Stock code: 4401

**TOUNG LOONG TEXTILE MFG.CO., LTD.**

# 2023 General Shareholders' Meeting

# Procedural Manual

**Date: June 2, 2023**

**Venue: No. 11, Gongqu 3rd Rd., Fangyuan Industrial Park, Fangyuan Township, Changhua County, Taiwan (R.O.C.)**

**(Changhua Factory of Toung Loong Textile Manufacturing Co., Ltd.)**

**Type of meeting: Physical shareholders' meeting**

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# TOUNG LOONG TEXTILE MFG. CO., LTD.

## 2023 General Shareholders' Meeting Agenda

**Time:** 9 a.m., June 2, **2023** (Friday)

**Venue:** No. 11, Gongqu 3rd Rd., Fangyuan Industrial Park, Fangyuan Township, Changhua County, Taiwan (R.O.C.)

(Changhua Factory of Toung Loong Textile MFG. Co., Ltd.)

**Type of meeting:** Physical shareholders' meeting

**Attendance:** All shareholders and equity holder representatives

**Chairperson:** Chairman Chih-Cheng Yu

**Meeting Agenda:** 1. Call the Meeting to Order

2. Chairman's Remarks

3. Reports Items

Proposal 1: 2022 business report.

Proposal 2: Review of the 2022 final accounting books and statements by the Audit Committee

Proposal 3: Distribution of the 2022 employee compensation and remuneration for directors.

Proposal 4: Other report items.

4. Acknowledgments

Proposal 1: 2022 business report and financial statements.

Proposal 2: 2022 profit distribution.

5. Extraordinary Motions

6. Meeting Adjournment

## Reports Items

## Proposal 1: Subject: Review of the 2022 business report.

## Description: Please refer to the following table.

# TOUNG LOONG TEXTILE MFG. CO., LTD.
# Business report.

### I. 2022 Business Results

### (1) Business Plan Implementation Results:

| Item | 2022 | 2021 | Growth % |
|---|---|---|---|
| Consolidated operating revenue (NT$thousand) | 4,099,883 | 5,024,292 | -18.40% |
| Consolidated operating income (NT$thousand) | 160,574 | 422,425 | -61.99% |
| Consolidated pre-tax profit (NT$thousand) | 205,747 | 409,164 | -49.72% |
| Consolidated net profit (NT$thousand) | 172,300 | 321,791 | -46.46% |
| Net(loss) income attributable to shareholders of the parent (NT$thousand) | 167,570 | 317,640 | -47.25% |
| Earnings per share (NTD) | 1.37 | 2.59 | -47.10% |
| Description: Inventory digestion and reduced orders from downstream customers, resulting in revenue decline, and affecting profit and loss. | | | |

### (2) Budget execution status:

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company has not disclosed the 2022 financial results, and thus there is no need to disclose the budget execution status.

### (3) Consolidated revenue, expense, and profitability analysis:

| Item | | 2022 | 2021 |
|---|---|---|---|
| Financial Structure | Debt ratio (%) | 53.35 | 54.18 |
| | Long-term Fund to Property, Plant and Equipment (%) | 132.37 | 141.70 |
| Profitability | Return on assets (%) | 3.29 | 5.66 |
| | Return on equity (%) | 6.22 | 12.14 |
| | Net profit margin (%) | 4.20 | 6.40 |
| | Earnings (loss) per share (%) | 1.37 | 2.59 |
| Description: The revenue decline has resulted in a decrease in profits and lower profitability. | | | |

### (4) Research and development status:

The Company's research and development unit continues to develop new products every year, improve the manufacturing process to keep in line with market demand and fashion trends, and cooperate with brands and customers to conduct market-oriented research and development.

## II. Summary of 2023 Business Plan

(1) **Business direction:**

The Company still adheres to consistent business philosophy, strengthening market development, conduct research and innovation, and sales and production of high value-added products. To meet market demands, we actively implemented rationalization plans for better production efficiency of the original equipment, and improved management and quality to achieve better customer satisfaction, so as actively improve our business performance.

(2) **Sales volume forecast and the basis thereof:**

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to disclose the 2023 financial forecast.

(3) **Important production and sales policies:**

Improve R&D capabilities and product structure, develop high value-added products to replace products with low post-processing levels and low added value. In cooperation with downstream companies, we develop special fibers by use of various automation support equipment and accumulated technology and experience, and combine air false twist, extended false twist and compound twist yarn technology to develop various high-end casual wear and women's knitted fabrics with different functions. In cooperation with renowned upstream suppliers which provide raw materials, we have made successful achievements in developing innovative materials for ready-to-wear clothing brands to make underwear, leisure, outdoor and sports clothing. Recently, the product received high market acceptance, and under slight economic recovery, we provide appropriate equipment capacity in response to the change in market demands.

## III. The Company's future development strategy

Based on our existing foundation, the Company is committed to developing new products to maintain its leading position in the market and drive market demand. It has dedicated efforts in formulating a brand marketing strategy to keep in line with global industry trends, strengthened product functions related to environmental protection, energy saving and carbon reduction, and developed related competitive products, so as to obtain a long-term development niche for corporate sustainability.

## IV. The effect of external competition, the legal environment, and the overall business environment

Due to the fierce competition in the global economy, there were changes in various business environments and conditions that were difficult to grasp. The Company specializes in intermediate processing of textile, and its performance is affected by the orders landed from domestic downstream manufacturers. In addition, the company's operating costs are affected by the increasingly stringent environmental protection regulations and various management regulations of the competent authority. To maintain company operations, we will comprehensively assess various environmental impacts, and timely make appropriate operating and investment decisions.

Chairman: Chih-Chen Yu  Managerial Officer: Rong-Lih Yu  Accounting Manager: Tai-Chen Chen

**Reports Items**

**Proposal 2: Subject: Review of the 2022 final accounting books and statements by the Audit Committee.**

**Explanation: Audit Committee's review report is as follows:**

# TOUNG LOONG TEXTILE MFG. CO., LTD.

## Audit Committee's Review Report

The Company's 2022 business report together with the parent company only financial statements, consolidated financial statements and proposal for profit distribution have been submitted by the board of directors for review. Among them, the parent company only financial statements and consolidated financial statements were audited by independent auditors, Wan-Li Hsieh and Shu-Chin Yu of Toppest CPAs & Co., and an audit report has been issued. The above-mentioned parent company only financial statements, consolidated financial statements and proposal for profit distribution have been audited by the Audit Committee. It was found that there was no inconsistency, and an audit report has been prepared in accordance with Article 14-4 of the Securities and Exchange Act, and Article 219 of the Company Act, please review.

For

2023 Shareholders' Meeting of Toung Loong Textile MFG. Co., Ltd.

TOUNG LOONG TEXTILE MFG. CO., LTD.

Audit Committee convener: Hsueh-Tao Wu

March 13, 2023

**Reports Items**

**Proposal 3: Subject: The distribution of the 2022 employee compensation and remuneration for directors.**
**Please review.**

**Description:**

1. Distribution of employee compensation of NT$10,000,000 and the remuneration for directors and supervisors of NT$8,075,000 in accordance with the Company's Articles of Incorporation, which comply with the book amount.

2. It is approved by the Remuneration Committee that the distribution of employee compensation and remuneration for directors and supervisors shall be by cash.

**Reports Items**

**Proposal 4: Other report items:**

**Subject: Review of the amount of endorsements/ guarantees, and the loaning of funds to others.**

**Description:**

1. The Company's accumulated endorsement/guarantee amount as of February 28, 2023:

   NT$76.2 million.

2. Loaning of funds to others: None.

**Acknowledgments**

**Proposal 1 (Submitted by the Board)**

**Subject: Ratification of the 2022 business report and financial statements.**

**Description:**

1. The 2022 parent company only financial statements and consolidated financial statements were audited by independent auditors Wan-Li Hsieh and Shu-Chin Yu of Toppest CPAs & Co., and an audit report with unqualified opinions has been issued, and submitted together with the business report to the Audit Committee for review. An Audit Committee's Review Report has been issued and submitted to the Company's board of directors for approval. Please ratify it.

2. 2022 Parent Company Only Financial Statements

   (Please refer to p.8-17 of the Meeting Handbook)

3. 2022 Consolidated Financial Statements

   (Please refer to p.18-28 of the Meeting Handbook)

4. 2022 business report

   (Please refer to p.2-3 of the Meeting Handbook)

**Resolution:**

# Independent Auditors' Report

(111)-Shi-Shen No. 006

To: Toung Loong Textile Manufacturing Co., Ltd.

## Opinion

Toung Loong's parent company only balance sheet for the years ended December 31, 2022 and 2021, and the parent company only comprehensive income statement, parent company only statement of changes in equity, parent company only cash flow statement, and notes to the parent company only financial reports (including a summary of significant accounting policies) in January 1 to December 31, 2022 and 2021 were audited by the CPAs.

In our opinion based on our audit results and the audit report of other independent auditors (please refer to Other Matters), the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Toung Loong Textile MFG. Co., Ltd. as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

## Basis for Opinion

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in 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 Toung Loong Textile MFG. Co., Ltd. in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other auditor's reports, 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 judgement, were of most significance in our audit of the 2022 parent company only financial statements of Toung Loong Textile MFG. Co., Ltd. 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, and we do not provide a separate opinion on these matters. The auditor considers key audit matters that should be communicated in the auditor's report are as follows:

**Audits of property, plant and equipment capitalization**

For the accounting policies of property, plant and equipment, please refer to Note 4 (9) of the parent company only financial statements. For descriptions of property, plant and equipment items, please refer to Note 6 (6) of the parent company only financial statements.

Key audit matters:

As of December 31, 2022, the property, plant and equipment of Toung Loong Textile MFG. Co., Ltd. totaled NT$2,976,273 thousand, accounting for 50% of total assets in the parent company only financial statements. Due to large amount of capital expenditure on property, plant and equipment, the capitalization of property, plant and equipment is considered as key audit matters.

Responsive audit procedures:

1. Evaluate and test the effectiveness of the internal control system related to transactions for the addition of property, plant and equipment.
2. Sampling and inspection of relevant purchase orders and invoices to confirm that the transactions are properly approved, and the reasonableness of the amounts recorded.
3. Sampling and inspection of the relevant acceptance documents to confirm that the assets are available for use, and check the reasonableness of the time point of capitalization (time point when depreciation begins).

## Other Matters - With Reference to the Audit Report Issued by Other Independent Accountants

Recognized as long-term equity investment under the equity method in the parent company only financial statements of Toung Loong Textile MFG. Co., Ltd. We have not audited the financial statements of some investee companies, which were instead audited other independent auditors. Therefore, in our opinions on the above-mentioned parent company only financial statements, the assessment of the above-mentioned long-term equity investment is based on the audit report of other independent auditors, and NT$189,059 thousand and NT$178,351 thousand was recognized as of December 31 2022 and 2021, both representing 3% of total assets. For 2022 and 2021, the profit/loss of subsidiaries, associates, and joint venture recognized under the equity method were NT$25,299 thousand and NT$22,677 thousand, respectively, accounting for 13% and 6% of pre-tax profit. The Investment Information disclosed in Note 13 (2) of the parent company only financial statements was based on the financial report of the investee company after review by other independent auditors.

## 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 Toung Loong'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 but to do so.

The governing body of Toung Loong Textile MFG. Co., Ltd. (including the audit committee) is responsible for supervising the financial reporting procedures.

## 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 auditing standards will always detect a material misstatement when it exits. Misstatement may be due to fraud or error. Misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the parent company only financial statements.

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

1. Identify and assess the risk 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 Toung Loong'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 the 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 Toung Loong'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 of 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 Toung Loong to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of 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 audit evidence appropriate for the financial results of Toung Loong Textile MFG. Co., Ltd., and express audit opinions on the parent company only financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion on Toung Loong Textile MFG. Co., Ltd.

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 statements that we have compiled 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 (including related safeguards).

From the matters communicated with the management unit, the key audit items are decided for the 2022 parent company only financial report of Toung Loong Textile MFG. Co., Ltd. We describe these matters in our auditors' report unless law or regulation preclude 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.

Toppest CPAs & Co.

| | |
|---|---|
| CPA: Wan-Li Hsieh | CPA: Shu-Chin Yu |
| Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Zi No. 1050037432 | Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Zi No. 1090331715 |

March 13, 2023

# Toung Loong Textile MFG., Co., Ltd.

## Parent Company Only Balance Sheet (I)

**December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| Assets | Note | 2022/12/31 Amount | | 2021/12/31 Amount | |
|---|---|---|---|---|---|
| **Current asset** | | | | | |
| Cash and cash equivalents | 4, 6(1) | $ 557,733 | 10 | $ 569,717 | 10 |
| Financial assets at amortized cost - Current | 4 | 31,079 | 1 | 13,885 | - |
| Net value of notes receivable | 6, 6(2) | 2,633 | - | 35,349 | 1 |
| Net value of accounts receivable | 6, 6(2) | 230,544 | 4 | 506,542 | 9 |
| Net accounts receivable - Related party | 4, 7 | 3,681 | - | 2,000 | - |
| Other receivables | 4, 6(3) | 5,567 | - | 712 | - |
| Net inventory | 4, 5(1), 6(4) | 1,440,874 | 24 | 1,207,002 | 21 |
| Prepayments | | 8,250 | - | 140,216 | 2 |
| Total current asset | | 2,280,361 | 39 | 2,475,423 | 43 |
| **Non-current assets** | | | | | |
| Financial assets at FVTPL | 4 | - | - | 10,052 | - |
| Financial assets measured at FVTOCI | | | | | |
| Financial asset | 4 | 103,340 | 2 | 92,809 | 2 |
| Non-current financial assets at amortized cost | 4 | 79,140 | 1 | 61,066 | 1 |
| Investment accounted for using the equity method | 4, 6(5) | 283,645 | 5 | 268,734 | 5 |
| Property, Plant and Equipment | 4, 5(2), 6(6), 8, 9 | 2,976,273 | 50 | 2,828,424 | 48 |
| Right-of-use asset | 4, 6(7) | 12,409 | - | 5,975 | - |
| Intangible Assets | 4 | 1,586 | - | 5,283 | - |
| Deferred tax assets | 4, 5(3), 6(14) | 32,558 | 1 | 25,186 | - |
| Prepayments for business facilities | 9 | 103,423 | 2 | 53,293 | 1 |
| Refundable deposits | | 19,335 | - | 17,104 | - |
| Other non-current assets | | 13,671 | - | 14,816 | - |
| Total non-current asset | | 3,625,380 | 61 | 3,382,742 | 57 |
| **Total assets** | | $ 5,905,741 | 100 | $ 5,858,165 | 100 |

Accompanying notes are part of the Parent Company Only Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG., Co., Ltd.

## Parent Company Only Balance Sheet (II)

**December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| Liabilities and Shareholders' Equity | Note | 2022/12/31 Amount | | 2021/12/31 Amount | |
|---|---|---|---|---|---|
| urrent liabilities | | | | | |
| Short-term borrowings | 6(8), 8 | $ 1,375,628 | 23 | $ 891,745 | 15 |
| Short-term notes and bills payable | 6(8), 8 | 79,808 | 1 | 259,938 | 4 |
| Notes payable | | 47,648 | 1 | 29,554 | 1 |
| Accounts payable | | 165,433 | 3 | 320,025 | 5 |
| Other payables | | 148,753 | 3 | 170,927 | 3 |
| Current income tax liabilities | 4, 6(14) | 41,729 | 1 | 80,078 | 1 |
| Lease liabilities - Current | 4, 6(7) | 6,174 | - | 2,180 | - |
| Other current liabilities | | 4,115 | - | 2,241 | - |
| Long-term liabilities due within 1 year | 6(8), 8 | 114,053 | 2 | 100,038 | 2 |
| Total current liabilities | | 1,983,341 | 34 | 1,856,726 | 31 |
| on-current liabilities | | | | | |
| Long-term borrowings | 6(8), 8 | 1,109,995 | 19 | 1,224,048 | 21 |
| Deferred income tax liabilities - land appreciation tax | 4 | 28,590 | - | 28,590 | 1 |
| Deferred income tax liabilities - income tax | 4, 5(3), 6(14) | 42,301 | 1 | 45,115 | 1 |
| Lease liabilities - Non-current | 4, 6(7) | 6,289 | - | 3,808 | - |
| Net defined benefit liabilities - noncurrent | 4, 5(4), 6(9) | 877 | - | 6,646 | - |
| Deposits received | | 193 | - | 193 | - |
| Total non-current liabilities | | 1,188,245 | 20 | 1,308,400 | 23 |
| otal Liabilities | | 3,171,586 | 54 | 3,165,126 | 54 |
| quity | 4, 6(10) | | | | |
| Capital stock | | 1,226,920 | 21 | 1,202,863 | 21 |
| Additional paid-in capital | | 167,271 | 3 | 167,271 | 3 |
| Retained earnings | | | | | |
| Statutory reserves | | 575,067 | 10 | 543,303 | 9 |
| Special reserves | | 70,101 | 1 | 70,531 | 1 |
| Undistributed earnings | | 734,979 | 12 | 779,172 | 13 |
| Other equities | | (40,183) | (1) | (70,101) | (1) |
| otal shareholders' equity | | 2,734,155 | 46 | 2,693,039 | 46 |
| otal liabilities and shareholders' equity | | $ 5,905,741 | 100 | $ 5,858,165 | 100 |

Accompanying notes are part of the Parent Company Only Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG., Co., Ltd.

## unconsolidated Statements of Comprehensive Income

**For the Years Ended December 31, 2022 and 2021**

**ds of New Taiwan Dollars**

**(Earnings Per Share is in NTD)**

| Item | Note | 2022 Amount | 2022 % | 2021 Amount | 2021 % |
|---|---|---|---|---|---|
| Operating income | 4, 6(11), 7 | $ 3,825,122 | 100 | $ 4,782,904 | 100 |
| Operating costs | 6(4) | (3,476,033) | (91) | (4,214,194) | (89) |
| Gross profit | | 349,089 | 9 | 568,710 | 11 |
| Operating expenses | 6(2), (12), 7 | | | | |
| Selling expenses | | (73,111) | (2) | (71,557) | (1) |
| Administrative expenses | | (93,723) | (3) | (91,134) | (2) |
| Research and development expenses | | (15,166) | - | (14,960) | - |
| Expected loss (profit) on credit impairment | 4, 6(2), (3) | (52,543) | (1) | 1,286 | - |
| Subtotal of operating expenses | | (234,543) | (6) | (176,365) | (3) |
| Operating income | | 114,546 | 3 | 392,345 | 8 |
| Non-operating income and expense | | | | | |
| Interest revenue | 4 | 6,313 | - | 3,281 | - |
| Rental income | 4, 7 | 2,492 | - | 2,456 | - |
| Dividend income | 4 | 10,129 | - | 77 | - |
| Other income | 4, 7 | 36,901 | 1 | 26,521 | - |
| Net gain on foreign exchange | 4 | 38,649 | 1 | - | - |
| Parts of profits from the subsidiaries, associated enterprises, and joint venture recognized via the equity method | 4, 6(5) | 23,852 | 1 | 19,837 | - |
| Interest expenses | | (27,441) | (1) | (23,400) | - |
| Miscellaneous expenses | | (6,915) | - | (10) | - |
| Losses from Disposal of Property, Plant and Equipment | 4 | (4,343) | - | (2,771) | - |
| Foreign currency conversion loss | 4 | - | - | (16,334) | - |
| Losses on financial assets at FVTPL | 4 | (2,124) | - | (1,020) | - |
| Subtotal of non-operating incomes and expenses | | 77,513 | 2 | 8,637 | - |
| Profit before tax | | 192,059 | 5 | 400,982 | 8 |
| Income tax (expense) | 4, 6(14) | (24,489) | (1) | (83,342) | (2) |
| Current net profit | | 167,570 | 4 | 317,640 | 6 |
| Other comprehensive income | 6(13) | | | | |
| Items not reclassified subsequently to profit or loss | | | | | |
| Remeasurement of defined benefit programs | 6(9) | 6,168 | - | (1,625) | - |
| Unrealized equity instrument profit or loss measured at fair value through other comprehensive income | | 9,764 | - | 3,805 | - |
| Income taxes related to the items not re-classified | 6(13) | (1,233) | - | 325 | - |
| Subtotal of items not subsequently reclassified to income | | 14,699 | - | 2,505 | - |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| of foreign operations | | 19,024 | 1 | (2,593) | - |
| Income tax related to items that may be reclassified | 6(13) | (3,805) | - | 518 | - |
| Subtotal of Items that may be reclassified subsequently to income | | 15,219 | 1 | (2,075) | - |
| Other comprehensive income in the current period (net amount after tax) | | 29,918 | 1 | 430 | - |
| Total comprehensive income in the current period | | $ 197,488 | 5 | $ 318,070 | 6 |
| Earnings per Share | 6(15) | | | | |
| Basic earnings per share | | $ 1.37 | | $ 2.59 | |

Accompanying notes are part of the Parent Company Only Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG., Co., Ltd.

## Unconsolidated Statement of Changes in Equity

**For the Years Ended December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| Change Items | Common share capital | Additional paid-in capital | Retained earnings | | | Other items of equity | | | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | | Statutory reserves | Special reserves | Undistributed earnings | Exchange differences on translation of the financial statements of | Unrealized financial assets profit or loss measured at fair value through | Remeasurement of defined benefit programs | |
| **Balance on January 1, 2021** | $ 1,202,863 | $ 167,271 | $ 534,859 | $ 61,543 | $ 599,250 | $ (20,378) | $ (6,314) | $ (43,839) | $ 2,495,255 |
| **2020 surplus distribution:** | | | | | | | | | |
| **Appropriated statutory surplus reserve** | - | - | 8,444 | - | (8,444) | - | - | - | - |
| **Reversal of special reserve** | - | - | - | 8,988 | (8,988) | - | - | - | - |
| **Distribution of cash dividends** | - | - | - | - | (120,286) | - | - | - | (120,286) |
| **Net profit in 2021** | - | - | - | - | 317,640 | - | - | - | 317,640 |
| **Other comprehensive income in 2021** | - | - | - | - | - | (2,075) | 3,805 | (1,300) | 430 |
| **Balance on December 31, 2021** | 1,202,863 | 167,271 | 543,303 | 70,531 | 779,172 | (22,453) | (2,509) | (45,139) | 2,693,039 |
| **2021 surplus distribution:** | | | | | | | | | |
| **Appropriated statutory surplus reserve** | - | - | 31,764 | - | (31,764) | - | - | - | - |
| **Reversal of special reserve** | - | - | - | (430) | 430 | - | - | - | - |
| **Distribution of cash dividends** | - | - | - | - | (156,372) | - | - | - | (156,372) |
| **Stock dividends distribution** | 24,057 | - | - | - | (24,057) | - | - | - | - |
| **Net profit in 2022** | - | - | - | - | 167,570 | - | - | - | 167,570 |
| **Other comprehensive income in 2022** | - | - | - | - | - | 15,219 | 9,764 | 4,935 | 29,918 |
| **Balance on December 31, 2022** | $ 1,226,920 | $ 167,271 | $ 575,067 | $ 70,101 | $ 734,979 | $ (7,234) | $ 7,255 | $ (40,204) | $ 2,734,155 |

Accompanying notes are part of the Parent Company Only Financial Statements

(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG., Co., Ltd.

## Parent Company Only Statement of Cash Flows

**For the Years Ended December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| Item | 2022 | 2021 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| **Income before income tax** | **$ 192,059** | **$ 400,982** |
| **Adjustment items:** | | |
| **Revenue expense items that do not affect cash flow** | | |
| **Depreciation expense** | **338,139** | **351,930** |
| **Amortization cost** | **8,313** | **8,134** |
| **Anticipated credit impairment loss (profit) amount** | **52,543** | **(1,286)** |
| **Net losses from financial assets and liabilities measured at FVTPL** | **2,124** | **1,020** |
| **Interest expenses** | **27,441** | **23,400** |
| **Interest revenue** | **(6,313)** | **(3,281)** |
| **Dividend income** | **(10,129)** | **(77)** |
| **Shares of losses (profits) from subsidiaries, associated enterprises, and joint ventures accounted for under the equity method** | **(23,852)** | **(19,837)** |
| **Losses (profits) from disposal and scrapping of property, plant, and equipment** | **4,343** | **2,771** |
| **Assets related to business activities / changes in liabilities** | | |
| **Decrease (Increase) of notes receivable** | **32,716** | **75,211** |
| **Accounts receivable (increase) decrease** | **273,627** | **(193,962)** |
| **(Increase) decrease in accounts receivable - associates** | **(1,681)** | **966** |
| **Decrease (Increase) of other receivables** | **(4,719)** | **40,161** |
| **Inventory (increase) decrease** | **(233,872)** | **80,350** |
| **Prepayments (increase) decrease** | **67,677** | **(123,361)** |
| **Increase (decrease) of notes receivables** | **18,094** | **9,361** |
| **Increase (decrease) of accounts receivables** | **(154,592)** | **63,911** |
| **Increase (decrease) of other receivables** | **(23,054)** | **68,331** |
| **Increase (decrease) of other current liabilities** | **1,874** | **(229)** |
| **Increase (decrease) of net defined benefit liabilities** | **399** | **474** |
| **Cash in(out)-flows generated by business operation** | **561,137** | **784,969** |
| **Interest received** | **6,126** | **3,283** |
| **Dividends received** | **38,094** | **19,489** |
| **Interest paid** | **(26,445)** | **(23,879)** |
| **Income tax paid** | **(78,062)** | **(12,616)** |
| **Net cash inflow (outflow) from operating activities** | **500,850** | **771,246** |

**(Continued next page)**

**(Previous Page)**

| Item | 2022 | 2021 |
|---|---|---|
| **Cash flows from investing activities:** | | |
| **(Increase) decrease in financial assets at FVTOCI** | **(767)** | **-** |
| **(Increase) decrease in financial assets measured at amortized cost** | **(35,268)** | **71,322** |
| **(Increase) decrease in financial assets at FVTPL** | **7,928** | **(11,072)** |
| **Acquisition of property, plant and equipment** | **(471,469)** | **(393,276)** |
| **Disposal of property, plant and equipment** | **80** | **252** |
| **(Increase) decrease in refundable deposits** | **(2,231)** | **250** |
| **Acquisition of Intangible Assets** | **(420)** | **(492)** |
| **(Increase) decrease in the other noncurrent assets** | **(2,515)** | **(3,968)** |
| **(Increase) decrease of prepayments for equipment** | **(50,130)** | **173,161** |
| **Net cash inflow (outflow) from investing activities** | **(554,792)** | **(163,823)** |
| **Cash flows from financing activities** | | |
| **(Increase) decrease in short-term borrowings** | **483,883** | **(271,825)** |
| **(Increase) decrease in short-term notes payable** | **(180,130)** | **(69,959)** |
| **Borrowing (repaying) long-term loans** | **(100,038)** | **(110,941)** |
| **Cash dividends paid** | **(156,372)** | **(120,286)** |
| **Repaid principal of lease** | **(5,385)** | **(1,065)** |
| **Net cash inflow (outflow) from financing activities** | **41,958** | **(574,076)** |
| **Net increase (decrease) in cash and equivalent cash for the current period** | **(11,984)** | **33,347** |
| **Cash and cash equivalents at the beginning of the year** | **569,717** | **536,370** |
| **Cash and cash equivalents at the end of the year** | **$ 557,733** | **$ 569,717** |

Accompanying notes are part of the Parent Company Only Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Declaration Statement

**Affiliated enterprises subject to the preparation of consolidated financial report of affiliated enterprises under "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Report of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial report under International Financial Reporting Standards No. 10 (IFRS 10) for the FY2022 (from January 1 to December 31, 2022). All mandatory disclosures of the consolidated financial report of affiliated enterprises have been disclosed in the consolidated financial report. Therefore, no separate consolidated financial report of affiliated enterprises were prepared.**

**This declaration is solemnly made by**

**Company name: Toung Loong Textile MFG. Co., Ltd.**

**Responsible Person: Chih-Chen Yu**

**March 13, 2023**

# Independent Auditors' Report

(111)-Shi-Shen No. 007

To: Toung Loong Textile Manufacturing Co., Ltd.

## Opinion

The Group's (Toung Loong and its subsidiaries) consolidated balance sheet for the years ended December 31, 2022 and 2021, and the consolidated comprehensive income statement, consolidated statement of changes in equity, consolidated cash flow statement, and notes to the consolidated financial reports (including a summary of significant accounting policies) in January 1 to December 31, 2022 and 2021 were audited by the CPAs.

In our opinion based on our audit results and the audit report of other independent auditors (please refer to Other Matters), the accompanying consolidated financial statements present fairly, in all material respects, the accompanying consolidated financial position of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and announced by the FSC.

## Basis for Opinion

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in 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 Toung Loong Textile MFG. Co., Ltd. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other auditor's reports, 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 judgement, were of most significance in our audit of the 2022 consolidated financial statements of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The auditor considers key audit matters that should be communicated in the auditor's report are as follows:

**Audits of property, plant and equipment capitalization**

For the accounting policies of property, plant and equipment, please refer to Note 4 (10) of the consolidated financial statements. For descriptions of property, plant and equipment items, please refer to Note 6 (5) of the consolidated financial statements.

Key audit matters:

As of December 31, 2022, the property, plant and equipment of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries totaled NT$3,006,344 thousand, accounting for 50% of total assets in the consolidated financial statements. Due to large amount of capital expenditure on property, plant and equipment, it is considered as key audit matters.

Responsive audit procedures:

1. Evaluate and test the effectiveness of the internal control system related to transactions for the addition of property, plant and equipment.
2. Sampling and inspection of relevant purchase orders and invoices to confirm that the transactions are properly approved, and the reasonableness of the amounts recorded.
3. Sampling and inspection of the relevant acceptance documents to confirm that the assets are available for use, and check the reasonableness of the time point of capitalization (time point when depreciation begins).

## Other Matters

Recognized in the consolidated financial statements of Toung Loong Textile MFG. Co., Ltd. We have not audited the financial statements of some subsidiaries, which were instead audited other independent auditors. Therefore, in our opinions on the above-mentioned consolidated financial report, the financial results of the subsidiaries are included in the consolidated financial report is based on the audit report of other independent auditors. The total assets of subsidiaries as of December 31, 2022 and 2021 were NT$258,513 thousand and NT$311,364 thousand, respectively, representing 4.32% and 5.19% of the consolidated total assets. For 2022 and 2021, net revenue came in at NT$266,073 thousand and NT$239,101 thousand, respectively, accounting for 6.49% and 4.76% of consolidated net revenue. The Investment Information disclosed in Note 13 (2) of the consolidated financial statements was based on the financial report of the subsidiary after review by other independent auditors.

Toung Loong Textile MFG. Co., Ltd. has prepared the parent company only financial statements for 2022 and 2021, and the audit report issued by our accountant with unqualified opinions is on file for reference.

## Responsibilities of Management and Those Charged with Governance for the Consolidated 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; the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and announced by the FSC; 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 consolidated financial statements, management is responsible for assessing the Group's (Toung Loong and its subsidiaries) 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 and its subsidiaries or to cease operations, or has no realistic but to do so.

The governing body of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries (including the audit committee) is responsible for supervising the financial reporting procedures.

## Auditors' Responsibilities for the Audit of the Consolidated 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 auditing standards will always detect a material misstatement when it exits. Misstatement may be due to fraud or error. Misstatements of items are material if they could, individually or collectively, influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

1. Identify and assess the risk 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 internal control of Toung Loong and its subsidiaries.
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 the 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 abilities of Toung Loong and its subsidiaries 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 of 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 Toung Loong and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of 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 audit evidence appropriate for the financial results of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries, and express audit opinions on the consolidated financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on Toung Loong Textile MFG. Co., Ltd. and its subsidiaries.

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 statements that we have compiled 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 (including related safeguards).

From the matters communicated with the management unit, the key audit items are decided for the 2022 consolidated financial report of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries. We describe these matters in our auditors' report unless law or regulation preclude 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.

Toppest CPAs & Co.

| | |
|---|---|
| CPA: Wan-Li Hsieh | CPA: Shu-Chin Yu |
| Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Zi No. 1050037432 | Financial Supervisory Commission Approval No. Jin-Guan-Zheng-Zi No. 1090331715 |

March 13, 2023

# Toung Loong Textile MFG. Co., Ltd. and its Subsidiaries

## Consolidated Balance Sheet (I)

**December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| Assets | Note | 2022/12/31 Amount | % | 2021/12/31 Amount | % |
|---|---|---|---|---|---|
| **Current asset** | | | | | |
| Cash and cash equivalents | 4, 6(1) | $ 636,125 | 11 | $ 638,294 | 11 |
| Financial assets at amortized cost - Current | 4 | 31,079 | 1 | 13,885 | - |
| Net value of notes receivable | 6, 6(2) | 2,669 | - | 35,449 | 1 |
| Net value of accounts receivable | 6, 6(2) | 266,126 | 4 | 555,928 | 9 |
| Other receivables | 4, 6(3) | 6,040 | - | 1,888 | - |
| Current tax assets | 4 | 5 | - | 417 | - |
| Net inventory | 4, 5(1), 6(4) | 1,554,335 | 26 | 1,323,157 | 22 |
| Prepayments | | 11,944 | - | 144,232 | 3 |
| Other financial assets - current | 4 | 37,343 | 1 | 66,740 | 1 |
| Total current asset | | 2,545,666 | 43 | 2,779,990 | 47 |
| **Non-current assets** | | | | | |
| Financial assets at FVTPL | 4 | - | - | 10,052 | - |
| Financial assets at fair value through other comprehensive income- non-current | 4 | 104,604 | 2 | 94,073 | 2 |
| Non-current financial assets at amortized cost | 4 | 79,140 | 1 | 61,066 | 1 |
| Investment accounted for using the equity method | 4 | 13,504 | - | 20,321 | - |
| Property, Plant and Equipment | 4, 5(2), 6(5), 8, 9 | 3,006,344 | 50 | 2,862,637 | 48 |
| Right-of-use asset | 4, 6(6), 8 | 26,293 | - | 19,500 | - |
| Net Investment Property | 4 | 33,382 | 1 | 30,420 | 1 |
| Intangible Assets | 4 | 1,981 | - | 5,920 | - |
| Deferred tax assets | 4, 5(3), 6(13) | 34,302 | 1 | 26,836 | - |
| Prepayments for business facilities | 9 | 103,423 | 2 | 53,293 | 1 |
| Refundable deposits | | 19,397 | - | 17,158 | - |
| Other noncurrent assets - others | | 14,957 | - | 15,896 | - |
| Total non-current asset | | 3,437,327 | 57 | 3,217,172 | 53 |
| **Total assets** | | $ 5,982,993 | 100 | $ 5,997,162 | 100 |

Accompanying notes are part of the Consolidated Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG. Co., Ltd. and its Subsidiaries

## Consolidated Balance Sheet (II)

**December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| | Note | 2022/12/31 Amount | % | 2021/12/31 Amount | % |
|---|---|---|---|---|---|
| **Current liabilities** | | | | | |
| **Short-term borrowings** | 6(7), 8 | $ 1,379,184 | 23 | $ 959,971 | 16 |
| **Short-term notes and bills payable** | 6(7), 8 | 79,808 | 1 | 259,938 | 4 |
| **Notes payable** | | 47,914 | 1 | 29,590 | - |
| **Accounts payable** | | 170,299 | 3 | 324,415 | 6 |
| **Other payables** | | 157,705 | 3 | 182,012 | 3 |
| **Current income tax liabilities** | 4, 6(13) | 44,030 | 1 | 80,370 | 1 |
| **Lease liabilities - Current** | 4, 6(6) | 6,174 | - | 2,180 | - |
| **Long-term liabilities due within 1 year** | 6(7), 8 | 114,053 | 2 | 100,038 | 2 |
| **Other current liabilities - Others** | | 4,389 | - | 2,268 | - |
| **Total current liabilities** | | 2,003,556 | 34 | 1,940,782 | 32 |
| **Non-current liabilities** | | | | | |
| **Long-term borrowings** | 6(7), 8 | 1,109,995 | 18 | 1,224,048 | 21 |
| **Deferred income tax liabilities - land appreciation tax** | 4 | 28,591 | - | 28,591 | - |
| **Deferred income tax liabilities - income tax** | 4, 5(3), 6(13) | 42,300 | 1 | 45,115 | 1 |
| **Lease liabilities - Non-current** | 4, 6(6) | 6,289 | - | 3,808 | - |
| **Net defined benefit liabilities - noncurrent** | 4, 5(4), 6(8) | 877 | - | 6,646 | - |
| **Deposits received** | | 193 | - | 193 | - |
| **Total non-current liabilities** | | 1,188,245 | 19 | 1,308,401 | 22 |
| **Total Liabilities** | | 3,191,801 | 53 | 3,249,183 | 54 |
| **Equity attributable to the parent company** | 6(9) | | | | |
| **Capital stock** | | 1,226,920 | 21 | 1,202,863 | 20 |
| **Additional paid-in capital** | | 167,271 | 3 | 167,271 | 3 |
| **Retained earnings** | 4 | | | | |
| **Statutory reserves** | | 575,067 | 10 | 543,303 | 9 |
| **Special reserves** | | 70,101 | 1 | 70,531 | 1 |
| **Undistributed earnings** | | 734,979 | 12 | 779,172 | 13 |
| **Other equities** | 4 | (40,183) | (1) | (70,101) | (1) |
| **Total equity of the parent company** | | 2,734,155 | 46 | 2,693,039 | 45 |
| **Non-controlling interest** | 6(9) | 57,037 | 1 | 54,940 | 1 |
| **Total equity** | | 2,791,192 | 47 | 2,747,979 | 46 |
| **Total liabilities and equities** | | $ 5,982,993 | 100 | $ 5,997,162 | 100 |

Accompanying notes are part of the Consolidated Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu** **Manager: Rong-Lih Yu** **Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG. Co., Ltd. and its Subsidiaries

## Consolidated Statements of Comprehensive Income

**For the Years Ended December 31, 2022 and 2021**

**Unit: Thousands of New Taiwan Dollars**
**(Earnings Per Share is in NTD)**

| Item | Note | 2022 Amount | 2022 % | 2021 Amount | 2021 % |
|---|---|---|---|---|---|
| Operating income | 4, 6(10) | $ 4,099,883 | 100 | $ 5,024,292 | 100 |
| Operating costs | 6(4) | (3,659,299) | (89) | (4,385,524) | (87) |
| Gross profit | | 440,584 | 11 | 638,768 | 13 |
| Operating expenses | 6(11), 7 | | | | |
| Selling expenses | | (99,778) | (2) | (93,823) | (2) |
| Administrative expenses | | (112,523) | (4) | (108,846) | (2) |
| Research and development expenses | | (15,166) | - | (14,960) | - |
| Expected loss (profit) on credit impairment | 4, 6(2)(3) | (52,543) | (1) | 1,286 | - |
| Subtotal of operating expenses | | (280,010) | (7) | (216,343) | (4) |
| Operating income | | 160,574 | 4 | 422,425 | 9 |
| Non-operating income and expense | | | | | |
| Interest revenue | 4 | 10,786 | - | 7,491 | - |
| Rental income | 4, 7 | 3,575 | - | 3,456 | - |
| Dividend income | 4 | 10,458 | - | 495 | - |
| Other income | 4 | 32,985 | 1 | 23,867 | - |
| Net gain on foreign exchange | 4 | 39,358 | 1 | - | - |
| Interest expenses | | (29,341) | (1) | (24,738) | (1) |
| Miscellaneous expenses | | (7,430) | - | (1,065) | - |
| Losses from Disposal of Property, Plant and Equipment | 4 | (4,182) | - | (2,771) | - |
| Foreign currency conversion loss | | - | - | (17,032) | - |
| Losses on financial assets at FVTPL | 4 | (2,124) | - | (1,020) | - |
| Shares of losses of associates and joint ventures accounted for using the equity method | 4 | (8,912) | - | (1,944) | - |
| Subtotal of non-operating incomes and expenses | | 45,173 | 1 | (13,261) | (1) |
| Profit before tax | | 205,747 | 5 | 409,164 | 8 |
| Income tax (expense) | 4, 6(13) | (33,447) | (1) | (87,373) | (2) |
| Current net profit | | 172,300 | 4 | 321,791 | 6 |
| Other comprehensive income | 6(12) | | | | |
| Items not reclassified subsequently to profit or loss | | | | | |
| Remeasurement of defined benefit programs | 6(8) | 6,168 | - | (1,625) | - |
| Equity at FVTOCI | | 9,764 | - | 3,805 | - |
| Unrealized evaluation of income for the investment tool | | | | | |
| Income taxes related to the items not re-classified | 6(12) | (1,233) | - | 325 | - |
| Subtotal of items not subsequently reclassified to income | | 14,699 | - | 2,505 | - |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Exchange differences on translation of the financial statements of foreign operations | 4 | 22,786 | 1 | (2,892) | - |
| Income tax related to items that may be reclassified | 6(12) | (3,805) | - | 518 | - |
| Subtotal of Items that may be reclassified subsequently to income | | 18,981 | 1 | (2,374) | - |
| Other comprehensive income in the current period (net amount after tax) | | 33,680 | 1 | 131 | - |
| Total comprehensive income in the current period | | $ 205,980 | 5 | $ 321,922 | 6 |
| Net income attributable to: | | | | | |
| Owners of the parent company | | $ 167,570 | 4 | $ 317,640 | 6 |
| Non-controlling interest | | 4,730 | - | 4,151 | - |
| Total | | $ 172,300 | 4 | $ 321,791 | 6 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the parent company | | $ 197,488 | 5 | $ 318,070 | 6 |
| Non-controlling interest | | 8,492 | - | 3,852 | - |
| Total | | $ 205,980 | 5 | $ 321,922 | 6 |
| Earnings per Share | 6(14) | | | | |
| Basic earnings per share | | $ 1.37 | | $ 2.59 | |

Accompanying notes are part of the Consolidated Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG. Co., Ltd. and its Subsidiaries

## Consolidated Statement of Changes in Equity

**For the Years Ended December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| | | | Retained earnings | | | Other items of equity | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Change Items | Common share capital | Additional paid-in capital | Statutory reserves | Special reserves | Undistributed earnings | 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 | Remeasurement of defined benefit programs | Total | Non-controlling interest | Total equity |
| **Balance at January 1, 2021** | $ 1,202,863 | $ 167,271 | $ 534,859 | $ 61,543 | $ 599,250 | $ (20,378) | $ (6,314) | $ (43,839) | $ 2,495,255 | $ 56,260 | $ 2,551,515 |
| **2020 surplus distribution:** | | | | | | | | | | | |
| Appropriated statutory surplus reserve | - | - | 8,444 | - | (8,444) | - | - | - | - | - | - |
| Appropriated special surplus reserve | - | - | - | 8,988 | (8,988) | - | - | - | - | - | - |
| Distribution of cash dividends | - | - | - | - | (120,286) | - | - | - | (120,286) | - | (120,286) |
| **2021 Net profit** | - | - | - | - | 317,640 | - | - | - | 317,640 | 4,151 | 321,791 |
| **Other comprehensive income (loss) in 2021** | - | - | - | - | - | (2,075) | 3,805 | (1,300) | 430 | (299) | 131 |
| **Subsidiary's cash dividends paid** | - | - | - | - | - | - | - | - | - | (5,172) | (5,172) |
| **Balance as of December 31, 2021** | 1,202,863 | 167,271 | 543,303 | 70,531 | 779,172 | (22,453) | (2,509) | (45,139) | 2,693,039 | 54,940 | 2,747,979 |
| **2021 surplus distribution:** | | | | | | | | | | | |
| Appropriated statutory surplus reserve | - | - | 31,764 | - | (31,764) | - | - | - | - | - | - |
| Reversal of special reserve | - | - | - | (430) | 430 | - | - | - | - | - | - |
| Distribution of cash dividends | - | - | - | - | (156,372) | - | - | - | (156,372) | - | (156,372) |
| Stock dividends distribution | 24,057 | - | - | - | (24,057) | - | - | - | - | - | - |
| **Net profit for 2022** | - | - | - | - | 167,570 | - | - | - | 167,570 | 4,730 | 172,300 |
| **Other comprehensive income for 2022** | - | - | - | - | - | 15,219 | 9,764 | 4,935 | 29,918 | 3,762 | 33,680 |
| **Subsidiary's cash dividends paid** | - | - | - | - | - | - | - | - | - | (6,395) | (6,395) |
| **Balance as of December 31, 2022** | $ 1,226,920 | $ 167,271 | $ 575,067 | $ 70,101 | $ 734,979 | $ (7,234) | $ 7,255 | $ (40,204) | $ 2,734,155 | $ 57,037 | $ 2,791,192 |
| | | | | | | | | $ (40,183) | | | |

Accompanying notes are part of the Consolidated Financial Statements

(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu  Manager: Rong-Lih Yu  Accounting Officer: Tai-Chen Chen**

# Toung Loong Textile MFG. Co., Ltd. and its Subsidiaries

## Consolidated Cash Flow Statement

**For the Years Ended December 31, 2022 and 2021**

**Unit: Amounts expressed in thousands of New Taiwan Dollars**

| Item | 2022 | 2021 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| **Income before income tax** | **$ 205,747** | **$ 409,164** |
| **Adjustment items:** | | |
| **Revenue expense items that do not affect cash flow** | | |
| **Depreciation expense** | **348,615** | **362,817** |
| **Amortization cost** | **8,921** | **8,600** |
| **Anticipated credit impairment loss (profit) amount** | **52,543** | **(1,286)** |
| **Losses (gains) on financial assets at FVTPL** | **2,124** | **1,020** |
| **Interest expenses** | **29,341** | **24,738** |
| **Interest revenue** | **(10,786)** | **(7,491)** |
| **Dividend income** | **(10,458)** | **(495)** |
| **Shares of losses (gains) of associates accounted for using the equity method** | **8,912** | **1,944** |
| **Disposal and scrap loss of property, plant, and equipment** | **4,182** | **2,771** |
| **Assets related to business activities / changes in liabilities** | | |
| **Decrease (Increase) of notes receivable** | **32,780** | **75,183** |
| **Accounts receivable (increase) decrease** | **287,431** | **(195,460)** |
| **Decrease (Increase) of other receivables** | **(3,994)** | **39,847** |
| **Inventory (increase) decrease** | **(231,181)** | **77,985** |
| **Prepayments (increase) decrease** | **67,999** | **(124,497)** |
| **Increase (decrease) of notes receivables** | **18,324** | **7,315** |
| **Increase (decrease) of accounts receivables** | **(154,116)** | **62,144** |
| **Increase (decrease) of other receivables** | **(25,187)** | **66,190** |
| **Increase (decrease) of other current liabilities** | **2,121** | **(225)** |
| **Increase (decrease) of net defined benefit liabilities** | **399** | **474** |
| **Cash in(out)-flows generated by business operation** | **633,717** | **810,738** |
| **Interest received** | **10,577** | **7,495** |
| **Dividends received** | **10,458** | **495** |
| **Interest paid** | **(28,345)** | **(25,217)** |
| **Income tax paid** | **(84,694)** | **(17,301)** |
| **Net cash inflow (outflow) from operating activities** | **541,713** | **776,210** |

**(Continued next page)**

(Previous Page)

| Item | 2022 | 2021 |
|---|---|---|
| **Cash flows from investing activities:** | | |
| (Increase) decrease in financial assets at FVTOCI | (767) | - |
| (Increase) decrease in financial assets measured at amortized cost | (35,268) | 71,322 |
| (Increase) decrease of financial assets at FVTPL | 7,928 | (11,072) |
| (Increase) decrease in other financial assets | 29,397 | (61,740) |
| Acquisition of property, plant and equipment | (474,673) | (393,505) |
| Disposal of property, plant and equipment | 240 | 252 |
| (Increase) decrease of prepayments for equipment | (50,130) | 173,161 |
| (Increase) decrease in refundable deposits | (2,239) | 251 |
| Acquisition of Intangible Assets | (479) | (567) |
| (Increase) decrease in the other noncurrent assets | (2,849) | (4,174) |
| **Net cash inflow (outflow) from investing activities** | (528,840) | (226,072) |
| **Cash flows from financing activities** | | |
| (Increase) decrease in short-term borrowings | 419,213 | (288,806) |
| (Increase) decrease in short-term notes payable | (180,130) | (69,959) |
| Borrowing (repaying) long-term loans | (100,038) | (110,941) |
| Cash dividends paid | (156,372) | (120,286) |
| Change in non-controlling interests | (6,395) | (5,172) |
| Repaid principal of lease | (5,385) | (1,065) |
| **Net cash inflow (outflow) from financing activities** | (29,107) | (596,229) |
| **Effect of exchange rate changes on cash and cash equivalents** | 14,065 | (491) |
| **Net increase (decrease) in cash and equivalent cash for the current period** | (2,169) | (46,582) |
| **Cash and cash equivalents at the beginning of the year** | 638,294 | 684,876 |
| **Cash and cash equivalents at the end of the year** | $ 636,125 | $ 638,294 |

Accompanying notes are part of the Consolidated Financial Statements
(please refer to the CPA audit report of Toppest CPAs & Co. dated March 13, 2023)

**Chairman: Chih-Chen Yu** **Manager: Rong-Lih Yu** **Accounting Officer: Tai-Chen Chen**

## Acknowledgments

## Proposal 2 (Submitted by the Board)

### Subject: Ratification of the 2022 profit distribution.

### Description:

1. Proposed distribution of shareholder cash dividends of NT$85,884,408 (for NT$ 0.7 per share), calculated until NT$1, rounding, the total distribution of the abnormal amount of less than NT$1, shall be included in the company's other income.

2. The proposal has been reviewed and approved by the audit committee and passed by the board of directors. The Chairman is authorized by the board of directors to be in charge of setting the dividend record date and dividend distribution date, and handling other related matters.

3. If due to subsequent changes in applicable laws and regulations, adjustments by the competent authority, or changes in the Company's share capital and other factors that affect the number of shares outstanding, which led to changes in the dividend payout ratio, the board of directors shall be authorized to handle adjustments in the dividend payout ratio and other related matters.

4. Please refer to the 2022 profit distribution table below for details.

### Resolution:

# TOUNG LOONG TEXTILE MFG. CO., LTD.
## Profit Distribution Table
## 2022

Unit: NT$

| Item | Amount | |
|---|---|---|
| | Subtotal | Total |
| Unappropriated retained earnings of previous years | | 567,408,681 |
| Add: net profit after tax | 167,570,569 | |
| Unappropriated retained earnings other than net profit in the current period | - | |
| Net profit for the current period plus unappropriated retained earnings other than net profit in the current period | | 167,570,569 |
| Less: provision for legal reserve | | (16,757,057) |
| Add: reversal of special reserve | | 29,918,056 |
| Distributable net profit | | 748,140,249 |
| Distribution items | | |
| Cash dividends (NT$0.7 per share) | | (85,884,408) |
| Undistributed retained earnings at the end of the period | | 662,255,841 |

Chairman: Chih-Chen Yu  Managerial Officer: Rong-Lih Yu  Accounting Manager: Tai-Chen Chen

# Special motions:

# [Appendix 1]

# The Articles of Incorporation of Toung Loong Textile MFG. Co., Ltd.

## Chapter I General Provisions

Article 1: The Company was established in accordance with the Company Act, named as Toung Loong Textile MFG. Co., Ltd.

Article 2: The Company is located in New Taipei City, and may establish manufacturing plants or branches within or outside the territory of the Republic of China, if necessary, subject to the resolution of the Board of Directors.

Article 3: The Company's main businesses are as follows:

| | |
|---|---|
| 1. C301010 | Spinning of Yarn |
| 2. C302010 | Weaving of Textiles |
| 3. C303010 | Manufacture of Non-woven Fabrics |
| 4. C305010 | Printing, Dyeing, and Finishing |
| 5. C306010 | Wearing Apparel |
| 6. C307010 | Clothing Accessories |
| 7. C399990 | Other Textile and Products Manufacturing |
| 8. C801120 | Manufacture of Man-made Fibers |
| 9. F104110 | Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories |
| 10.F204110 | Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories |
| 11.F401010 | International Trade |
| 12.H703090 | Real Estate Business |
| 13.H703100 | Real Estate Leasing |
| 14.JE01010 | Rental and Leasing |
| 15.ZZ99999 | Other business not prohibited or restricted by law, except any business requiring special approval. |

Article 3-1: The Company may provide endorsements/guarantees due to business needs; the Company's investment may exceed 40% of paid-in capital, which shall be executed by the Board pursuant to authority granted.

Article 4: The Company's public announcement shall be in compliance with Article 28 of the Company Act.

## Chapter II Shareholding

Article 5: The Company's total capital is NT$1.72 billion, which consists of 172 million shares. The share are issued at a nominal value of NT$10 per share, and may be issued in installments.

Article 6: The share certificates shall be in registered form, affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance thereof.

The Company may be exempted from printing any share certificate for the shares issued, but shall register the issued shares with a centralized securities depositary enterprise. The same shall apply for the issuance of other securities.

Article 7: To issue employee stock warrants with exercise price lower than the market price on the issue date, or to transfer shares to employees at less than the average actual share repurchase price, an issuer is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders meeting attended by shareholders representing a majority of the total issued shares.

Article 8: Qualification requirements of employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, are entitled to receive the Company's shares buy back and employee stock warrants; to subscribe for newly issued shares; and to receive restricted stock for employees. The board of directors are authorized to formulate relevant rules and regulations.

Article 9: The share transfer registration is suspended within 60 days prior to the shareholders meeting, 30 days prior to the special shareholders meeting, or 5 days prior to the record date for the distribution of dividends, bonuses or other interests.

Article 10: Unless otherwise stipulated by securities laws and regulations, the Company's stock affairs shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

If the shareholder request for replacement or reissuance of stock certificate when it was lost or for other reasons, the company may impose a charge on production costs and stamp duties in its discretion.

## Chapter III Shareholders Meeting

Article 11: Shareholders' meeting shall be of two kinds: Regular meeting of shareholders, and special meeting of shareholders. The regular meeting of shareholders is to be held at least once every year within six months after close of each fiscal year, and a notice shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. The special meeting of shareholders is to be held when necessary, and a notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.

The notice set forth in the preceding paragraph shall inform shareholders of the date, venue and purpose of the meeting.

The Company's shareholders' meetings can be held by means of virtual meeting or other methods promulgated by the competent authority.

Article 12: If a shareholder is unable to attend the shareholders meeting for any cause, a proxy may be appointed to attend the shareholders' meeting in his/her/its behalf by executing a power of attorney, which shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 13: (Deleted)

Article 14: For a shareholders' meeting convened by the board of directors, the Chairman shall preside the meeting. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, it shall be handled in accordance with Article 208 of the Company Act.

Article 15: Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened in accordance with rules of procedures for the Company's shareholders meetings.

Article 16: Except in the circumstances otherwise provided for in the Company Act, the Company's shareholder shall have one voting power in respect of each share in his/her/its possession. Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 17: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting.

The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected in accordance with the Company Act.

## Chapter IV Board of Directors and Audit Committee

Article 18: The Company's board of directors has 7-11 directors who shall be elected by the shareholders' meeting from among the persons with disposing capacity. The candidate nomination system was adopted for the election of directors. The term of office of a director shall not exceed three years; but he/she may be eligible for re-election.

The Company's independent directors in the preceding article shall be at least two in number and no less than one-fifth of the total number of directors, with independent and non-independent directors elected at the same time, but in separately calculated numbers. The independent directors' professional qualifications, shareholding, part-time job restrictions, nomination and appointment methods and other matters to be observed shall be handled in accordance with the relevant provisions of the competent securities authority.

Article 19: The board of directors is composed of one or more directors. The board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The Chairman shall internally preside the shareholders' meeting and board of directors meeting, and shall externally represent the Company. In case the chairman of the board of directors is on leave or absent or can not exercise his power and authority for any cause, it shall be handled in accordance with Article 208 of the Company Act.

In case a meeting of the board of directors is proceeded via virtual meeting, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

No matter whether the Company has generate profits or encountered loss from its operations, the remuneration for directors shall be paid for performing their executive duties, and the board of directors are authorized to set the amount of remuneration paid to board members according to their degree of participation in the Company's operations, and with reference to industry standards. If the Company earned profits, it shall be distributed in accordance with Article 30.

Article 19-1: (Deleted)

Article 20: The functional duties and power of the board of directors are as follows:

1. Appointment or removal of a major managerial officer.
2. Decision-making of business plans.
3. Review of budgets and settlement of accounts.
4. The profit distribution or loss off-setting proposals.
5. The establishment, adjustment and cancellation of the Company's major organizations, and the approval of important regulations and rules.
6. Approval of major contracts.
7. Approval of other major affairs.

Article 21: 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. Except as otherwise provided in the Company Act, the board of directors meeting is convened and chaired by the chairperson of the board. In the case of emergency, a meeting of the board of directors may be convened at any time. In calling a meeting of the board of directors, a notice shall be given to each director in writing, by e-mail or by facsimile.

If attendance in person is not possible, they may appoint another director to attend as their proxy. However, a proxy may accept a proxy from one person only. Other matters shall be handled in accordance with the Company Act.

Article 22: Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes, the attendance list bearing the signatures of shareholders present at the meeting, and the powers of attorney of the proxies shall be kept by the company.

Article 23: (Deleted)

Article 24: (Deleted)

Article 25: The board of directors may establish functional committees according to relevant laws and regulations or business needs.

The Company has established an audit committee since the 21st term of the board of directors, and the provisions regarding supervisors in the Company Act, Securities and Exchange Act and other laws and regulations shall apply mutatis mutandis to the audit committee.

## Chapter V Managers

Article 26: The Company has one managerial personnel, which shall be in charge of all business decisions by resolution of the board of directors. Unless otherwise approved by a majority vote of the directors at a meeting of the board of directors, the Company's managerial personnel shall not concurrently act as a managerial personnel of another company.

Article 27: Appointment and discharge and the remuneration of the managerial personnel shall be handled in accordance with the Company Act.

## Chapter VI Accounting

Article 28: The Company's fiscal year starts from January 1 and ends on December 31.

Article 29: At the close of each fiscal year, the Company shall prepare the following statements and records to be submitted to the general meeting of shareholders for ratification:

1. Business report.
2. Financial statements.
3. The surplus earning distribution or loss off-setting proposals.

Article 30: The Company shall allocate more than 1% of profits earned in the current fiscal year as employee compensation, and set aside no more than 5% of profits earned for the remuneration of directors. However, the company's accumulated losses shall have been covered.

The profits earned in the current fiscal year in the preceding paragraph refers to pre-tax profit before deducting the distribution of employee compensation and director's remuneration.

A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation and the remuneration for directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Employee compensation may be distributed by way of cash or shares. Qualification requirements of employees include the employees of the subordinate company meeting certain specific requirements.

If after the annual closing of books there is a profit, the Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. The special reserves shall be set aside or reversed in accordance with the laws or regulations of the competent authority. If there is still balance and accumulated undistributed surplus, the board of directors shall make a surplus distribution proposal. Surplus profit shall be distributed by resolution of the shareholders' meeting.

The Company's dividend policy is based on the historical surplus earnings, current and future investment environment, capital needs, domestic and foreign competition and capital budget, taking into account the shareholder interests, and the balance between dividends and the Company's long-term financial planning. The dividend policy is submitted on an annual basis by the board of directors to the shareholders' meeting for resolution according to relevant laws.

The Company shall allocate no less than 50% of the profits after deducting accumulated losses from prior years to shareholders. Distribution of profits may be made by way of a cash dividend or stock dividend; provided, however, the ratio for cash dividend shall be not less than 30% of the total distribution.

## Chapter VII Supplementary Provisions

Article 31: The Company organizational rules and work rules shall be formulated separately.

Article 32: The unresolved issues in the Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws.

Article 33: The Articles of Incorporation was formulated on August 14, 1961

1st amendment on August 16, 1965
2nd amendment on March 7, 1967
3rd amendment on November 24, 1968
4th amendment on July 25, 1974
5th amendment on February 4, 1975
6th amendment on April 13, 1975
7th amendment on November 1, 1975
8th amendment on June 22, 1976
9th amendment on November 1, 1976
10th amendment on May 31, 1981

11th amendment on July 15, 1981
12th amendment on July 10, 1982
13th amendment on September 24, 1984
14th amendment on June 24, 1985
15th amendment on June 12, 1986
16th amendment on September 7, 1988
17th amendment on August 30, 1989
18th amendment on June 27, 1992
19th amendment on June 10, 1993
20th amendment on June 8, 1994
21st amendment on September 15, 1994
22nd amendment on May 30, 1995
23rd amendment on June 10, 1996
24th amendment on May 8, 1997
25th amendment on May 5, 1998
26th amendment on May 30, 2000
27th amendment on June 20, 2001
28th amendment on June 18, 2002
29th amendment on June 20, 2007
30th amendment on June 17, 2010
31st amendment on June 13, 2012
32nd amendment on June 11, 2013
33rd amendment on June 7, 2016
34th amendment on June 7, 2017
35th amendment on July 28, 2021
36th amendment on June 16, 2022

TOUNG LOONG TEXTILE MFG. CO., LTD.

Chairman: Chih-Chen Yu

# [Appendix 2]

## TOUNG LOONG TEXTILE MFG. CO., LTD.

## Rules of Procedure of Shareholders' Meeting

Approved by the Shareholders' Meeting on June 16, 2022

**Article 1**

To establish a strong governance system and sound supervisory capabilities for this Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

**Article 2**

The rules of procedure for shareholders' meetings of the Company, except as otherwise provided by law, regulation, or the Company's articles of incorporation, shall be handled according to these Rules.

**Article 3**

Unless otherwise provided by law or regulation, this Company's shareholders meetings shall be convened by the Board of Directors.

The Company shall prepare an electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) less than 30 days before the date of a regular shareholders meeting or less than 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting handbook and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Prior to the date for issuance of notice of a shareholders meeting, this Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

**Article 4**

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to this Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to this Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to this Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to this Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

**Article 5**

The venue for a shareholders meeting shall be the premises of this Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when this Company convenes a virtual-only shareholders meeting.

**Article 6**

This Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

This Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it at the meeting.

In the case of virtual shareholders' meeting, shareholders wishing to attend the virtual meeting shall register with the Company on two days before the meeting.

In the case of virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

**Article 6-1**

To convene a virtual shareholders meeting, this Company shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights .
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
   (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
   (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
   (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on the meeting agenda of that shareholders meeting.
   (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

**Article 7**

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 of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to

exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

If a shareholders' meeting is convened by a party with power to convene but 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.

The Company may appoint its attorneys, certified public accountants or other related personnel as non-voting participants at shareholders' meetings.

**Article 8**

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

Where a shareholders meeting is held online, this Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by this Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by this Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

**Article 9**

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

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 the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, this Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in according with Article 6.

When, prior to 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.

**Article 10**

If a shareholders meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph shall apply to shareholders' meetings convened by a party other than the Board of Directors with necessary authority.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

**Article 11**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance pass 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.

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

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained both the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a legal person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the appointed representatives may speak on the same proposal.

Once an attending shareholder has spoken, the chair may respond in person or direct the relevant personnel to respond.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

**Article 12**

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship may prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

**Article 13**

Shareholders shall be entitled to one vote for each share hold, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of The Company Act.

When this Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders voting by correspondence or electronically shall be considered to have attended in person. They shall however be considered to have abstained from voting on extraordinary motions or amendments to the original proposal during that shareholders' meeting.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to this Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, this however does not apply if a declaration was made revoking the previous declaration.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration

of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to this Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, they shall be presented together with the original proposal and voted on in the order decided by the chair. If one of the proposals is passed then the other proposals shall be considered to have been rejected and further voting unnecessary.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When this Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When this Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

**Article 14**

The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and supervisors and the numbers of votes with which they were elected.

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. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

**Article 15**

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes.

The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed an electronic format.

The Company may disseminate meeting minutes by announcing details over MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors.

The minutes shall be retained for the duration of the existence of this Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

**Article 16**

On the day of the shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, this Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During this Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under the applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

**Article 17**

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct proctors or security personnel to help maintain order at the meeting place.

When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from doing so.

When a shareholder violates the rules of procedure and defies the chair's corrections, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

**Article 18**

When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days, in according with Article 182 of The Company Act.

**Article 19**

In the event of virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

**Article 20**

When this Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location.

**Article 21**

In the event of a virtual shareholders meeting, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed according to the provisions, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held according to the provisions, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When this Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and no postponement or resumption thereof is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the provisions, this Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company hall handle the matter based on the date of the shareholders meeting that is postponed or resumed according to the provisions.

**Article 22**

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

**Article 23**

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

**[Appendix 3]**

# TOUNG LOONG TEXTILE MFG. CO., LTD.

## Shareholdings of Directors

1. Total shares issued as of the book closure date April 4, 2023: 122,692,012 shares.
2. The minimum required combined shareholding of all directors by law is 8,000,000 shares.
3. The shareholdings of directors as of the book closure date April 4, 2023 are as follows:

Baseline date: April 4, 2023

| Position | Name | Date elected | Current Shareholding | | |
|---|---|---|---|---|---|
| | | | Stock Type | Number of shares | Percentage % |
| Chairman | Chih-Chen Yu | 2022.6.16 | Common shares | 2,938,003 | 2.39% |
| Director | Ching-Chung Yu | 2022.6.16 | Common shares | 1,761,550 | 1.44% |
| Director | Jung-Chieh Yu | 2022.6.16 | Common shares | 6,733,719 | 5.49% |
| Director | Rong-Lih Yu | 2022.6.16 | Common shares | 6,368,094 | 5.19% |
| Director | Mao Jia Investment Ltd.<br>Representative: Chiu-Yueh Chen | 2022.6.16 | Common shares | 5,102,028 | 4.16% |
| Director | Siang Hao Investment Co Ltd.<br>Representative: Kai-Ping Chang | 2022.6.16 | Common shares | 1,045,500 | 0.85% |
| Director | Sara Rose International Inc.<br>Representative: Jing-Woei Jou | 2022.6.16 | Common shares | 4,896,567 | 3.99% |
| Director | GTO CNC Solutions Corp.<br>Representative: Po-Yang Chen | 2022.6.16 | Common shares | 3,830,100 | 3.12% |
| Independent director | Hsueh-Tao Wu | 2022.6.16 | Common shares | 5,100 | 0% |
| Independent director | Tai-Feng Huang | 2022.6.16 | Common shares | 0 | 0% |
| Independent director | Yu-Te Ma | 2022.6.16 | Common shares | 106,080 | 0% |
| Total | | | | **32,675,561** | **26.63 %** |

The total number of shares held by directors as of the book closure date was 32,675,561 shares (26.63% of the total shares of the Company)

◎The Company has established an audit committee therefore the combined shareholding of supervisor shall not apply.

◎The total number of shares held by directors does not include the shares held by independent directors.