

Stock code: 4401



TOUNG LOONG TEXTILE MFG.CO., LTD.

2024 General Shareholders' Meeting Meeting Handbook

Date: June 13, 2024

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.

2024 General Shareholders' Meeting Agenda

- Time: 9 a.m., June 13, 2024 (Thursday)
- 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
- Attendance: All shareholders and equity holder representatives
- Chairperson: Chairman Chih-Chen Yu
- Meeting Agenda:
1. Call the Meeting to Order
 2. Chairman's Remarks
 3. Reports Items
 - Proposal 1:2023 business report.
 - Proposal 2:Review of the 2023 final accounting books and statements by the Audit Committee
 - Proposal 3:Other report items.
 4. Acknowledgments
 - Proposal 1:2023 business report and financial statements.
 - Proposal 2:2023 profit distribution.
 5. Extraordinary Motions:
 6. Meeting Adjournment

Reports Items

Proposal 1: Subject: Review of the 2023 business report.

Description: Please refer to Appendix 1, Page 4 to 5, of this manual for business report.

Proposal 2: Subject: Review of the 2023 final accounting books and statements by the Audit Committee.

Description: Please refer to Appendix 2, Page 6, of this manual for the audit report of audit committee.

Proposal 3: Other report items:

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

Description:

1. The Company's accumulated amount of endorsements/guarantees as of February 29, 2024: NT\$79,950,000.
2. Loaning of funds to others: None.

Acknowledgments

Proposal 1 (Submitted by the Board)

Subject: Ratification of the 2023 business report and financial statements.

Description:

- I. The 2023 parent company only financial statements and consolidated financial statements were audited by independent auditors Wei-Chen Chang and Wan-Li Hsieh 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.
- II. For 2023 parent company only financial statements, please refer to Appendix 3 on pages 7 to 16 of this Handbook.
- III. For 2023 consolidated financial statements, please refer to Appendix 4 on pages 17 to 27 of this Handbook.
- IV. For 2023 business report, please refer to Appendix 1 on pages 4 to 5 of this Handbook.

Resolution:

Proposal 2 (Submitted by the Board)

Subject: Ratification of the 2023 profit distribution.

Description:

Proposed distribution of shareholder cash dividends of NT\$61,346,006 (for NT\$ 0.5 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.

- I. 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.
- II. 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 authorize the chairman to handle adjustments in the dividend payout ratio and other related matters.
- III. Please refer to Appendix 5 on page 28 of this Handbook for 2023 Earnings Distribution Table.

Resolution:

Special motions

Adjourned

[Appendix 1]

TOUNG LOONG TEXTILE MFG. CO., LTD.

Business report.

I. 2023 Business Results

(I) Business Plan Implementation Results:

Item	2023	2022	Growth %
Consolidated operating revenue (NT\$thousand)	2,818,246	4,099,883	-31.26%
Consolidated operating income (NT\$thousand)	(9,308)	160,574	-105.80%
Consolidated pre-tax profit (NT\$thousand)	(12,594)	205,747	-106.12%
Consolidated net profit (NT\$thousand)	(12,152)	172,300	-107.05%
Net(loss) income attributable to shareholders of the parent (NT\$thousand)	(15,908)	167,570	-109.49%
Earnings per share (NTD)	(0.13)	1.37	-109.49%
Description: Inventory digestion and reduced orders from downstream customers, resulting in revenue decline, and affecting profit and loss.			

(II) Budget execution status:

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company has not disclosed the 2023 financial results, and thus there is no need to disclose the budget execution status.

(III) Consolidated revenue, expense, and profitability analysis:

Item		2023	2022
Financial Structure	Debt ratio (%)	54.21	53.35
	Long-term Fund to Property, Plant and Equipment (%)	131.32	132.37
Profitability	Return on assets (%)	0.52	3.29
	Return on equity (%)	(0.45)	6.22
	Net profit margin (%)	(0.43)	4.20
	Earnings (loss) per share (%)	(0.13)	1.37
Description: The revenue decline has resulted in a decrease in profits and lower profitability.			

(IV) 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 2024 Business Plan

(I) **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.

(II) 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 2024 financial forecast.

(III) 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

[Appendix 2]

TOUNG LOONG TEXTILE MFG. CO., LTD.

Audit Committee's Review Report

The Company's 2023 business report together with the parent company only financial statements, consolidated financial statements and proposal for earnings 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, Wei-Chen Chang and Wan-Li Hsieh 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 earnings 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

2024 Shareholders' Meeting of Toung Loong Textile Manufacturing Co., Ltd.

TOUNG LOONG TEXTILE MFG. CO., LTD.

Audit Committee convener: Hsueh-Tao Wu

March 13, 2024

[Appendix 3]

CPA Audit Report

(2023) Shi-Shen No. 010

To: Toung Loong Textile MFG. Co., Ltd.

Audit opinions

We have audited the Parent Company Only Balance Sheet of Toung Loong Textile MFG. Co., Ltd. as of December 31, 2023 and 2022, as well as the Parent Company Only Comprehensive Income Statement, Parent Company Only Statement of Changes in Shareholders Equity, the Parent Company Only Statement of Cash Flows, and the Notes to Parent Company Only Financial Report (including the summary of significant accounting policies) for the years ended December 31, 2023 and 2022.

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, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We were engaged to plan and conduct the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. The personnel of this CPA's accounting firm subject to independence has remained detached and independent from Toung Loong Textile MFG. Co., Ltd. according to the Code of Professional Ethics for CPAs to perform other responsibilities provided by the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters refer to the most critical matters in the audit of Toung Loong Textile MFG. Co., Ltd.'s Parent Company Only Financial Report for 2023, according to the professional judgment of the CPA. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This CPA determined that the key audit matters that must be presented in the audit report are as follows:

Acquisition audit of property, plant and equipment

Please refer to Note 4 (9) of the Parent Company Only Financial Report for property, plant, and equipment accounting policies. Please refer to Note 6 (6) of the Parent Company Only Financial Report for property, plant, and equipment accounting items descriptions.

Explanation of key audit matters:

As of December 31, 2023, the property, plant and equipment of Toung Loong Textile MFG. Co., Ltd. totaled NT\$2,996,579 thousand, accounting for 52% of total assets in the parent company only financial statements. Due to large amount of capital expenditure on property, plant and equipment, the acquisition of property, plant and equipment is considered as key audit matters.

Key audit procedures included:

1. Evaluate and test the performance of the increased transaction-related internal control system for property, plant, and equipment.
2. Sample and check pertinent purchase orders, invoices, etc., to ensure the transactions were correctly approved and the correct amounts recorded.
3. Sample and check the acceptance reports to ensure that the assets are ready for use and whether the timing of asset recognition in the general inventory is appropriate.
4. Sample and conduct on-site inventory of property, plant and equipment at the end of the period to ensure the existence of the purchased assets.

Other matters - Audits conducted by other certified public accountants

For the long-term equity investments evaluated using the equity method listed in Toung Loong Textile MFG. Co., Ltd.'s Parent Company Only Financial Report, the financial reports of some investee companies were inspected by other accountants and not checked by this CPA. 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\$188,495 thousand and NT\$189,059 thousand was recognized as of December 2023 and 2022, both representing 3% of total assets. For 2023 and 2022, the profit/loss of subsidiaries, associates, and joint venture recognized under the equity method were NT\$14,888 thousand and NT\$25,299 thousand, respectively, accounting for (71%) and 13% of profit before tax. In addition, the "reinvestment-related information" disclosed in Note 13 (2) of the Parent Company Only Financial Report was compiled based on the investee companies' financial reports inspected by other auditors.

Management Level and Governing Units' Responsibilities for Parent Company Only Financial Statements

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

When preparing the Parent Company Only Financial Report, the responsibility of the management level includes evaluating the ability of Toung Loong Textile MFG. Co., Ltd. to continue operating, the disclosure of related matters, and the adoption of the accounting basis for continuing operations; unless the management level intends to liquidate Toung Loong Textile MFG. Co., Ltd., suspend its businesses, or there is no practical alternative to liquidate or terminate its businesses.

The governance units (including the Audit Committee) of Toung Loong Textile MFG. Co., Ltd. are responsible for supervising the financial reporting process.

CPA's Parent Company Only Financial Statements Audit Responsibilities

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 certainty means a high degree of certainty. However, audits performed under the accepted auditing standards cannot guarantee that a material misrepresentation in the individual financial report can be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the unconsolidated financial statements.

This CPA has exercised professional judgment and skepticism when conducting audits under the auditing standards. We also:

1. Identify the risks of significant false representations that may lead to fraud or error for the Parent Company Only Financial Statements, design and implement appropriate countermeasures for the risks found, and acquire sufficient and appropriate audit evidence as the basis for the audit 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. The CPA must understand the organization's internal control unit being audited to design the appropriate audit procedure. The objective is not to express an opinion on the effectiveness of the internal control unit for Toung Loong Textile MFG. Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Determine the appropriateness of management's ongoing use of its accounting policies and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may cast significant doubt or concern on the ability of Toung Loong Textile MFG. Co., Ltd. to continue. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the unconsolidated financial statements are required to be provided in our audit report to allow users of unconsolidated financial statements to be aware of such events or circumstances, 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 auditor's report. However, future events or circumstances may lead Toung Loong Textile MFG. Co., Ltd. to become unable to continue to operate.
5. Evaluate the overall presentation, structure, and content of the Standalone Financial Report (including related notes) and assess whether the Standalone Financial Report can properly represent the relevant transactions and events.
6. Acquire sufficient and appropriate audit evidence for the financial information of individuals formed within Toung Loong Textile MFG. Co., Ltd. and issue an opinion regarding the Parent Company Only Financial Statements. The CPA is responsible for the guidance, supervision, and execution of the audit case and for forming the audit opinion of Toung Loong Textile MFG. Co., Ltd.

We communicated 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 identified during our audit).

The CPA has also provided the governance unit with a declaration stating that the personnel of the CPA's accounting firm who are subject to independence have complied with the independence requirements of the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and communicated all relationships and other matters (including security related aspects) that may be considered to affect the accountant's independence with the governance unit.

The matters communicated between the CPA and the governance unit comprised key audit items for the audit of Toung Loong Textile MFG. Co., Ltd.'s 2023 Parent Company Only Financial Report. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Toppest CPAs & Co.

Certified Public Accountant: Wei-Cheng Chang CPA Wan-Li Hsieh

Financial Supervisory Commission Approval Financial Supervisory Commission Approval

Jin-Guan-Zheng-Shen-Zi No. 1050037432

Jin-Guan-Zheng-Shen-Zi No. 1050037432

March 13, 2024

Toung Loong Textile MFG. Co., Ltd.

Parent Company Only Balance Sheet (I)

December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

Assets		Note	2023/12/31 Amount	%	2022/12/31 Amount	%
Current asset						
1100	Cash and cash equivalents	4, 6(1)	\$ 653,465	12	\$ 557,733	10
1136	Financial assets at amortized cost - Current	4	48,298	1	31,079	1
1150	Net value of notes receivable	6, 6(2)	5,236	-	2,633	-
1170	Net value of accounts receivable	6, 6(2)	239,187	4	230,544	4
1180	Net accounts receivable - Related party	4, 7	98	-	3,681	-
1200	Other receivables	4, 6(3)	4,253	-	5,567	-
1220	Current tax assets	4	1,166	-	-	-
1310	Net inventory	4, 5(1), 6(4)	1,242,630	22	1,440,874	24
1410	Prepayments		9,138	-	8,250	-
	Total current asset		2,203,471	39	2,280,361	39
non-current assets						
1517	Financial assets at fair value through other comprehensive income	4	89,340	2	103,340	2
1535	Non-current financial assets at amortized cost	4	79,127	1	79,140	1
1550	Investment accounted for using the equity method	IV, VI (5)	269,020	5	283,645	5
1600	Property, Plant and Equipment	IV, V (2), VI (6), VIII, IX	2,996,579	52	2,976,273	50
1755	right-of-use asset	IV, VI (7)	20,832	-	12,409	-
1780	Intangible Assets	4	838	-	1,586	-
1840	Deferred tax assets	IV, V (3), VI (14)	38,033	1	32,558	1
1915	Prepayments for business facilities	IX	8,385	-	103,423	2
1920	Refundable deposits		18,833	-	19,335	-
1990	Other non-current assets		15,805	-	13,671	-
	Total non-current asset		3,536,792	61	3,625,380	61
1XXX Total assets			\$ 5,740,263	100	\$ 5,905,741	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, 2024)

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, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

Liabilities and Shareholders' Equity		Note	2023/12/31 Amount	%	2022/12/31 Amount	%
Current liabilities						
2100	Short-term borrowings	VI (8), VIII	\$ 1,087,027	19	\$ 1,375,628	23
2110	Short-term notes and bills payable	VI (8), VIII	99,968	2	79,808	1
2150	Notes payable		83,793	1	47,648	1
2170	Accounts payable		189,929	3	165,433	3
2200	Other payables		87,406	2	148,753	3
2230	Current income tax liabilities	IV, VI (14)	-	-	41,729	1
2280	Lease liabilities - Current	IV, VI (7)	10,852	-	6,174	-
2320	Long-term liabilities due within 1 year	VI (8), VIII	264,722	5	114,053	2
2399	Other current liabilities		2,522	-	4,115	-
	Total current liabilities		1,826,219	32	1,983,341	34
non-current liabilities						
2540	Long-term borrowings	VI (8), VIII	1,217,850	21	1,109,995	19
2571	Deferred income tax liabilities - land appreciation tax	4	28,590	-	28,590	-
2572	Deferred income tax liabilities - income tax	IV, V (3), VI (14)	41,648	1	42,301	1
2580	Lease liabilities - Non-current	IV, VI (7)	10,112	-	6,289	-
2640	Net defined benefit liabilities - noncurrent	IV, V (4), VI (9)	1,053	-	877	-
2645	Deposits received		193	-	193	-
	Total non-current liabilities		1,299,446	22	1,188,245	20
2XXX	Total Liabilities		3,125,665	54	3,171,586	54
Equity						
		4, 6(10)				
3100	Capital stock		1,226,920	21	1,226,920	21
3200	Additional paid-in capital		167,271	3	167,271	3
	Retained earnings					
3310	Statutory reserves		591,824	10	575,067	10
3320	Special reserves		40,183	1	70,101	1
3350	undistributed earnings		646,348	12	734,979	12
3440	Other equities		(57,948)	(1)	(40,183)	(1)
3XXX	Total shareholders' equity		2,614,598	46	2,734,155	46
1XXX	Total liabilities and shareholders' equity		\$ 5,740,263	100	\$ 5,905,741	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, 2024)

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, 2023 and 2022

Unit: Amounts expressed
in thousands of New
Taiwan Dollars
(Earnings Per Share is in NTD)

Code	Item	Note	2023		2022	
			Amount	%	Amount	%
4100	Operating income	4, 6 (11), 7	\$ 2,602,613	100	\$ 3,825,122	100
5110	Operating costs	6(4)	(2,498,143)	(96)	(3,476,033)	(91)
5900	Gross profit		104,470	4	349,089	9
	Operating expenses	6(12), 7				
6100	Selling expenses		(54,236)	(2)	(73,111)	(2)
6200	Administrative expenses		(71,522)	(3)	(93,723)	(3)
6300	Research and development expenses		(15,007)	-	(15,166)	-
6450	Expected loss (profit) on credit impairment	4, 6(2), (3)	3,631	-	(52,543)	(1)
	Subtotal of operating expenses		(137,134)	(5)	(234,543)	(6)
6900	Net operating income (loss)		(32,664)	(1)	114,546	3
	Non-operating income and expense					
7100	Interest revenue	4	15,281	1	6,313	-
7110	Rental income	4, 7	2,494	-	2,492	-
7130	Dividend income	4	1,884	-	10,129	-
7190	Other income	4, 7	26,162	1	36,901	1
7230	Net gain on foreign exchange	4	1,501	-	38,649	1
7375	Parts of profits from the subsidiaries, associated enterprises, and joint ventures recognized via the equity method	4, 6(5)	6,750	-	23,852	1
7510	Interest expenses		(42,381)	(2)	(27,441)	(1)
7590	Miscellaneous expenses		(19)	-	(6,915)	-
7610	Losses from Disposal of Property, Plant and Equipment	4	-	-	(4,343)	-
7635	Losses on financial assets at fair value through profit or loss	4	-	-	(2,124)	-
	Subtotal of non-operating incomes and expenses		11,672	-	77,513	2
7900	Profit (loss) before tax		(20,992)	(1)	192,059	5
7950	Income tax benefit (expense)	4, 6(14)	5,084	-	(24,489)	(1)
8200	Net income (loss)		(15,908)	(1)	167,570	4
	Other comprehensive income	6(13)				
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	6(9)	389	-	6,168	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income		(14,000)	(1)	9,764	-
8349	Income taxes related to the items not re-classified	6(14)	(78)	-	(1,233)	-
	Subtotal of items not subsequently reclassified to income		(13,689)	(1)	14,699	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		(5,095)	-	19,024	1
8399	Income tax related to items that may be reclassified	6(14)	1,019	-	(3,805)	-
	Subtotal of Items that may be reclassified subsequently to income		(4,076)	-	15,219	1
	Other comprehensive income in the current period (net amount after tax)		(17,765)	(1)	29,918	1
8500	Total comprehensive income in the current period		\$ (33,673)	(2)	\$ 197,488	5
	Earnings per Share	6(15)				
9750	Basic earnings (losses) per share		\$ (0.13)		\$ 1.37	

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, 2024)

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, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars
Other items of equity

Change Items	Common share capital	Additional paid-in capital	Retained 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 equity
			Statutory reserves	Special reserves	undistributed earnings				
Balance as of January 1, 2022	\$ 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 for 2022	-	-	-	-	167,570	-	-	-	167,570
Other comprehensive income for 2022	-	-	-	-	-	15,219	9,764	4,935	29,918
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
2022 surplus distribution:									
Appropriated statutory surplus reserve	-	-	16,757	-	(16,757)	-	-	-	-
Reversal of special reserve	-	-	-	(29,918)	29,918	-	-	-	-
Distribution of cash dividends	-	-	-	-	(85,884)	-	-	-	(85,884)
Net (loss) for 2023	-	-	-	-	(15,908)	-	-	-	(15,908)
Other comprehensive income for 2023	-	-	-	-	-	(4,076)	(14,000)	311	(17,765)
Balance as of December 31, 2023	\$ 1,226,920	\$ 167,271	\$ 591,824	\$ 40,183	\$ 646,348	\$ (11,310)	\$ (6,745)	\$ (39,893)	\$ 2,614,598

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, 2024)

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, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan Dollars

Item	2023	2022
Cash flows from operating activities:		
Profit (loss) before tax for the period	\$ (20,992)	\$ 192,059
Adjustment items:		
Revenue expense items that do not affect cash flow		
depreciation expense	341,738	338,139
Amortization cost	4,133	8,313
Anticipated credit impairment loss (profit) amount	(3,631)	52,543
Net losses from financial assets and liabilities measured at FVTPL	-	2,124
Interest expenses	42,381	27,441
Interest revenue	(15,281)	(6,313)
Dividend income	(1,884)	(10,129)
Shares of losses (profits) from subsidiaries, associated enterprises, and joint ventures accounted for under the equity method	(6,750)	(23,852)
Losses (profits) from disposal and scrapping of property, plant, and equipment	-	4,343
Assets related to business activities / changes in liabilities		
Decrease (Increase) of notes receivable	(2,603)	32,716
Accounts receivable (increase) decrease	(5,012)	273,627
(Increase) decrease in accounts receivable - associates	3,583	(1,681)
Decrease (Increase) of other receivables	1,445	(4,719)
Inventory (increase) decrease	198,244	(233,872)
Prepayments (increase) decrease	(888)	67,677
Increase (decrease) of notes receivables	36,145	18,094
Increase (decrease) of accounts receivables	24,496	(154,592)
Increase (decrease) of other receivables	(60,969)	(23,054)
Increase (decrease) of other current liabilities	(1,593)	1,874
Increase (decrease) of net defined benefit liabilities	565	399
Cash in(out)-flows generated by business operation	533,127	561,137
Interest received	15,150	6,126
Dividends received	18,164	38,094
Interest paid	(41,925)	(26,445)
Income tax paid	(42,998)	(78,062)
Net cash inflow (outflow) from operating activities	481,518	500,850
(Continued next page)		

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, 2024)

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, 2023 and 2022

(Previous Page)

Item	2023	2022
Cash flows from investing activities:		
(Increase) decrease in financial assets at FVTOCI	-	(767)
(Increase) decrease in financial assets measured at amortized cost	(17,206)	(35,268)
(Increase) decrease of financial assets at FVTPL	-	7,928
Acquisition of property, plant and equipment	(352,110)	(471,469)
Disposal of property, plant and equipment	-	80
(Increase) decrease in refundable deposits	502	(2,231)
Acquisition of Intangible Assets	(186)	(420)
(Increase) decrease in the other noncurrent assets	(5,333)	(2,515)
(Increase) decrease of prepayments for equipment	95,038	(50,130)
Net cash inflow (outflow) from investing activities	(279,295)	(554,792)
Cash flows from financing activities		
(Increase) decrease in short-term borrowings	(288,601)	483,883
(Increase) decrease in short-term notes payable	20,160	(180,130)
Borrowing (repaying) long-term loans	258,524	(100,038)
Cash dividends paid	(85,884)	(156,372)
Repaid principal of lease	(10,690)	(5,385)
Net cash inflow (outflow) from financing activities	(106,491)	41,958
Net increase (decrease) in cash and equivalent cash for the current period	95,732	(11,984)
Cash and cash equivalents at the beginning of the year	557,733	569,717
Cash and cash equivalents at the end of the year	\$ 653,465	\$ 557,733

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, 2024)

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

[Appendix4]

Declaration

In 2023 (from January 1, 2023 to December 31, 2023), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements." In addition, the information which shall be disclosed in the consolidated financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of consolidated financial statements of affiliated companies.

Declared by

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

Responsible person: Chih-Chen Yu

March 13, 2024

CPA Audit Report

(2023) Shi-Shen No. 011

To: Toung Loong Textile MFG. Co., Ltd.

Audit opinions

We have reviewed the Consolidated Balance Sheet as of December 31, 2023 and 2022, as well as the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, and the notes to the Consolidated Financial Report (including the summary of material accounting policies) for the years ended December 31, 2023 and 2022 for Toung Loong Textile MFG. Co., Ltd. and its subsidiaries.

In our opinion, based on our audit result and the audit reports presented by other accountants (please refer to additional information section), all the material items prepared in these consolidated financial reports are according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretation announcements recognized and promulgated by the Financial Supervisory Commission (FSC). Therefore, they can properly express the consolidated financial status of Toung Loong Textile MFG. Co., Ltd. and its Subsidiaries as of December 31, 2023 and 2022, and the consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022.

Basis for Opinion

We were engaged to plan and conduct the audit according to the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The personnel of this CPA's accounting firm subject to independence has remained detached and independent from Toung Loong Textile MFG. Co., Ltd. and its subsidiaries according to the Code of Professional Ethics for CPAs to perform other responsibilities provided by the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The key audit matters refer to the most critical matters in the consolidated financial report audit of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries for 2023, according to the professional judgment of the CPA. 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. This CPA determined that the key audit matters that must be presented in the audit report are as follows:

Acquisition audit of property, plant and equipment

Please refer to Note 4 (10) of the Consolidated Financial Report for property, plant, and equipment accounting policies. Please refer to Note 6 (5) of the Consolidated Financial Report for property, plant, and equipment accounting items descriptions.

Explanation of key audit matters:

As of December 31, 2023, the property, plant and equipment of Toung Loong Textile MFG Co., Ltd. and its subsidiaries totaled NT\$3,021,886 thousand, accounting for 52% of total assets in the consolidated financial statements. Due to large amount of capital expenditure on property, plant and equipment, the acquisition of property, plant and equipment is considered as key audit matters.

Key audit procedures included:

1. Evaluate and test the performance of the increased transaction-related internal control system for property, plant, and equipment.
2. Sample and check pertinent purchase orders, invoices, etc., to ensure the transactions were correctly approved and the correct amounts recorded.
3. Sample and check the acceptance reports to ensure that the assets are ready for use and whether the timing of asset recognition in the general inventory is appropriate.
4. Sample and conduct on-site inventory of property, plant and equipment at the end of the period to ensure the existence of the purchased assets.

Other Matters

The financial reports of some subsidiaries included in the consolidated financial report of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries have not been inspected by our CPAs and were audited by other CPAs. Therefore, in our opinion on the consolidated financial report, the amount listed in the preceding subsidiaries' financial report is based on the audit report of other CPAs. The total assets as of December 31, 2023 and 2022, were NT\$271,199 thousand and NT\$258,513 thousand, accounting for 4.65% and 4.32% of the total consolidated assets, respectively. The net operating income in 2023 and 2022 were NT\$215,014 thousand and NT\$266,073 thousand, accounting for 7.63% and 6.49% of the consolidated net operating income, respectively. In addition, the "reinvestment-related information" disclosed in Note 13 (2) of the Consolidated Financial Report was compiled based on the subsidiaries' financial report based on other auditors' reports.

Toung Loong Textile MFG. Co., Ltd. has prepared the Parent Company Only Financial Statements for 2023 and 2022. We have issued an audit report with unqualified opinions and other sections on record for reference.

Management Level and Governing Units' Responsibilities for Consolidated Financial Report

Management is responsible for the preparation and fair presentation of the consolidated financial statements according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the IFRS, IAS, IFRIC, and SIC recognized and promulgated by the FSC and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The responsibilities of the management level during the formulation of the Consolidated Financial Report include evaluating Toung Loong Textile MFG. and its subsidiaries' ability to continue its operations, disclosure of the relevant matters, and adopting the accounting basis for continual operation unless the management level intends to liquidate Toung Loong Textile MFG. and its subsidiaries, stop its operations, or there is no other practical option except settlement or liquidation.

The governance units (including the Audit Committee) of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries are responsible for supervising the financial reporting process.

CPA's Consolidated Financial Report Audit Responsibilities

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 certainty means a high degree of certainty. However, audits performed under auditing standards cannot guarantee that a material misrepresentation in the consolidated financial report can be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

This CPA has exercised professional judgment and skepticism when conducting audits under the auditing standards. We also:

1. Identify and assess the risks of material misstatement of the Consolidated Financial Report, 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. The CPA must understand the organization's internal control unit being audited to design the appropriate audit procedure under the circumstances. The objective is not to express an opinion on the effectiveness of the internal control unit for Toung Loong Textile MFG. Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies adopted by the management level, the rationality of its accounting estimates, and the relevant disclosures.
4. Determine the appropriateness of management's ongoing use of its accounting policies and, based on the audit evidence obtained, whether there is material uncertainty related to events or conditions that may cast significant doubt or concern on the ability of Toung Loong Textile MFG. Co., Ltd. and its shareholdings to continue. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may lead Toung Loong Textile MFG. Co., Ltd. and its subsidiaries to become unable to continue to operate.

5. Evaluate the consolidated financial report's overall presentation, structure, and content (including related notes) and assess whether the consolidated financial report can properly represent the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence for Toung Loong Textile MFG. Co., Ltd. and its subsidiaries' individual financial information to express an opinion on its consolidated financial report. The CPA is responsible for the guidance, supervision, and execution of the audit case and for forming the audit opinion of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries.

We communicated 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 identified during our audit).

The CPA has also provided the governance unit with a declaration stating that the personnel of the CPA's accounting firm who are subject to independence have complied with the independence requirements of the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and communicated all relationships and other matters (including security related aspects) that may be considered to affect the accountant's independence with the governance unit.

The matters communicated between the CPA and the governance unit comprised key audit items for the audit of Toung Loong Textile MFG. Co., Ltd. and its subsidiaries' 2023 consolidated financial report. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Toppest CPAs & Co.

Certified Public Accountant: Wei-Cheng Chang CPA Wan-Li Hsieh

Financial Supervisory Commission Approval	Financial Supervisory Commission Approval
Jin-Guan-Zheng-Shen-Zi No. 1050037432	Jin-Guan-Zheng-Shen-Zi No. 1050037432

March 13, 2024

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

Consolidated Balance Sheet (I)

December 31, 2023 and 2022

Unit: Amounts expressed
in thousands of New
Taiwan Dollars

Assets		Note	2023/12/31 Amount	%	2022/12/31 Amount	%
Current asset						
1100	Cash and cash equivalents	4, 6(1)	\$ 700,623	12	\$ 636,125	11
1136	Financial assets at amortized cost - Current	4	48,298	1	31,079	1
1150	Net value of notes receivable	6, 6(2)	5,236	-	2,669	-
1170	Net value of accounts receivable	6, 6(2)	265,784	5	266,126	4
1200	Other receivables	4, 6(3)	6,954	-	6,040	-
1220	Current tax assets	4	1,681	-	5	-
1310	Net inventory	4, 5(1), 6(4)	1,340,527	23	1,554,335	26
1410	Prepayments		20,999	-	11,944	-
1476	Other financial assets - current	4	89,194	2	37,343	1
	Total current asset		2,479,296	43	2,545,666	43
non-current assets						
1510	Financial assets at FVTPL	4	-	-	-	-
1517	Financial assets at fair value through other comprehensive income- non-current	4	90,603	1	104,604	2
1535	Non-current financial assets at amortized cost	4	79,127	1	79,140	1
1550	Investment accounted for using the equity method	4	4,466	-	13,504	-
1600	Property, Plant and Equipment	4, 5(2), 6(5), 8, 9	3,021,886	52	3,006,344	50
1755	Right-of-use asset	4, 6(6), 8	33,763	1	26,293	-
1760	Net Investment Property	4	33,008	1	33,382	1
1780	Intangible Assets	4	936	-	1,981	-
1840	Deferred tax assets	4, 5(3), 6(13)	39,867	1	34,302	1
1915	Prepayments for business facilities	9	8,385	-	103,423	2
1920	Refundable deposits		18,892	-	19,397	-
1990	Other noncurrent assets - others		18,100	-	14,957	-
	Total non-current asset		3,349,033	57	3,437,327	57
1XXX Total assets						
			\$ 5,828,329	100	\$ 5,982,993	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, 2024)

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, 2023 and 2022

Unit: Amounts expressed
in thousands of New
Taiwan Dollars

Liabilities and Shareholders' Equity		Note	2023/12/31 Amount	%	2022/12/31 Amount	%
Current liabilities						
2100	Short-term borrowings	6(7), 8	\$ 1,112,386	19	\$ 1,379,184	23
2110	Short-term notes and bills payable	6(7), 8	99,968	2	79,808	1
2150	Notes payable		83,976	1	47,914	1
2170	Accounts payable		189,321	3	170,299	3
2200	Other payables		94,428	2	157,705	3
2230	Current income tax liabilities	4, 6(13)	1,578	-	44,030	1
2280	Lease liabilities - Current	4, 6(6)	10,852	-	6,174	-
2320	Long-term liabilities due within 1 year	6(7), 8	264,722	5	114,053	2
2399	Other current liabilities - Others		2,741	-	4,389	-
	Total current liabilities		1,859,972	32	2,003,556	34
non-current liabilities						
2540	Long-term borrowings	6 (6), 8	1,217,850	21	1,109,995	18
2571	Deferred income tax liabilities - land appreciation tax	4	28,591	-	28,591	-
2572	Deferred income tax liabilities - income tax	4, 5(3), 6(13)	41,648	1	42,300	1
2580	Lease liabilities - Non-current	4, 6(6)	10,112	-	6,289	-
2640	Net defined benefit liabilities - noncurrent	4, 5(4), 6(8)	1,053	-	877	-
2645	Deposits received		193	-	193	-
	Total non-current liabilities		1,299,447	22	1,188,245	19
2XXX	Total Liabilities		3,159,419	54	3,191,801	53
Equity attributable to the parent company		6(9)				
3100	Capital stock		1,226,920	21	1,226,920	21
3200	Additional paid-in capital		167,271	3	167,271	3
3300	Retained earnings	4				
3310	Statutory reserves		591,824	10	575,067	10
3320	Special reserves		40,183	1	70,101	1
3350	Undistributed earnings		646,348	11	734,979	12
3400	Other equities	4	(57,948)	(1)	(40,183)	(1)
	Total equity of the parent company		2,614,598	45	2,734,155	46
36XX	Non-controlling interest	6(9)	54,312	1	57,037	1
3XXX	Total equity		2,668,910	46	2,791,192	47
1XXX	Total liabilities and equities		\$ 5,828,329	100	\$ 5,982,993	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, 2024)

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, 2023 and 2022

Unit: Amounts
expressed in thousands
of New Taiwan Dollars
(Earnings Per Share is in NTD)

Code	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating income	4, 6(10)	\$ 2,818,246	100	\$ 4,099,883	100
5000	Operating costs	6(4)	(2,646,635)	(94)	(3,659,299)	(89)
5900	Gross profit		171,611	6	440,584	11
	Operating expenses	6(11), 7				
6100	Selling expenses		(78,431)	(2)	(99,778)	(2)
6200	Administrative expenses		(91,112)	(3)	(112,523)	(4)
6300	Research and development expenses		(15,007)	(1)	(15,166)	-
6450	Expected loss (profit) on credit impairment	4, 6(2)(3)	3,631	-	(52,543)	(1)
	S		(180,919)	(6)	(280,010)	(7)
6900	Net operating income (loss)		(9,308)	-	160,574	4
	Non-operating income and expense					
7100	Interest revenue	4	20,230	1	10,786	-
7110	Rental income	4, 7	3,613	-	3,575	-
7130	Dividend income	4	2,580	-	10,458	-
7190	Other income	4	21,505	1	32,985	1
7210	Gains on disposals of property, plant and equipment	4	28	-	-	-
7225	Gains on disposals of investments		-	-	-	-
7230	Net gain on foreign exchange	4	1,394	-	39,358	1
7370	using equity method	4	-	-	-	-
7510	Interest expenses		(43,000)	(2)	(29,341)	(1)
7590	Miscellaneous expenses		(496)	-	(7,430)	-
7610	Losses from Disposal of Property, Plant and Equipment	4	-	-	(4,182)	-
7630	Foreign currency conversion loss		-	-	-	-
7635	Losses on financial assets at FVTPL	4	-	-	(2,124)	-
7770	using the equity method	4	(9,140)	-	(8,912)	-
	S Subtotal of non-operating incomes and expenses		(3,286)	-	45,173	1
7900	Profit (loss) before tax		(12,594)	-	205,747	5
7950	Income tax benefit (expense)	4, 6(13)	442	-	(33,447)	(1)
8200	Net income (loss)		(12,152)	-	172,300	4
	Other comprehensive income	6(12)				
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	6(8)	389	-	6,168	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income		(14,000)	(1)	9,764	-
8349	Income taxes related to the items not re-classified	6(12)	(78)	-	(1,233)	-
	Subtotal of items not subsequently reclassified to income		(13,689)	(1)	14,699	-
	Items that may be reclassified subsequently to profit or loss					
8361	statements of foreign operations	4	(6,440)	-	22,786	1
8399	Income tax related to items that may be reclassified	6(12)	1,019	-	(3,805)	-
	income		(5,421)	-	18,981	1
	after tax)		(19,110)	(1)	33,680	1
8500	Total comprehensive income in the current period		\$ (31,262)	(1)	\$ 205,980	5
	Net income attributable to:					
8610	Owners of the parent company		\$ (15,908)	-	\$ 167,570	4
8620	Non-controlling interest		3,756	-	4,730	-
	Total		\$ (12,152)	-	\$ 172,300	4
	Total comprehensive income attributable to:					
8710	Owners of the parent company		\$ (33,673)	(1)	\$ 197,488	5
8720	Non-controlling interest		2,411	-	8,492	-
	Total		\$ (31,262)	(1)	\$ 205,980	5
	Earnings per Share	6(14)				
9750	Basic earnings (losses) per share		\$ (0.13)		\$ 1.37	

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, 2024)

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, 2023 and 2022

Unit: Amounts expressed in thousands of New
Taiwan Dollars

Change Items	Retained earnings					Other items of equity		Remeasurement of defined benefit programs	Total	Non- controlling interest	Total equity
	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				
Balance as of January 1, 2022	\$ 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
2022 surplus distribution:											
Appropriated statutory surplus reserve	-	-	16,757	-	(16,757)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(29,918)	29,918	-	-	-	-	-	-
Distribution of cash dividends	-	-	-	-	(85,884)	-	-	-	(85,884)	-	(85,884)
Stock dividends distribution	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) for 2023	-	-	-	-	(15,908)	-	-	-	(15,908)	3,756	(12,152)
Other comprehensive income for 2023	-	-	-	-	-	(4,076)	(14,000)	311	(17,765)	(1,345)	(19,110)
Subsidiary's cash dividends paid	-	-	-	-	-	-	-	-	-	(5,136)	(5,136)
Balance as of December 31, 2023	<u>\$ 1,226,920</u>	<u>\$ 167,271</u>	<u>\$ 591,824</u>	<u>\$ 40,183</u>	<u>\$ 646,348</u>	<u>\$ (11,310)</u>	<u>\$ (6,745)</u>	<u>\$ (39,893)</u>	<u>\$ 2,614,598</u>	<u>\$ 54,312</u>	<u>\$ 2,668,910</u>

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, 2024)

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, 2023 and 2022

expressed in thousands
of New Taiwan Dollars

Item	2023	2022
Cash flows from operating activities:		
Profit (loss) before tax for the period	\$ (12,594)	\$ 205,747
Adjustment items:		
Revenue expense items that do not affect cash flow		
depreciation expense	350,762	348,615
Amortization cost	4,824	8,921
Anticipated credit impairment loss (profit) amount	(3,631)	52,543
Losses (gains) on financial assets at FVTPL	-	2,124
Interest expenses	43,000	29,341
Interest revenue	(20,230)	(10,786)
Dividend income	(2,580)	(10,458)
Shares of losses (gains) of associates accounted for using the equity method	9,140	8,912
Losses (profits) from disposal and scrapping of property, plant, and equipment	(28)	4,182
Assets related to business activities / changes in liabilities		
Decrease (Increase) of notes receivable	(2,567)	32,780
Accounts receivable (increase) decrease	3,973	287,431
Decrease (Increase) of other receivables	(779)	(3,994)
Inventory (increase) decrease	213,809	(231,181)
Prepayments (increase) decrease	(9,055)	67,999
Increase (decrease) of notes receivables	36,062	18,324
Increase (decrease) of accounts receivables	19,023	(154,116)
Increase (decrease) of other receivables	(62,899)	(25,187)
Increase (decrease) of other current liabilities	(1,648)	2,121
Increase (decrease) of net defined benefit liabilities	565	399
Cash in(out)-flows generated by business operation	565,147	633,717
Interest received	20,095	10,577
Dividends received	2,580	10,458
Interest paid	(42,544)	(28,345)
Income tax paid	(48,962)	(84,694)
Net cash inflow (outflow) from operating activities	496,316 #	541,713

(Continued next page)

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, 2024)

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, 2023 and 2022

(Previous Page)			
	Item	2023	2022
	Cash flows from investing activities:		
	(Increase) decrease in financial assets at FVTOCI	-	(767)
	(Increase) decrease in held-to-maturity financial assets	-	-
	(Increase) decrease in financial assets measured at amortized cost	(17,206)	(35,268)
	(Increase) decrease of financial assets at FVTPL	-	7,928
	(Increase) decrease in other financial assets	(51,851)	29,397
	Disposal of financial assets measured by cost	-	-
	Proceeds from disposal of investments accounted for using equity method	-	-
	Acquisition of property, plant and equipment	(356,007)	(474,673)
	Disposal of property, plant and equipment	28	240
	(Increase) decrease of prepayments for equipment	95,038	(50,130)
	(Increase) decrease in refundable deposits	505	(2,239)
	Acquisition of Intangible Assets	(185)	(479)
	(Increase) decrease in the other noncurrent assets	(6,772)	(2,849)
	Net cash inflow (outflow) from investing activities	(336,450)	(528,840)
	Cash flows from financing activities		
	(Increase) decrease in short-term borrowings	(266,798)	419,213
	(Increase) decrease in short-term notes payable	20,159	(180,130)
	Borrowing (repaying) long-term loans	258,524	(100,038)
	Cash dividends paid	(85,884)	(156,372)
	Change in non-controlling interests	(5,136)	(6,395)
	Repaid principal of lease	(10,690)	(5,385)
	Net cash inflow (outflow) from financing activities	(89,825)	(29,107)
	Effect of exchange rate changes on cash and cash equivalents	(5,543)	14,065
	Net increase (decrease) in cash and equivalent cash for the current period	64,498	(2,169)
	Cash and cash equivalents at the beginning of the year	636,125	638,294
	Cash and cash equivalents at the end of the year	\$ 700,623	\$ 636,125

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, 2024)

Chairman: Chih-Chen Yu

Manager: Rong-Lih Yu

Accounting Officer: Tai-Chen Chen

[Appendix 5]

TOUNG LOONG TEXTILE MFG. CO., LTD.

Earnings Distribution Table

2023

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated retained earnings of previous years		662,255,841
Less: loss after tax	(15,908,001)	
Unappropriated retained earnings other than the loss in the current period	-	
Loss for the current period plus unappropriated retained earnings other than the loss in the current period		(15,908,001)
Less: provision for legal reserve		-
Distributable net profit		646,347,840
Distribution items		
Cash dividends (NT\$0.5 per share)		(61,346,006)
Undistributed retained earnings at the end of the period		585,001,834

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

[Appendix 1]

The Articles of Incorporation of Toungh Loong Textile MFG. Co., Ltd.

Chapter I General Provisions

- Article 1: The Company was established in accordance with the Company Act, named as Toungh 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 depository 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 in 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 shall 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 15, 2024: 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 15, 2024 are as follows:

Record date: April 15, 2024

Position	Name	Date elected	Current Shareholding		
			Stock Type	Number of shares	Percentage %
Chairman	Chih-Chen Yu	2022.6.16	Common shares	2,938,003	2.40%
Director	Ching-Chung Yu	2022.6.16	Common shares	1,761,550	1.44%
Director	Jung-Chieh Yu	2022.6.16	Common shares	6,405,719	5.22%
Director	Rong-Lih Yu	2022.6.16	Common shares	6,368,094	5.19%
Director	Mao Jia Investment Ltd. Representative: Chiu-Yueh Chen	2022.6.16	Common shares	5,043,028	4.11%
Director	Siang Hao Investment Co Ltd. Representative: Kai-Ping Chang	2022.6.16	Common shares	1,045,500	0.85%
Director	Sara Rose International Inc. Representative: Jing-Woei Jou	2022.6.16	Common shares	4,896,567	3.99%
Director	GTO CNC Solutions Corp. 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				32,288,561	26.32 %

The total number of shares held by directors as of the book closure date was 32,288,561 shares (26.32% of the total shares of the Company)

◎The number of shares held by supervisors shall not be applicable since the Company has set up an Audit Committee.

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