rd amended on December 10, 1981; 24th amended on March 15, 1984; 25th amended on April 7, 1984; 26th amended on October 20, 1984; 27th amended on December 29, 1984; 28th amended on June 8, 1985; 29th amended on November 15, 1985; 30th amended on May 8, 1986; 31st amended on October 17, 1986; 32nd amended on May 27, 1987; 33rd amended on May 28, 1988; 34th amended on March 15, 1989; 35th amended on June 16, 1989; 36th amended on December 12, 1989; 37th amended on May 19, 1990; 38th amended on May 25, 1991; 39th amended on June 13, 1992; 40th amended on June 8, 1995; 41st

amended on May 10, 1997; 42nd amended on June 20, 1998; 43rd amended on June 2, 2000; 44th amended on June 1, 2001; 45th amended on June 7, 2002; 46th amended on June 3, 2003; 47th amended on October 17, 2003; 48th amended on June 9, 2006; 49th amended on June 8, 2007; 50th amended on June 12, 2008; 51st amended on June 4, 2009; 52nd amended on June 9, 2010; 53rd amended on June 10, 2011; 54th amended on June 1, 2012; 55th amended on June 3, 2013; 56th amended on June 11, 2014; 57th amended on June 16, 2016; 58th amended on June 15, 2020; and 59th amended on July 6, 2021. and 60th amended on May 22, 2023.

[Appendix 2]

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

(July 2021)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XVIII. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

XIX. The Chairman may direct disciplinary personnel or security personnel to help keep the meeting place in order. Such disciplinary officers (or security guards) shall wear badges marked "Disciplinary Officers" for identification purposes.

XX. A shareholders' meeting to elect directors shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the directors elected shall be announced on-site immediately, including the names of those elected as directors and those who have lost the election and the numbers of votes in favor of each candidate.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the materials of the meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

XXI. Resolutions adopted at a meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the Chairman of the meeting and shall be distributed to all shareholders within twenty days after the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The minutes of shareholders' meeting shall truly record the date and place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Company.

For the said resolution method, where the opinions of shareholders are solicited by the chair and no dissent is expressed to the proposal, it shall indicate as "all shareholders were inquired by the chair and the proposal is approved without dissent." Provided, any dissent is expressed by any shareholder, the voting method and the ratio of voting rights in favor of the whole voting rights shall be indicated.

XXII. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, and the number of shares represented by proxies, and make an express disclosure of the same at the place of the shareholders meeting.

In case of any resolution adopted by the shareholders' meeting is deemed a material information, the Company shall transmit its content to the MOPS within the specified timeframe.

XXIII. These Rules and all amendments thereto shall be enforced upon approval by a shareholders' meeting. The same applies to the amendments.

[Appendix 3]

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

Date of suspension of transfer : March 29, 2024

Title	Name	Date of election	Shareholding while elected		Number of shares recorded in the shareholder roster at the book closure date	
			No. of shares	Percentage	No. of shares	Percentage
Chairman	Chen, Shiou-Chung	May 22, 2023	5,276,711	4.63%	2,763,934	3.98%
Director	Chen, Chien-Choan	May 22, 2023	4,107,262	3.61%	3,438,963	4.96%
Independent Director	Sun, Chin-Feng	May 22, 2023	0	0%	0	0%
Independent Director	Lin, Win-Jon	May 22, 2023	0	0%	0	0%
Independent Director	Lin, Chien-Ping	May 22, 2023	0	0%	0	0%
Independent Director	Lin, Zheng-Yi	May 22, 2023	0	0%	0	0%
Director	EVER GLORY INVESTMENT COM, LTD.	May 22, 2023	24,972,025	21.92%	16,888,482	24.34%
Director	FOUNDATION TAICHUNG CITY PRIVATE EVER GLORY EDUCATION FOUNDATION	May 22, 2023	3,103,550	2.72%	1,724,669	2.49%
Total by all directors			37,459,548	32.89%	24,816,048	35.77%

- I. The Company has a paid-in capital of NT\$693, 821, 820, and has issued 69, 382, 182 shares.
- II. According to the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies,” The minimum required combined shareholding of all directors by law is 5,203,664 shares.