

Stock Code: 1414



**TUNG HO TEXTILE CO., LTD.**

## **2025 Annual Shareholders' Meeting**

# **Meeting Agenda**

**(Translation)**

Meeting type: Physical Shareholders' Meeting

Time: Jun. 16, 2025 (Monday), 9:00 a.m.

Location: 2F., No. 5, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)  
(Taipei World Trade Center Exhibition Hall Conference Room 2)

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# **2025 Annual Shareholders' Meeting Procedures**

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Ratifications
5. Discussions
6. Election Matters
7. Other Matters
8. Extempore Motions
9. Adjournment

# 2025 Annual Shareholders' Meeting Agenda

Meeting type: Physical Shareholders' Meeting

Meeting time: 9:00am, Monday, June 16, 2025.

Meeting venue: 2F, No. 5, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

(Taipei World Trade Center Exhibition Hall Conference Room 2)

Chairperson: Chairman Tsai, Sui-Ying

## 1. Report Items

1. Business report for 2024.
2. Audit Committee's review report on the 2024 financial statements.
3. Report on the balance of external guarantees and external guarantees received in 2024.
4. Report on the distribution of employee and director compensation for 2024.
5. Report on the distribution of cash dividends from 2024 earnings.
6. Report on asymmetric division matters.

## 2. Ratifications

1. Business report and financial statements for 2024.
2. Proposal for earnings distribution for 2024.

## 3. Discussions

1. Amendment to certain provisions of the Company's Articles of Incorporation.
2. Proposal for capital reduction and return of capital.

## 4. Election Matters

Re-election of the Company's directors and independent directors.

## 5. Other Matters

Removal of the non-competition restrictions on the Company's directors.

## 6. Extempore Motions

## 7. Adjournment

## 1. Report Items

**Case 1:** (Proposed by the Board of Directors)

**Proposal:** Business report for 2024, please review.

**Explanation:** For the Company's business report for 2024, please refer to Attachment 1 (Pages 10 to 17 of this handbook).

**Case 2:** (Proposed by the Board of Directors)

**Proposal:** Report on the Audit Committee's review of the 2024 financial statements, please review.

**Explanation:** Audit Committee's review report, please refer to Attachment 2 (Page 18 of this handbook).

**Case 3:** (Proposed by the Board of Directors)

**Proposal:** 2024 Report on the Balance of Guarantee Provided To and By External Parties, please review.

**Explanation:** The Company's balance of external guarantees provided and received in 2024 is zero for both.

**Case 4:** (Proposed by the Board of Directors)

**Proposal:** 2024 Report on the Distribution of Employees' and Directors' Compensation, please review.

**Explanation:**

1. This proposal is handled in accordance with Article 235-1 of the Company Act and Article 38-1 of the Company's Articles of Incorporation.
2. The Company's pre-tax profit in 2024 was NT\$61,647,465. At the 13th session of the 37th Board of Directors, a resolution was adopted to distribute 2.5% of the Company's profit as the remuneration of employees in 2024 and the amount was NT\$1,541,187. 2.5% of the Company's profit was distributed as the remuneration of directors in 2024, and the amount was NT\$1,541,187.

**Case 5: (Proposed by the Board of Directors)**

**Proposal: 2024 Report on the Distribution of Cash Dividends from Earnings, please review.**

**Explanation:**

1. According to Article 39, Paragraph 2 of the Company's Articles of Incorporation, the Board of Directors is authorized by special resolution to distribute all or part of the dividends and bonuses in cash.
2. The after-tax profit for 2024 is NT\$56,666,456, with accumulated distributable earnings of NT\$176,384,876 for the current period. By special resolution of the 13th meeting of the 37th Board of Directors, a cash dividend of NT\$0.23 per share will be distributed to shareholders, for a total distribution of NT\$50,600,000.
3. The cash dividend is calculated to NTD according to the distribution proportion, with the amount less than NT\$1 removed, and any total amount less than NT\$1 in the distribution is counted as other income in the Company's financial statements.
4. April 13, 2025, is set as the ex-dividend date, and May 2 of the same year is set as the distribution date.

**Case 6: (Proposed by the Board of Directors)**

**Proposal: Report on asymmetric split matters, please review.**

**Explanation:**

1. To implement organizational restructuring and professional division of labor, with the aim of enhancing overall operational performance and market competitiveness, the Company's Board of Directors has resolved to split the related business operations of the Spinning Department (including assets, liabilities, and operations) to its existing 100% owned subsidiary, Pearltext Co., Ltd. In exchange, Pearltext Co., Ltd. will issue 9,900,000 new shares with a par value of NT\$10 per share, totaling NT\$99,000,000, to the Company as consideration.
2. The split reference date is tentatively set for June 30, 2025. However, if it becomes necessary to adjust the split reference date due to operational timeline requirements, the Company's Board of Directors or its authorized representative may agree with the decision-making unit of Pearltext Co., Ltd. to set an alternative date.

## 2. Ratifications

**Case 1:** (Proposed by the Board of Directors)

**Proposal:** 2024 Annual Business Report and Financial Statements, please approve.

**Explanation:**

1. The Company's 2024 Annual Business Report and Financial Statements have been approved by the Board of Directors. The Financial Statements have been audited by Ma, Wei-Chun and CPA Hsieh, Tung-Ju of Deloitte & Touche. The above Financial Statements and Business Report have been submitted to the Audit Committee for review and an audit report has been issued.
2. Please refer to Attachments 1 to 3 for the 2024 Annual Business Report, the Independent Auditors' Report, and the Financial Statements (Pages 10 to 38 of this handbook).

**Resolution:**

**Case 2:** (Proposed by the Board of Directors)

**Proposal:** 2024 Earnings Distribution Proposal, please approve.

**Explanation:** The 2024 Earnings Distribution Proposal has been approved by the Board of Directors and audited by the Audit Committee. Please refer to Attachment 4 ( Page 39 of this handbook).

**Resolution:**

### 3. Discussions

**Case 1:** (Proposed by the Board of Directors)

**Proposal:** Amendment to certain provisions of the Company's Articles of Incorporation, please review and approve.

**Explanation:** In order to appropriately increase the compensation of non-executive employees, share operational achievements with employees, retain and attract talent, and comply with Article 14, Paragraph 6 of the Securities and Exchange Act which requires the Company to stipulate in its Articles of Incorporation that a certain percentage of annual profits shall be allocated for non-executive employee salary adjustments or compensation distribution, we propose to amend the Company's Articles of Incorporation. Please refer to Attachment 5 for the comparison table of the amended provisions (Pages 40 to 41 of this handbook).

**Resolution:**

**Case 2:** (Proposed by the Board of Directors)

**Proposal:** Capital Reduction for Return of Capital to Shareholders, please review and approve.

**Explanation:**

1. To adjust the capital structure, given the ample operating capital, the Board of Directors resolved on March 11, 2025 to reduce the capital by 10%, making the capital structure more streamlined and enhancing return on equity for shareholders.
2. Reduction Amount: This cash capital reduction totals NT\$220,000,000 (all amounts in NT\$), canceling 22,000,000 shares. Based on the Company's current issued share capital of 220,000,000 common shares, the cash capital reduction ratio is 10%, with a cash return of NT\$1 per share.
3. Source of funds for the cash capital reduction, and the impact of this cash capital reduction on the Company's normal financial and business operations and the stability of its capital structure: This cash capital reduction will be funded by the Company's own capital. As of December 31, 2024, the Company has approximately NT\$170 million in cash and cash equivalents, plus approximately NT\$460 million in disposable stock and bond investments, which is sufficient to support the funds required for this capital reduction without affecting the

Company's normal financial and business operations or the stability of its capital structure.

4. Cancellation of Shares: Based on the aforementioned total issued shares, 100 shares will be reduced per 1,000 shares (that is, 900 shares will be reissued per 1,000 shares), with a cash return of NT\$1,000. The new shares reissued after this cash capital reduction will be issued in dematerialized form, with the same rights and obligations as the original shares. The reduced capital will be entirely returned in cash based on each shareholder's shareholding ratio. However, the paid-in capital after reduction and the actual capital reduction ratio will be calculated based on the total number of issued shares on the record date for share replacement due to capital reduction. Based on the aforementioned total issued shares, 100 shares will be reduced per 1,000 shares (that is, 900 shares will be issued for every 1,000 shares). For fractional shares less than one share after the capital reduction, shareholders may contact the Company's share transfer agent within five days before the record date for the capital reduction and share exchange to combine them into whole shares. Any remaining fractional shares that still cannot form one whole share after combination will be paid in cash based on the reference price when trading resumes on the centralized securities market after the capital reduction record date, calculated to the nearest NT dollar (amounts less than one dollar will be disregarded). The Chairman is authorized to find specific persons to purchase these fractional shares at the reference price.
5. Paid-in capital after capital reduction: NT\$1,980,000,000.
6. Whether the Company has plans to conduct fundraising or issue bonus shares during the shareholders' meeting year and the upcoming year, and the necessity and reasonableness of such plans: The Company currently has no such plans during the shareholders' meeting year or the upcoming year.
7. After approval by the shareholders' meeting and submission to the competent authority for effectiveness, the Chairman is authorized to separately determine the capital reduction record date, the record date for share replacement due to capital reduction, and other related matters.
8. If there are changes in the Company's share capital before the record date for this cash capital reduction, affecting the number of outstanding shares in circulation, thereby requiring adjustment to the capital reduction ratio and the refund amount per share, or if this case requires amendments due to changes in laws and regulations, instructions from competent authorities, or in response to other objective environmental changes, the shareholders' meeting is requested to authorize the Chairman to handle such matters with full authority.

**Resolution:**

## 4. Election Matters

**Proposal: Re-election of the Company's Directors and Independent Directors, please proceed with the election. (Proposed by the Board of Directors)**

Explanation:

1. The 37th Board of Directors and Independent Directors of the Company were elected at the Annual Shareholders' Meeting on June 17, 2022. As their 3-year term has expired, an election will be held in accordance with the Articles of Incorporation to elect four directors and three independent directors for the 38th Board. The term of office will be three years, from June 16, 2025, to June 15, 2028. Please proceed with the election.
2. For the list of candidates for directors of the Company, their educational backgrounds, work experience, and related information, please refer to Attachment 6 (Page 42 of this handbook).
3. For the Procedures for Director Election, please refer to Appendix 3 (Page 57 of this handbook)..

**Resolution:**

## 5. Other Matters

**Proposal: Proposal to release the Company's Directors from non-competition restrictions. (Proposed by the Board of Directors)**

Explanation:

1. In accordance with Article 209 of the Company Act, which states that "A director who conducts business within the scope of the Company's operations for himself or others shall explain the essential contents of such behavior to the shareholders' meeting and obtain its approval."
2. If the candidates for the 38th Board of Directors are elected at this year's Annual Shareholders' Meeting, it is proposed to request the Annual Shareholders' Meeting approve the release of non-competition restrictions for directors who invest in or operate other companies with business scopes identical or similar to the Company's until the end of the 38th term. Please refer to Attachment 7 (Page 44 of this handbook).

**Resolution:**

## **6. Extempore Motions**

## **7. Adjournment**

# Attachment 1. Business Report

## TUNG HO TEXTILE CO. LTD. Business Report

2024 Annual Business Report

### (1) Overview of the Textile Industry:

As for the staple market scale, the current number of spinning spindles in Taiwan is about 490,000 and the number of actually operated spindles is about 270,000. The global market remained affected by war, inflation, depreciation of the Japanese yen, competitive price dumping of products from Mainland China, and geopolitical conflicts. The industry condition remained sluggish, and end consumer demand was weak, causing branded apparel manufacturers to remain extremely cautious and conservative in placing orders, despite the already low inventory levels. Consequently, this global demand weakness directly impacted both domestic and export orders across Taiwan's upstream, midstream, and downstream textile industry, with continued order reductions of approximately 20%-30%.

### (2) Our Company's countermeasures:

1. Continue to enhance the competitiveness of our specialty yarns:
  - a. Improve quality, enhance production efficiency, and reduce waste.
  - b. Strengthen factory production flexibility to adapt to the market trend of urgent, small-quantity, diversified orders.
2. Continuously collect market information to develop specialty yarn products with uniqueness and irreplaceability:
  - a. Combined long and short fiber yarns offer the softness of short fiber yarns and the strength and anti-pilling properties of long fiber yarns, which will continue to be a future market trend. We will continue to develop various combinations of long and short fibers with different functions and environmentally friendly materials, creating different textured appearances to meet diverse application needs and enhance visual appeal.
  - b. Natural material blended yarns, such as pineapple, hemp, linen, and PIMA fibers. In recent years, there has been a rising awareness of sustainability and environmental protection, along with a prevailing trend toward energy conservation, carbon reduction, and earth protection. Driven by international

apparel brands, the recycling and remanufacturing of natural, eco-friendly, and waste textile products to reduce resource waste and lower greenhouse gas emissions has become an international trend, which will be our company's active direction for future product development. We will continue to develop various series of recyclable and reusable material yarns and natural fiber yarns, striving to promote environmentally friendly, sustainable, and low-pollution products with functional properties to meet the market demand for environmentally friendly and sustainable materials.

### 3. Integrate international brands and upstream and downstream partners:

We will collaborate with upstream raw material suppliers, downstream weaving/dyeing and finishing factories, and international brand customers in a vertically integrated team model. By combining our unique production configurations and process optimization, we will jointly develop customized, refined, and unique new products to cater to ever-changing consumer consumption patterns and the demands of international brand customers.

Unit: NT\$ Thousand

Actual production volume of general/special yarns and estimated volume for 2025						
	2023		2024		2025 (estimated)	
	Production volume	%	Production volume	%	Production volume	%
General yarn	172,770	37%	119,975	29%	8,025	3%
Special yarn	293,033	63%	295,689	71%	275,365	97%
Total	465,803	100%	415,664	100%	283,390	100%

Actual sales volume of general/special yarns and estimated sales for 2025						
	2023		2024		2025 (estimated)	
	Sales volume	%	Sales volume	%	Sales volume	%
General yarn	123,816	28%	113,079	29%	42,399	12%
Special yarn	312,915	72%	281,320	71%	325,135	88%
Total	436,731	100%	394,399	100%	367,534	100%

(3) Analysis of 2024 Consolidated Business Performance, Debt Repayment Capability, and Profitability:

2024 Business Condition: Unit: NT\$ Thousand

Item	2024	2023	Increase (decrease) amount	Increase (decrease) %
Net Sales	523,860	566,660	(42,800)	(7.55)%
Gross Profit	67,048	40,693	26,355	64.77%
Net profit for the period	56,666	32,849	23,817	72.50%
Earnings per Share after Tax (TWD)	0.26	0.15	0.11	73.33%
Net Value Per Share (TWD)	14.37	14.24	0.13	0.91%

1. Analysis of the debt paying ability

Current ratio:	204.04%
Quick ratio:	136.75%

2. Analysis of the profitability

Return on assets:	1.47%
Return on shareholders' equity:	1.80%
Net profit ratio:	10.82%

**(4) Asset investment and development:**

1. Strengthen the management of the rental area of the mass-market store in Rende District:

Environmental optimization, road maintenance, and good communication with tenants.

2. Solar power generation equipment

The solar power equipment installed in Madou District and Rende District generates approximately 3.5 million kWh annually, reducing carbon emissions by about 1,800 tonnes per year. In addition to responding to government environmental policies, it also brings in non-operating income of approximately NT\$1.5 million per month for the company.

3. Land lease activated assets:

For the past ten years, the Tainan City Government has promoted the rezoning and development of the Madou Industrial Park, improving land use efficiency, and opening the Mashan Bridge connecting road, which links the Madou Industrial Park with the Southern Taiwan Science Park. With the travel time of

only 15 minutes, the area has attracted investors to move in and holds strong potential to develop into a satellite park of the Southern Taiwan Science Park, thereby driving regional economic and industrial upgrading. Our company's land in Madou Industrial Park has completed public rezoning, and new lot numbers were obtained in April 2021. Driven by major investment plans in the Southern Taiwan Science Park, high-tech supply chain companies have shown interest in establishing factories. Combined with the well-developed living amenities in the Madou area, this has led to a steady stream of manufacturers entering lease negotiations and planning factory establishments.

## **(5) Environmental, Social, and Governance:**

Deepening our roots in Taiwan and advancing locally has always been our company's management policy. In 2024, we updated our company's business philosophy to 'Honest Responsibility, Continuous Improvement, Learning from the Past to Know the Future, Creating Benefits'. With this philosophy as our goal, we honestly and responsibly treat every matter and every employee, learn together in this ever-changing era, seek higher quality in our products, strive not just for the best but for better, and work together to create optimal benefits. The arrival of the AI era in 2024 has opened up a new global landscape. How to make the company and employees more advanced in this rapidly changing era is testing us. In addition to continuing to invest in environmental protection issues, we are committed to fulfilling social responsibilities, providing employees with a comprehensive safe working environment, and creating a friendly workplace. These are all goals we are striving for. Corporate environmental protection and social responsibility are no longer just matters of image-building, but have become key factors affecting corporate competitiveness, investment attractiveness, and brand value.

### ● Environmental:

In response to extreme climate disasters, global attention to environmental protection is increasing. All countries are declaring carbon reduction actions and actively developing renewable energy. Enterprises also need to take environmental responsibility to ensure that their operations comply with sustainable development principles. In 2023, Taiwan passed the Climate Change Response Act, officially incorporating 2050 Net Zero Emissions, promoting corporate carbon inventory, and requiring large enterprises to submit carbon emission data. In 2024, the carbon fee system and carbon reduction actions will be implemented, and the threshold for carbon fee collection may be lowered, so enterprises need to prepare in advance.

Our company's greatest energy consumption is in electricity and we have been continuously promoting energy-saving policies for many years, gradually

replacing public utility equipment with energy-efficient systems. The company established the Corporate Sustainable Development Committee in 2022 and continues to promote energy-saving policies:

- (1) In October 2023, we completed the ISO 14064:2018 greenhouse gas inventory and obtained the SGS certification statement, setting this as the base period for setting annual carbon reduction targets.
- (2) In June 2024, we completed the 2023 greenhouse gas inventory and obtained an SGS verification statement, showing that carbon emissions in 2023 were reduced by 6,289 tonnes compared to 2022.
- (3) Maintaining the efficiency of solar power generation from Phase 1 to 4 can save over 1,800 tonnes of carbon emissions annually.
- (4) The improvement of internal air valve quick connectors for Tube 7-II and 21C single spindles to reduce air leakage, thereby lowering power consumption of air compressors, can save approximately 160,000 kWh of electricity per year.
- (5) The rusted air piping in the blowing area was replaced, reducing the air compressor energy consumption from 100% to 75%, saving approximately 600,000 kWh of electricity per year.
- (6) In compliance with Taiwan Power Company's electricity reduction measure "8 days per month type," we implemented capacity suppression, resulting in electricity savings of 690,000 kWh in 2024.
- (7) In line with government policies, we are participating in corporate power scheduling by providing flexible electricity usage equipment. To support the government's power grid enhancement needs through electricity demand response, the Company has completed a contract with Taiwan Power Company's authorized agent (Enel X Taiwan) in 2024, with implementation beginning in 2025.
- (8) In 2024, the Company completed the implementation of intelligent power management throughout our factory premises. The intelligent platform analyzes electricity consumption of equipment in various areas and their power usage, enhancing the visibility of power scheduling and enabling better control of electricity consumption during off-peak and peak periods.

● Social:

- (1) To take care of employees and their families, the Company provides comprehensive employee protection. In the Corporate Social Responsibility Handbook, we declare our commitment to protecting human rights, supporting gender equality in the workplace, respecting employee diversity, strictly adhering to government labor laws, holding regular meetings with the union, and establishing good communication channels between labor and management.

- (2) To ensure a safe workplace and safeguard employee health, we have established a comprehensive safety and health management system. This includes implementing safety and health education and training, promoting health enhancement activities, offering occupational safety and health consultation and participation opportunities, strictly preventing workplace accidents, continuously advancing ISO 45001 certification, and optimizing workplace safety equipment.
- (3) In addition to ISO certification, we also comply with various standards of the Textile Exchange: GRS, OCS, GOTS and RWS, etc. The sources of raw materials used in our production processes also meet the standards of social responsibility requirements. In addition to the protection of human rights, the regulations also include animal protection and organic plant growth.
- (4) The company views employees as important partners and upholds a people-oriented spirit. To enhance the professional development of each employee, we hold textile professional knowledge and leadership courses annually. Through education and training, we provide employees with a positive competitive platform to continuously improve themselves. In 2020, we established a KM (Knowledge Management) system to continuously pass on, learn from, and refine experience and technical expertise.

- Governance:

Deepening our roots in Taiwan and advancing locally has always been our company's management policy. In 2024, we updated our company's business philosophy to 'Honest Responsibility, Continuous Improvement, Learning from the Past to Know the Future, Creating Benefits'. In line with the arrival of the AI era, we are strengthening the intelligent management of the Company, opening up a new global landscape, and enabling both the Company and employees to excel in this rapidly changing world.

The Company has established a corporate governance system. In addition to complying with the Articles of Association and relevant laws and regulations, in order to strengthen the functions of the board of directors, the Company has established a remuneration committee and an audit committee, appointed corporate governance officers, and provided directors with the information required for business operations, in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." In order to protect the rights and interests of shareholders and stakeholders and to improve information transparency, the Company discloses financial, business, and corporate governance information on the Company's website and has set up a specific area for stakeholders as a communication channel with stakeholders.

## **2. 2025 Business Plan Summary:**

**(1) The spinning department strengthens the functions and depth of existing products, and expands market sales with new products that respond to trends: Continuously developing high-quality yarns to meet the demands of various industries. Through strategic alliances, we are connected and collaborating on the development of eco-friendly materials, circular economy materials, functional composite fabrics, smart quality control systems for quality enhancement, automation, and data analysis, enabling agile customized production. Responding more quickly to trends and consumer demands.**

- **Functional composite yarns: Various functional raw materials, including moisture-wicking, quick-drying, temperature regulation, antibacterial deodorizing, skin-friendly moisturizing, and more. Enhancing communication with customers, and developing and promoting new products of Conjugated filament and staple yarns:**

- **Recycled textile waste yarn: Demand is increasing for high-quality, environmentally friendly functional products. Consumers and brands place greater emphasis on product functionality, complete and credible information, and traceability in the supply chain. We optimize spinning technology and implement detailed single-bale management. At the same time, through special and precise spinning conditions and management, we can also increase the gross profit and create added value for customers.**

- **Conjugated filament and staple yarns: SiroWrap conjugated filament and staple yarn technology can use filament fibers, such as stretch yarn, fine denier, and polyester fiber, with cotton, tencel, modal, refibra, etc. to perfectly conjugate the strength and low hairiness of filament fibers with skin-friendly and comfortable staple fibers.**

**(2) Continuing asset revitalization and development:**

**In addition to managing the rental areas in Rende District and maintaining solar power generation equipment, we are actively strengthening negotiations with potential customers regarding the rental of vacant land in Madou Industrial Park.**

**(3) Enhancing the investment department:**

To meet the trend of the global economy, we will seek investment targets with stable operations and abundant profits both domestically and internationally. By combining internal and external precise evaluations, we will make

diversified investments to increase the company's non-core business profits.

### **3. Future Development Strategy**

#### **(1) Facing external price competition, there is a need to further improve management, Enhancing Added Value, and strive for irreplaceable differentiated products:**

The spinning and textile industries are facing the threat of price dumping, the current competitive advantage of Taiwanese yarn mills lies in quality, proximity for convenience, prompt delivery, and instant service, not price. Therefore, the factory must continue to improve quality, especially during this period of intense industry competition. Only stable quality can ensure sustainable and long-lasting orders. Lastly, on the development side, we need to integrate the feedback from upstream, midstream, and downstream businesses, combined with the special functional new materials our factory has been continuously purchasing, to develop a series of functional special yarns with unique and irreplaceable characteristics based on market demands and future trends, making them a significant niche for our factory to solidify its position in Taiwan's supply chain.

#### **(2) We have enhanced the establishment of a knowledge base and digital management**

By integrating on-site system quality data, we set up a big data knowledge management platform. Achieve the advantages of "high-speed accuracy and fast small-order returns," exert the core system command capability, and reduce waste and manpower. It can quickly analyze product quality, quickly debug and configure production lines, improve production efficiency, and break through the predicament of "inexpensive competition" with "value for money".

Chairman:  
Tsai, Sui-Ying

Manager:  
Chang, Chia-Heng

Accounting Manager:  
Kuo, Yen-Liang

## **Attachment 2. Audit Committee's Review Report**

**Tung Ho Textile Co., Ltd.**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and Earnings Distribution Proposal. The Financial Statements have been audited by Deloitte & Touche, who have issued their audit report.

The aforementioned Business Report, Financial Statements, and Earnings Distribution Proposal have been reviewed by the Audit Committee and found to be in compliance and are hereby submitted for your review in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act.

To

2025 Annual Shareholders' Meeting of Tung Ho Textile Co., Ltd.

Audit Committee Convener: Chen, Cheng-Keng

May 5, 2025

# **Attachment 3. 2024 Financial Statements and CPA Review Report**

## **INDEPENDENT AUDITORS' REPORT**

To Tung Ho Textile Co., Ltd.:

### **Audit Opinion**

We have audited the consolidated financial statements of Tung Ho Textile Co., Ltd. ("the Company") and its' subsidiaries, which comprise the balance sheets as of December 31, 2024 and 2023, and the statements of comprehensive income, the statements of changes in equity, and the statements of cash flows from January 1 to December 31, 2024 and 2023, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) issued into effect by the Financial Supervisory Commission.

### **Basis for Audit Opinion**

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of Tung Ho Textile Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Financial Statements of Tung Ho Textile Co., Ltd. for the year ended 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the consolidated Financial Statements of Tung Ho Textile Co., Ltd. for the year ended 2024 are stated as follows:

#### Inventory impairment

Tung Ho Group's inventory is susceptible to price fluctuations and obsolescence due to changes in demand in the finished product market and price fluctuations of basic raw materials in the market. When assessing the allowance for inventory valuation losses, management makes judgments based on market conditions and historical sales experience of similar products, which may affect the reasonableness of the provision for inventory valuation losses. Therefore, this has been identified as a key audit matter. Please refer to Notes 4, 5, and 10 to the consolidated financial statements.

The accountant's explanation for testing the reasonableness of the aforementioned inventory loss assessment is as follows:

1. Understand the design and implementation of internal controls related to inventory, including whether periodic assessments of inventory obsolescence and related inventory devaluations are properly recorded after management approval.
2. Select samples from the year-end inventory list, verify raw material purchase prices or inventory selling prices, and recalculate to validate the accuracy of net realizable value. Sample and compare the net realizable value of inventory with its carrying amount to evaluate the accuracy of the calculation of allowance for inventory valuation losses.
3. Obtain the year-end inventory obsolescence details and aging data, and recalculate to verify the accuracy of obsolescence losses.

#### **Other important matters**

Tung Ho Textile Co., Ltd. has prepared its standalone the parent company only financial statements for the years 2024 and 2023, which have been audited by our firm, and we have issued unqualified audit reports for reference.

#### **Responsibilities of management and those charged with governance for the consolidated financial statements**

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, management is responsible for assessing Tung Ho Textile Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Tung Ho Textile Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Tung Ho Textile Co., Ltd.'s financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists in the consolidated Financial Statements. Misstatements can arise from fraud or error. If individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements, it is considered material.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Tung Ho Group's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Based on the audit evidence obtained, a conclusion is made on the appropriateness of management's use of the going concern basis of accounting and whether there is material uncertainty about events or circumstances that may cast significant doubt on Tungho Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 conditions may cause Tung Ho Textile Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the consolidated Financial Statements (including relevant Notes), and whether the consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit, and for forming the group audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2024 consolidated financial statements of Tung Ho Textile Co., Ltd. and are therefore the key audit matters. 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.

Deloitte & Touche

CPA Ma, Wei-Chun

CPA Hsieh, Tung-Ju

FSC No.

FSC No. 1120349008

March 11, 2025

FSC No.

FSC No. 1090347472

Notice to Reader

*For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

TUNG HO TEXTILE CO., LTD.  
**CONSOLIDATED FINANCIAL STATEMENTS OF BALANCE SHEETS**

December 31, 2024 and 2023

Unit: NT \$ Thousand

Code	Assets	December 31, 2024		December 31, 2021	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash and Cash Equivalents (Note 4 and 6)	\$ 178,982	4	\$ 163,125	3
1110	Financial assets measured at fair value through profit or loss– current (Note 4 and 7)	173,183	4	119,629	3
1120	Financial assets measured at fair value through other comprehensive income–Current (Note 4 and 8)	288,582	7	356,904	8
1150	Notes receivable(Notes 4 and 9)	3,140	-	2,147	-
1170	Accounts receivable(Notes 4 and 9)	29,437	1	34,125	1
1200	Other receivables (Note 4)	14,269	-	7,308	-
1220	Current income tax assets (Note 4 and 20)	9,748	-	10,372	-
130X	Inventories(Notes 4 and 10)	335,279	8	442,709	10
1410	Prepayments	8,252	-	5,891	-
1470	Other current assets	834	-	72	-
11XX	Total current assets	<u>1,041,706</u>	<u>24</u>	<u>1,142,282</u>	<u>25</u>
	<b>Non-current assets</b>				
1517	Financial assets measured at fair value through other comprehensive income–Non-current (Note 4 and 8)	31,405	1	36,896	1
1600	Property, plant and equipment (Note 4, 12 and 26)	1,472,904	34	1,510,248	34
1760	Investment property (Note 4, 14 and 26)	1,743,941	40	1,738,213	39
1840	Deferred income tax assets (Note 4 and 20)	53,458	1	53,383	1
1975	Net defined benefit liabilities–Non-current (Note 4 and 16)	2,733	-	-	-
1990	Other non-current assets	5,657	-	10,124	-
15XX	Total non-current assets	<u>3,310,098</u>	<u>76</u>	<u>3,348,864</u>	<u>75</u>
1XXX	Total assets	<u>\$ 4,351,804</u>	<u>100</u>	<u>\$ 4,491,146</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Shorting-term borrowings (Notes 15 and 26)	\$ 450,000	10	\$ 594,500	13
2130	Contract liabilities–current (Note 18)	15,616	1	27,133	1
2170	Accounts payable	1,829	-	3,592	-
2219	Other payables	41,612	1	49,832	1
2230	Current income tax liabilities (Note 4 and 20)	701	-	-	-
2399	Other current liabilities	774	-	848	-
21XX	Total current liabilities	<u>510,532</u>	<u>12</u>	<u>675,905</u>	<u>15</u>
	<b>Non-current liabilities</b>				
2570	Deferred income tax liabilities (Note 4 and 20)	635,710	14	635,038	14
2640	Net defined benefit liabilities–Non-current (Note 4 and 16)	-	-	2,176	-
2645	guarantee deposits received(Notes 14 and 25)	43,875	1	44,762	1
25XX	Total non-current liabilities	<u>679,585</u>	<u>15</u>	<u>681,976</u>	<u>15</u>
2XXX	Total liabilities	<u>1,190,117</u>	<u>27</u>	<u>1,357,881</u>	<u>30</u>
	<b>Equity (Note 17)</b>				
	Share capital				
3110	Common stock	<u>2,200,000</u>	<u>51</u>	<u>2,200,000</u>	<u>49</u>
	Retained earnings				
3310	Legal reserve	106,549	3	102,540	2
3320	Special reserve	793,086	18	793,158	18
3350	Undistributed earnings	183,694	4	169,607	4
3300	Total retained earnings	<u>1,083,329</u>	<u>25</u>	<u>1,065,305</u>	<u>24</u>
3400	Other equity interest	( 121,642 )	( 3 )	( 132,040 )	( 3 )
3XXX	Total equity	<u>3,161,687</u>	<u>73</u>	<u>3,133,265</u>	<u>70</u>
	Total liabilities and equity	<u>\$ 4,351,804</u>	<u>100</u>	<u>\$ 4,491,146</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated Financial Statements.

TUNG HO TEXTILE CO., LTD.  
**CONSOLIDATED FINANCIAL STATEMENTS OF COMPREHENSIVE  
INCOME**

For the years ended December 31, 2024 and 2023

Unit: NT \$ Thousand, Except Earnings Per Share

<u>Code</u>		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Operating revenue (Notes 4, 18, 25 and 31)				
4100	Sales revenue	\$ 396,537	76	\$ 437,934	77
4300	Rental income	<u>127,323</u>	<u>24</u>	<u>128,726</u>	<u>23</u>
4000	Total operating revenue	<u>523,860</u>	<u>100</u>	<u>566,660</u>	<u>100</u>
	Operating costs				
5110	Cost of goods sold(Notes 10 and 19)	( 432,742)	( 83)	( 503,232)	( 89)
5300	Lease cost	( <u>24,070</u> )	( <u>4</u> )	( <u>22,735</u> )	( <u>4</u> )
5000	Total operating costs	( <u>456,812</u> )	( <u>87</u> )	( <u>525,967</u> )	( <u>93</u> )
5900	Gross Profit	<u>67,048</u>	<u>13</u>	<u>40,693</u>	<u>7</u>
	Operating expenses (Notes 19 and 25)				
6100	Selling expenses	( 14,774)	( 3)	( 15,153)	( 3)
6200	General and administrative expenses	( 55,650)	( 11)	( 47,784)	( 8)
6300	Research and development expenses	( <u>12,576</u> )	( <u>2</u> )	( <u>15,048</u> )	( <u>2</u> )
6000	Total operating expenses	( <u>83,000</u> )	( <u>16</u> )	( <u>77,985</u> )	( <u>13</u> )
6900	Operating net (loss) profit	( <u>15,952</u> )	( <u>3</u> )	( <u>37,292</u> )	( <u>6</u> )
	Non-operating income and expenses (Note 19,22 and 20)				
7100	Interest income	1,156	-	2,820	-
7010	Other revenue	58,391	11	46,968	8
7020	Other gains and losses	25,346	5	26,940	5
7050	Financial costs	( <u>10,376</u> )	( <u>2</u> )	( <u>12,797</u> )	( <u>2</u> )
7000	Total non-operating income and expenses	<u>74,517</u>	<u>14</u>	<u>63,931</u>	<u>11</u>

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<u>Code</u>		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
7900	Earnings before tax	\$ 58,565	11	\$ 26,639	5
7950	Income tax (expense) benefit (Notes 4 and 20)	( 1,899)	-	6,210	1
8200	Net income	<u>56,666</u>	<u>11</u>	<u>32,849</u>	<u>6</u>
	Other comprehensive income Items not to be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (Note 16)	4,439	1	3,823	1
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	23,205	4	64,362	11
8349	Income tax relating to items not to be reclassified to profit or loss (Note 20)	( 888)	-	( 765)	-
8300	Other comprehensive income for the year, net of tax	<u>26,756</u>	<u>5</u>	<u>67,420</u>	<u>12</u>
8500	Total comprehensive income	<u>\$ 83,422</u>	<u>16</u>	<u>\$ 100,269</u>	<u>18</u>
	Earnings per Share(Note 21)				
9710	Basic earnings per share	<u>\$ 0.26</u>		<u>\$ 0.15</u>	
9810	Diluted earnings per share	<u>\$ 0.26</u>		<u>\$ 0.15</u>	

The accompanying notes are an integral part of the consolidated Financial Statements.

Chairman:  
Tsai, Sui-Ying

General Manager:  
Chang, Chia-Heng

Accounting Supervisor:  
Kuo, Yen-Liang

TUNG HO TEXTILE CO., LTD.  
**CONSOLIDATED FINANCIAL STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31, 2024 and 2023

Unit: NT \$ Thousand

Code		<u>Retained earnings</u>				<u>Other equity items</u> Unrealized gain or loss of financial assets measured at fair value through other comprehensive income	<u>Total Equity</u>
		<u>Share capital</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Undistributed earnings</u>		
A1	Balance as of January 1, 2023	\$ 2,200,000	\$ 92,585	\$ 793,158	\$ 209,872	(\$ 192,219)	\$ 3,103,396
	Distribution of earnings for 2022						
B1	Legal reserve	-	9,955	-	( 9,955)	-	-
B5	Cash dividends distributed by the Company	-	-	-	( 70,400)	-	( 70,400)
D1	Net income in 2023	-	-	-	32,849	-	32,849
D3	Other comprehensive income after tax in 2023	-	-	-	3,058	64,362	67,420
D5	Total comprehensive income in 2023	-	-	-	35,907	64,362	100,269
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	4,183	( 4,183)	-
Z1	Balance as of December 31, 2023	2,200,000	102,540	793,158	169,607	( 132,040)	3,133,265
B17	Legal reversal of first-time adoption of IFRSs-related special reserve	-	-	( 72)	72	-	-
	Distribution of earnings for 2023						
B1	Legal reserve	-	4,009	-	( 4,009)	-	-
B5	Cash dividends distributed by the Company	-	-	-	( 55,000)	-	( 55,000)
D1	Net income in 2024	-	-	-	56,666	-	56,666
D3	Other comprehensive income after tax in 2024	-	-	-	3,551	23,205	26,756
D5	Total comprehensive income in 2024	-	-	-	60,217	23,205	83,422
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	12,807	( 12,807)	-
Z1	Balance as of December 31, 2024	<u>\$ 2,200,000</u>	<u>\$ 106,549</u>	<u>\$ 793,086</u>	<u>\$ 183,694</u>	<u>(\$ 121,642)</u>	<u>\$ 3,161,687</u>

The accompanying notes are an integral part of the consolidated Financial Statements.

Chairman: Tsai, Sui-Ying

General Manager: Chang, Chia-Heng

Accounting Supervisor: Kuo, Yen-Liang

TUNG HO TEXTILE CO., LTD.  
**CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2024 and 2023

Unit: NT \$ Thousand

<u>Code</u>		<u>2024</u>	<u>2023</u>
	Cash flows from operating activities		
A10000	Earnings before tax for the year	\$ 58,565	\$ 26,639
A20010	Adjustments to reconcile profit or loss		
A20100	Depreciation expenses	45,825	47,266
A20200	Amortization expenses	-	53
A20400	Net gain on financial assets measured at fair value through loss (profit)	( 13,245)	( 17,510)
A20900	Financial costs	10,376	12,797
A21200	Interest income	( 1,156)	( 2,820)
A21200	Rental income	( 7,668)	( 12,055)
A21300	Dividend income	( 51,542)	( 43,793)
A22500	Proceeds from disposal or redemption of interests in property, plant, and equipment	( 202)	-
A23700	Inventory loss from market price decline and for loss on obsolete and slow-moving inventories	-	28,152
A23800	Reversal of write-downs of inventories	( 8,239)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets measured at fair value through profit or loss	( 40,309)	( 11,743)
A31130	Notes receivable	( 993)	648
A31150	Accounts receivable	4,688	( 11,140)
A31180	Other receivables	( 6,961)	4,977
A31200	Inventories	115,669	33,122
A31230	Prepayments	( 2,361)	933
A31240	Other current assets	( 762)	4,541
A32125	Contract liabilities	( 11,517)	10,754
A32150	Accounts payable	( 1,763)	( 4,105)
A32180	Other payables	( 8,183)	( 10,952)
A32220	Other current liabilities	( 74)	( 125)
A32240	Net defined benefit liabilities	( 470)	( 371)
A32990	Long-term payables	-	( 415)
A33000	Cash generated from operations	79,678	54,853
A33100	Interest received	1,156	2,820
A33200	Dividends received	51,542	43,793

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<u>Code</u>		<u>2024</u>	<u>2023</u>
A33300	Interest paid	(\$ 10,413)	(\$ 12,855)
A33500	Income taxes paid	( 865)	( 30,477)
AAAA	Net cash inflows from operating activities	<u>121,098</u>	<u>58,134</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B00010	Acquisitions of financial assets measured at fair value through other comprehensive income	( 1,145,316)	( 609,960)
B00020	Proceeds from sale of financial assets measured at fair value through other comprehensive income	1,241,441	598,718
B00030	Refund of capital reduction of financial assets measured at fair value through other comprehensive income	893	6
B02700	Acquisition of property, plant, and equipment	( 2,860)	( 5,608)
B02800	Proceeds from disposal or redemption of property, plant, and equipment	225	-
B05400	Acquisition of investment properties	-	( 28,799)
B06800	Other non-current assets	763	-
B07100	Increase in prepayments for purchases of equipment	<u>-</u>	( 8,593)
BBBB	Net cash outflow from investing activities	<u>95,146</u>	( 54,236)
<b>Cash flows from financing activities</b>			
C00100	Increase in short-term borrowings	-	27,000
C00200	Decrease in short-term borrowings	( 144,500)	-
C03100	Decrease in guarantee deposits received	( 887)	( 50)
C04500	Payment of dividends to the Company's owners	( 55,000)	( 70,400)
CCCC	Net cash outflow from financing activities	( 200,387)	( 43,450)
EEEE	Net increase (decrease) in cash and cash equivalents	15,857	( 39,552)
E00100	Cash and Cash Equivalents at the Beginning of the Year	<u>163,125</u>	<u>202,677</u>
E00200	Cash and Cash Equivalents at the End of the Year	<u>\$ 178,982</u>	<u>\$ 163,125</u>

The accompanying notes are an integral part of the consolidated Financial Statements.

Chairman:  
Tsai, Sui-Ying

General Manager:  
Chang, Chia-Heng

Accounting Supervisor:  
Kuo, Yen-Liang

## INDEPENDENT AUDITORS' REPORT

To Tung Ho Textile Co., Ltd.:

### **Audit Opinion**

We have audited the parent company only financial statements of Tung Ho Textile Co., Ltd. (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, the statements of changes in equity, the statements of cash flows from January 1 to December 31, 2024 and 2023, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission.

### **Basis for Audit Opinion**

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Tung Ho Textile Co., Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the Norm), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of Tung Ho Textile Co., Ltd. for the fiscal year 2024. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Parent Company Only Financial Statements of Tung Ho Textile Co., Ltd. for the fiscal year 2024 are stated as follows:

#### Inventory impairment

The inventory of Tung Ho Company is susceptible to price fluctuations and obsolescence due to changes in finished product market demand and price volatility in the market for basic raw materials. When assessing inventory allowance for valuation losses, management makes judgments based on market conditions and historical sales experience of similar products, which may affect the reasonableness of the inventory valuation loss provisions. Therefore, this has been identified as a key audit matter. Please refer to Notes 4, 5, and 10 of the individual financial statements.

The accountant's explanation for testing the reasonableness of the aforementioned inventory loss assessment is as follows:

1. Understand the design and implementation of internal controls related to inventory, including whether periodic assessments of inventory obsolescence and related inventory devaluations are properly recorded after management approval.
2. Select samples from the year-end inventory list, verify raw material purchase prices or inventory selling prices, and recalculate to validate the accuracy of net realizable value. Sample and compare the net realizable value of inventory with its carrying amount to evaluate the accuracy of the calculation of allowance for inventory valuation losses.
3. Obtain the year-end inventory obsolescence details and aging data, and recalculate to verify the accuracy of obsolescence losses.

### **Responsibilities of management and those charged with governance for the financial statements**

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the financial statements, management is responsible for assessing Tung Ho Textile Co., Ltd.'s ability to continue as a going concern, the disclosure of relevant matters and the use of the going concern basis of accounting, unless management either intends to liquidate the Tung Ho Textile Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Tung Ho Textile Co., Ltd.'s financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance, but an audit conducted in accordance with the auditing standards in the Republic of China cannot guarantee that material

misstatement will be detected if they exist. Misstatements can arise from fraud or error. If the misstatements individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements, it is considered material.

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

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and implement appropriate responses to those assessed risks, and obtain sufficient and appropriate audit evidence to provide a 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. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. However the purpose is not to express an opinion on the effectiveness of Tung Ho Textile Co., Ltd's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Based on the audit evidence obtained, a conclusion is made on the appropriateness of management's use of the going concern basis of accounting and whether there is material uncertainty about events or circumstances that may cast significant doubt on Tungho Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw the attention of the users of the auditor's report to the related disclosures in the parent company only financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Tung Ho Textile Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and contents of the financial statements (including relevant Notes), and whether the financial statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the components within Tung Ho to express an opinion on the individual financial statements. The auditor is responsible for the direction, supervision, and performance of the audit, and for forming the audit opinion on Tung Ho.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Based on the matters communicated with those charged with governance, we determine the key audit matters for the audit of Tung Ho Textile Co., Ltd.'s parent company only financial statements. 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.

Deloitte & Touche

CPA Ma, Wei-Chun

CPA Hsieh, Tung-Ju

FSC No.

FSC No. 1120349008

March 11, 2025

FSC No.

FSC No. 1090347472

Notice to Reader

*For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

TUNG HO TEXTILE CO., LTD.  
**PARENT COMPANY ONLY BALANCE SHEETS**

December 31, 2024 and 2023

Unit: NTD \$ Thousands

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash and Cash Equivalents (Notes 4 and 6)	\$ 177,982	4	\$ 163,125	3
1110	Financial assets measured at fair value through profit or loss – current (Notes 4 and 7)	173,183	4	119,629	3
1120	Financial assets measured at fair value through other comprehensive income – current (Notes 4 and 8)	288,582	7	356,904	8
1150	Notes receivable (Notes 4 and 9)	3,140	-	2,147	-
1170	Accounts receivable (Notes 4 and 9)	29,437	1	34,125	1
1200	Other receivables (Note 4)	14,269	-	7,308	-
1220	Current income tax assets (Notes 4 and 20)	9,748	-	10,372	-
130X	Inventories (Notes 4 and 10)	335,279	8	442,709	10
1410	Prepayments	8,252	-	5,891	-
1470	Other current assets	834	-	72	-
11XX	Total current assets	<u>1,040,706</u>	<u>24</u>	<u>1,142,282</u>	<u>25</u>
	<b>Non-current assets</b>				
1517	Financial assets measured at fair value through other comprehensive income– Non-current (Notes 4 and 8)	31,405	1	36,896	1
1550	Investments Accounted for Using Equity Method (Notes 4 and 11)	1,000	-	-	-
1600	Property, plant and equipment (Notes 4, 12 and 26)	1,472,904	34	1,510,248	34
1760	Investment property (Notes 4, 14 and 26)	1,743,941	40	1,738,213	39
1840	Deferred income tax assets (Notes 4 and 20)	53,458	1	53,383	1
1975	Net defined benefit liabilities – Non-current (Notes 4 and 16)	2,733	-	-	-
1990	Other non-current assets	5,657	-	10,124	-
15XX	Total non-current assets	<u>3,311,098</u>	<u>76</u>	<u>3,348,864</u>	<u>75</u>
1XXX	Total assets	<u>\$ 4,351,804</u>	<u>100</u>	<u>\$ 4,491,146</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term Loans (Notes 15 and 26)	\$ 450,000	10	\$ 594,500	13
2130	Contract liabilities – current (Note 18)	15,616	1	27,133	1
2170	Accounts payable	1,829	-	3,592	-
2219	Other payables	41,612	1	49,832	1
2230	Current income tax liabilities (Notes 4 and 20)	701	-	-	-
2399	Other current liabilities	774	-	848	-
21XX	Total current liabilities	<u>510,532</u>	<u>12</u>	<u>675,905</u>	<u>15</u>
	<b>Non-current liabilities</b>				
2570	Deferred income tax liabilities (Notes 4 and 20)	635,710	14	635,038	14
2640	Net defined benefit liabilities – Non-current (Notes 4 and 16)	-	-	2,176	-
2645	Guarantee deposits received (Notes 14 and 25)	43,875	1	44,762	1
25XX	Total non-current liabilities	<u>679,585</u>	<u>15</u>	<u>681,976</u>	<u>15</u>
2XXX	Total liabilities	<u>1,190,117</u>	<u>27</u>	<u>1,357,881</u>	<u>30</u>
	<b>Equity (Note 17)</b>				
	Share capital				
3110	Common stock	<u>2,200,000</u>	<u>51</u>	<u>2,200,000</u>	<u>49</u>
	Retained earnings				
3310	Legal reserve	106,549	3	102,540	2
3320	Special reserve	793,086	18	793,158	18
3350	Undistributed earnings	183,694	4	169,607	4
3300	Total retained earnings	<u>1,083,329</u>	<u>25</u>	<u>1,065,305</u>	<u>24</u>
3400	Other equity interest	(121,642)	(3)	(132,040)	(3)
3XXX	Total equity	<u>3,161,687</u>	<u>73</u>	<u>3,133,265</u>	<u>70</u>
	Total liabilities and equity	<u>\$ 4,351,804</u>	<u>100</u>	<u>\$ 4,491,146</u>	<u>100</u>

The accompanying notes are an integral part of the Financial Statements.

Chairman: Tsai, Sui-Ying

General Manager: Chang, Chia-Heng

Accounting Supervisor: Kuo, Yen-Liang

TUNG HO TEXTILE CO., LTD.  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE  
INCOME**

For the years ended December 31, 2024 and 2023

Unit: NTD \$ Thousands Earnings Per Share (NT\$)

<u>Code</u>		<u>2024</u>		<u>2023</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
	Operating Revenue (Notes 4, 18, and 25)				
4100	Sales revenue	\$ 396,537	76	\$ 437,934	77
4300	Rental income	<u>127,323</u>	<u>24</u>	<u>128,726</u>	<u>23</u>
4000	Total operating revenue	<u>523,860</u>	<u>100</u>	<u>566,660</u>	<u>100</u>
	Operating costs				
5110	Cost of sales (Notes 10 and 19)	( 432,742)	( 83)	( 503,232)	( 89)
5300	Lease cost	( <u>24,070</u> )	( <u>4</u> )	( <u>22,735</u> )	( <u>4</u> )
5000	Total operating costs	( <u>456,812</u> )	( <u>87</u> )	( <u>525,967</u> )	( <u>93</u> )
5900	Gross Profit	<u>67,048</u>	<u>13</u>	<u>40,693</u>	<u>7</u>
	Operating expenses (Notes 19 and 25)				
6100	Marketing expenses	( 14,774)	( 3)	( 15,153)	( 3)
6200	General and administrative expenses	( 55,650)	( 11)	( 47,784)	( 8)
6300	Research and development expenses	( <u>12,576</u> )	( <u>2</u> )	( <u>15,048</u> )	( <u>2</u> )
6000	Total operating expenses	( <u>83,000</u> )	( <u>16</u> )	( <u>77,985</u> )	( <u>13</u> )
6900	Operating net (loss) profit	( <u>15,952</u> )	( <u>3</u> )	( <u>37,292</u> )	( <u>6</u> )
	Non-operating income and expenses (Notes 19, 22 and 25)				
7100	Interest income	1,156	-	2,820	-
7010	Other revenue	58,391	11	46,968	8
7020	Other gains and losses	25,346	5	26,940	5
7050	Financial costs	( <u>10,376</u> )	( <u>2</u> )	( <u>12,797</u> )	( <u>2</u> )
7000	Total non-operating income and expenses	<u>74,517</u>	<u>14</u>	<u>63,931</u>	<u>11</u>

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Code		2024		2023	
		Amount	%	Amount	%
7900	Earnings before tax	\$ 58,565	11	\$ 26,639	5
7950	Income tax (expense)benefit (Notes 4 and 20)x	( 1,899)	-	6,210	1
8200	Net income	56,666	11	32,849	6
	Other comprehensive income				
	Items not to be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (Note 16)	4,439	1	3,823	1
8316	Unrealized gain on investments in equity instruments at fair value through other comprehensive income	23,205	4	64,362	11
8349	Income tax relating to items not to be reclassified to profit or loss (Notes 20)	( 888)	-	( 765)	-
8300	Other comprehensive income for the year, net of tax	26,756	5	67,420	12
8500	Total comprehensive income	\$ 83,422	16	\$ 100,269	18
	Earnings per Share (Note 21)				
9710	Basic earnings per share	\$ 0.26		\$ 0.15	
9810	Diluted earnings per share	\$ 0.26		\$ 0.15	

The accompanying notes are an integral part of the Financial Statements.

Chairman:  
Tsai, Sui-Ying

General Manager:  
Chang, Chia-Heng

Accounting Supervisor:  
Kuo, Yen-Liang

TUNG HO TEXTILE CO., LTD.  
**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY**

For the years ended December 31, 2024 and 2023

Unit: NTD \$ Thousands

Code		Retained earnings				Other equity items Unrealized gain or loss of financial assets measured at fair value through other comprehensive income	Total Equity
		Share capital	Legal reserve	Special reserve	Undistributed earnings		
A1	Balance as of January 1, 2023	\$ 2,200,000	\$ 92,585	\$ 793,158	\$ 209,872	(\$ 192,219)	\$ 3,103,396
	Distribution of earnings for 2022						
B1	Legal reserve	-	9,955	-	( 9,955)	-	-
B5	Cash dividends distributed by the Company	-	-	-	( 70,400)	-	( 70,400)
D1	Net income for 2023	-	-	-	32,849	-	32,849
D3	Other comprehensive income after tax in 2023	-	-	-	3,058	64,362	67,420
D5	Total comprehensive income in 2023	-	-	-	35,907	64,362	100,269
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	4,183	( 4,183)	-
Z1	Balance as of December 31, 2023	2,200,000	102,540	793,158	169,607	( 132,040)	3,133,265
B17	Legal reversal of first-time adoption of IFRSs-related special reserve	-	-	( 72)	72	-	-
	Distribution of earnings for 2023						
B1	Legal reserve	-	4,009	-	( 4,009)	-	-
B5	Cash dividends distributed by the Company	-	-	-	( 55,000)	-	( 55,000)
D1	Net income for 2024	-	-	-	56,666	-	56,666
D3	Other comprehensive income after tax in 2024	-	-	-	3,551	23,205	26,756
D5	Total comprehensive income in 2024	-	-	-	60,217	23,205	83,422
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	12,807	( 12,807)	-
Z1	Balance as of December 31, 2024	\$ 2,200,000	\$ 106,549	\$ 793,086	\$ 183,694	(\$ 121,642)	\$ 3,161,687

The accompanying notes are an integral part of the parent company only Financial Statements.

Chairman: Tsai, Sui-Ying

General Manager: Chang, Chia-Heng

Accounting Supervisor: Kuo, Yen-Liang

TUNG HO TEXTILE CO., LTD.  
**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS**

For the years ended December 31, 2024 and 2023

Unit: NTD \$ Thousands

<u>Code</u>		<u>2024</u>	<u>2023</u>
	Cash flows from operating activities		
A10000	Earnings before tax for the year	\$ 58,565	\$ 26,639
A20010	Adjustments to reconcile profit or loss		
A20100	Depreciation expenses	45,825	47,266
A20200	Amortization expenses	-	53
A20400	Net gain on financial assets measured at fair value through loss (profit)	( 13,245)	( 17,510)
A20900	Financial costs	10,376	12,797
A21200	Interest income	( 1,156)	( 2,820)
A21200	Rental income	( 7,668)	( 12,055)
A21300	Dividend income	( 51,542)	( 43,793)
A22500	Proceeds from disposal or redemption of interests in property, plant, and equipment	( 202)	-
A23700	Inventory loss from market price decline and for loss on obsolete and slow-moving inventories	-	28,152
A23800	Reversal of write-downs of inventories	( 8,239)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets measured at fair value through profit or loss	( 40,309)	( 11,743)
A31130	Notes receivable	( 993)	648
A31150	Accounts receivable	4,688	( 11,140)
A31180	Other receivables	( 6,961)	4,977
A31200	Inventories	115,669	33,122
A31230	Prepayments	( 2,361)	933
A31240	Other current assets	( 762)	4,541
A32125	Contract liabilities	( 11,517)	10,754
A32150	Accounts payable	( 1,763)	( 4,105)
A32180	Other payables	( 8,183)	( 10,952)
A32220	Other current liabilities	( 74)	( 125)
A32240	Net defined benefit assets and liabilities	( 470)	( 371)
A32990	Long-term payables	-	( 415)
A33000	Cash generated from operations	79,678	54,853
A33100	Interest received	1,156	2,820
A33200	Dividends received	51,542	43,793
A33300	Interest paid	( 10,413)	( 12,855)
A33500	Income taxes paid	( 865)	( 30,477)
AAAA	Net cash inflows from operating activities	<u>121,098</u>	<u>58,134</u>

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Code		2024	2023
	Cash flows from investing activities		
B00010	Acquisitions of financial assets measured at fair value through other comprehensive income	(\$ 1,145,316)	(\$ 609,960)
B00020	Proceeds from sale of financial assets measured at fair value through other comprehensive income	1,241,441	598,718
B00030	Refund of capital reduction of financial assets measured at fair value through other comprehensive income	893	6
B01800	Acquisition of long-term equity investments accounted for using equity method	( 1,000)	-
B02700	Acquisition of property, plant, and equipment	( 2,860)	( 5,608)
B02800	Proceeds from disposal or redemption of property, plant, and equipment	225	-
B05400	Acquisition of investment properties	-	( 28,799)
B06800	Decrease in other non-current assets	763	-
B07100	Increase in prepayments for purchases of equipment	-	( 8,593)
BBBB	Net cash outflow from investing activities	<u>94,146</u>	<u>( 54,236)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	27,000
C00200	Decrease in short-term borrowings	( 144,500)	-
C03100	Decrease in guarantee deposits received	( 887)	( 50)
C04500	Payment of dividends to the Company's owners	( 55,000)	( 70,400)
CCCC	Net cash outflow from financing activities	<u>( 200,387)</u>	<u>( 43,450)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	14,857	( 39,552)
E00100	Cash and Cash Equivalents at the Beginning of the Year	<u>163,125</u>	<u>202,677</u>
E00200	Cash and Cash Equivalents at the End of the Year	<u>\$ 177,982</u>	<u>\$ 163,125</u>

The accompanying notes are an integral part of the parent company only Financial Statements.

Chairman:  
Tsai, Sui-Ying

General Manager:  
Chang, Chia-Heng

Accounting Supervisor:  
Kuo, Yen-Liang

## Attachment 4. 2024 Earnings Distribution Table

### TUNG HO TEXTILE CO., LTD.

#### Appropriations of earnings Table

2024

Unit: NT\$

		Amount
Undistributed earnings at the start of period	Note (1)	\$110,598,413
Plus: Reversal of Special Reserve Appropriated for Initial Adoption of IFRS		\$71,872
Plus: Actuarial (gains) losses recognized in retained earnings		3,551,212
Plus: Disposal of equity instruments at fair value through other comprehensive income		12,806,530
Accumulated gains/losses from investments in tools transferred to retained earnings		
Plus: 2024 Net Income After Tax		56,666,456
Less: Provision for legal reserve (10%)	Note (2)	<u>(7,309,607)</u>
Distributable profit for the period		176,384,876
Distribution Item		
Shareholders' Dividends - Cash Dividends (NT\$0.23 per share)	Note (3 & 4)	<u>(50,600,000)</u>
Undistributed retained earnings at end of period		<u>\$125,784,876</u>

#### Remarks

1. The undistributed earnings after the distribution of dividends resolved by the 2024 Shareholders' Meeting (June 2024).
2. In accordance with Article 232 of the Company Act, 10% legal surplus reserve is set aside.
3. The cash dividend is calculated to NTD according to the distribution proportion, with the amount less than NT\$1 removed, and any total amount less than NT\$1 in the distribution is counted as other income in the Company's financial statements.
4. The distribution items for this period will be paid out from 2024 earnings with priority.

Chairman:  
Tsai, Sui-Ying

Manager:  
Chang, Chia-Heng

Accounting Manager:  
Kuo, Yen-Liang

## Attachment 5. Comparison Table of Amendments to the Articles of Incorporation

Tung Ho Textile Co., Ltd.

Comparison Table of Amendments to the Articles of Incorporation

Amended Articles	Existing Articles	Explanation
<p>Article 38-1:</p> <p>The Company shall distribute 1% to 5% of the current year's profits as employee compensation, <u>of which 50% shall be allocated as compensation for non-executive employees</u> and may distribute no more than 5% of the current year's profits as directors' compensation. However, if the Company has accumulated losses, such losses shall be offset first.</p> <p>The earnings in the preceding paragraph refer to the annual pre-tax earnings before deduction of the compensation to employees and directors.</p> <p>Proposals of distributions to employees and directors shall be resolved by the Board of Directors with the attendance of more than two-thirds of directors and a majority approval and then reported to the shareholders' meeting.</p> <p>Employee compensation may be distributed in the form of shares or cash, and <u>the recipients may include employees of subsidiaries who meet certain conditions. The conditions and distribution methods are authorized to be determined by the Board of</u></p>	<p>Article 38-1:</p> <p>The Company shall distribute 1% to 5% of the current year's profits as employee compensation and may distribute no more than 5% of the current year's profits as directors' compensation. However, if the Company has accumulated losses, such losses shall be offset first.</p> <p>The earnings in the preceding paragraph refer to the annual pre-tax earnings before deduction of the compensation to employees and directors.</p> <p>Proposals of distributions to employees and directors shall be resolved by the Board of Directors with the attendance of more than two-thirds of directors and a majority approval and then reported to the shareholders' meeting.</p> <p>Employee compensation may be distributed in the form of shares or cash.</p>	<p>1. According to the Financial Supervisory Commission Order No. 1130385442 dated November 8, 2024, companies should comply with Article 14, Paragraph 6 of the Securities and Exchange Act, which states: "The companies mentioned in the preceding paragraph shall stipulate in their articles of incorporation that a certain percentage of the annual profits shall be set aside for salary adjustments or compensation distribution for non-executive employees. However, if the Company has accumulated losses, such losses shall be offset first." The proportion of compensation to be distributed to non-executive employees was added.</p>

<p><u>Directors in accordance with the provisions of the preceding paragraph.</u></p>		<p>2. In accordance with the operational needs of the Company and pursuant to Article 235-1, Paragraph 5 of the Company Act, it is added that the recipients of employee compensation may include employees of subsidiaries.</p>
<p>Article 42:</p> <p>This constitution was established on August 18, 1959, and took effect from the date of resolution by the shareholders' meeting. The same applies to any amendments.</p> <p>(Items 2 to 47 omitted)</p> <p>The forty-seventh amendment was made on June 17, 2022.</p> <p><u>The forty-eighth amendment was made on June 16, 2025.</u></p>	<p>Article 42:</p> <p>This constitution was established on August 18, 1959, and took effect from the date of resolution by the shareholders' meeting. The same applies to any amendments.</p> <p>(Items 2 to 47 omitted)</p> <p>The forty-seventh amendment was made on June 17, 2022.</p>	<p>The number of amendments and the dates were added.</p>

## Attachment 6. List of Director (Including Independent Director) Candidates

### TUNG HO TEXTILE CO., LTD.

#### List of Director (including Independent Director)Candidates

Number	Candidate category	Candidate name	Number of Shares Held (Unit: Shares)	Education	Experience	Current Position	Whether the individual has served as an independent director for three consecutive terms/Reason
1	Director	Representative of Yushun Investment Development Co., Ltd.: Tsai, Sui-Ying	28, 589, 626	Bachelor of Science, Department of Statistics, NCKU	Chairman of Tung Ho Textile Co., Ltd. Chairman of Yushun Investment Development Co., Ltd. Chairman of Fengtar Fuli Industry Co., Ltd.	Chairman of Tung Ho Textile Co., Ltd. Chairman of Yushun Investment Development Co., Ltd. Chairman of Fengtar Fuli Industry Co., Ltd.	N/A
2	Director	Representative of Yushun Investment Development Co., Ltd.: Cheng, Chih-Wen	28, 589, 626	Bachelor of Arts, Department of Law, Doshisha University	Vice Chairman of Tung Ho Textile Co., Ltd. Director of Fengtar Fuli Industry Co., Ltd. Director of Toyo Jitsugyo Co., Ltd.	Vice Chairman of Tung Ho Textile Co., Ltd.	N/A
3	Director	Representative of Yushun Investment Development Co., Ltd.: Tsai, Fu-Jen	28, 589, 626	Bachelor of Science, Department of Mechanical Engineering, NCKU	Aiso Fjt Co., Ltd. Carfel Inc. China Steel Corporation (CSC)	Director of Tung Ho Textile Co., Ltd.	N/A
4	Director	Representative of Liancheng Investment and Development Corp.: Jiang, Xiao-Wen	0	Accounting Department, Extension Division, National Kaohsiung University of	Finance Section Manager of Prosperity Tieh Enterprise Co., Ltd.	Finance Section Manager of Prosperity Tieh Enterprise Co., Ltd.	N/A

				Applied Sciences			
5	Independent Director	Chen, Cheng-Keng	0	Master's Degree in Accounting, National Chengchi University	Supervisor of Tung Ho Textile Co., Ltd., Director of Shun Cheng CPA Firm, Partner CPA of Yung Ta Shun Cheng CPA Firm	Independent Director of Tung Ho Textile Co., Ltd. Audit Committee Member of Tung Ho Textile Co., Ltd. Compensation Committee Member of Tung Ho Textile Co., Ltd.	No
6	Independent Director	Lin, A-Yu	0	Department of Accounting and Statistics, National Cheng Kung University	Chief Auditor of Huang Pu Construction Co., Ltd.	Partner CPA of RSM Taiwan	No
7	Independent Director	Chen Zhi-Cheng	0	Bachelor's Degree in Accounting, Feng Chia University	Senior Manager of Deloitte & Touche Practicing CPA of Zhuo Cheng Accounting Firm Independent Director of Chang Wah Electromaterials Co., Ltd. Independent Director of Yuen Chang Stainless Steel Co., Ltd. Independent Director of Jason Co., Ltd. Supervisor of the 16th Board, Kaohsiung CPA Association	Independent Director of Chang Wah Electromaterials Co., Ltd. Independent Director of Yuen Chang Stainless Steel Co., Ltd. Independent Director of Jason Co., Ltd.	No

## Attachment 7 List of Director (including Independent Director) Candidates Holding Concurrent Positions in Other Companies

### Tung Ho Textile Co., Ltd

#### List of Director (including Independent Director) Candidates Holding Concurrent Positions in Other Companies

Job Title	Name	Concurrent Company Name	Position
Institutional Shareholder	Yuh Shun Investment & Development Co., Ltd.	-	-
Director	Representative of Yushun Investment Development Co., Ltd.: Tsai, Sui-Ying	Yuh Shun Investment & Development Co., Ltd.	Chairman
		Fengtar Fuli Industry Co., Ltd.	Chairman
Director	Representative of Yushun Investment Development Co., Ltd.: Cheng, Chih-Wen	Fengtar Fuli Industry Co., Ltd.	Director
Director	Representative of Yushun Investment Development Co., Ltd.: Tsai, Fu-Jen	Aiso Fjt Co., Ltd.: Director	Director
Institutional Shareholder	Liancheng Investment and Development Corp.	-	-
Director	Representative of Liancheng Investment and Development Corp.: Jiang, Xiao-Wen	Prosperity Tieh Enterprise Co., Ltd.	Finance Section Manager
Independent Director	Chen, Cheng-Keng	-	-
Independent Director	Lin, A-Yu	-	-
Independent Director	Chen Zhi-Cheng	Chang Wah Electromaterials Co., Ltd.	Independent Director
		Yuen Chang Stainless Steel Co., Ltd.	Independent Director
		Jason Co., Ltd.	Independent Director

# Appendix 1

## Tung Ho Textile Co., Ltd.

### Rules of Procedure for Shareholders' Meetings

The Rules are amended and approved at the annual shareholders' meeting on May 20, 2002.

- Article 1. Unless otherwise provided by law, the Company's shareholders' meetings shall be conducted in accordance with these Rules.
- Article 2. The shareholders' meeting shall provide a sign-in book for attending shareholders to sign in, or attending shareholders may submit sign-in cards in lieu of signing in. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders.
- Article 3. Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.
- Article 4: The venue for a shareholders' meeting shall be at the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall begin no earlier than 9 a.m. and no later than 3 p.m.
- Article 5: The Chairman of the Board shall chair shareholders' meetings if the meeting is convened by the Board of Directors. In the event the Chairman is on leave or unable to exercise his/her authority, the Vice Chairman, if available, shall act on his/her behalf. In the absence of a vice chairman, or if the vice chairman is also on leave or unable to exercise his/her authority, the chairman shall designate a managing director to act on his/her behalf. In the absence of managing directors, a director shall be designated. If none has been designated by the chairman, a managing director or director shall be elected to act on the Chairman's behalf from among all managing directors or directors of the Company. If a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting.
- Article 6. Lawyers, accountants, or relevant personnel appointed by the Company may attend the shareholders' meetings. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
- Article 7. The entire proceedings of the shareholders' meeting shall be recorded in audio or video and shall be preserved for at least one year.
- Article 8: The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, are made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to the provisions of item 1, Article 175 of the Company Act.

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

Article 9. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed according to the scheduled agenda, which shall not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph shall apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except for a resolution of the shareholders' meeting.

After adjournment of the meeting, shareholders shall not elect another chairperson to reconvene a meeting at the original venue or another place. However, if the chairperson announces adjournment of the meeting against the rules of procedure, a member of the board may be elected by a majority of the attending shareholders to act as the chairperson to reconvene the meeting.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number) and account name. The order in which shareholders speak will be set by the chairperson.

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 recording on the speaker's slip, the spoken content shall prevail.

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

Article 11. Each shareholder may not speak more than twice on the same proposal without the consent of the chairperson, and each speech may not exceed five minutes. The chairperson may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.

Article 12. When a legal entity is entrusted to attend a shareholders' meeting, the legal entity may only appoint one person to represent it at the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13. After an attending shareholder has spoken, the chairperson may personally respond or designate relevant personnel to respond.

Article 14. When the chairperson considers that a proposal has been discussed to the extent that it is ready to be voted on, the chairperson may announce the end of the discussion and

proceed to the vote.

Article 15. The personnel responsible for monitoring and counting votes on proposals shall be appointed by the chairperson, but the vote monitors must have shareholder status. The voting results shall be announced at the meeting and recorded in writing.

Article 16. During the meeting, the chairperson may announce a recess at an appropriate time.

Article 17. Unless otherwise provided by the Company Act and the Articles of Incorporation, a proposal shall be adopted by a majority of the voting rights represented by the attending shareholders. At the time of a vote, if the chairperson asks and affirms that there is no objection, the related proposal shall be deemed to have been passed, and it have the same force as a vote.

Article 18. When there are amendments or alternative proposals to the same proposal, the chairperson shall determine the order of voting together with the original proposal. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19. The chairperson may direct disciplinary officers (or security personnel) to assist in maintaining order at the meeting venue. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor".

Article 20. These Rules shall be implemented after being approved by the shareholders' meeting. The same shall apply when amendments are made.

# Appendix 2

## Articles of Incorporation of Tung Ho Textile Co., Ltd. (Before Amendment)

Amended at the Annual General Meeting on June 17, 2022

### Chapter 1 General Provisions

Article 1: This Company is organized in accordance with the provisions of the Company Act for a company limited by shares and is named 東和紡織股份有限公司, with the English name "TUNG HO TEXTILE CO., LTD.

Article 2: The scope of business of the Company is as follows:

1. C302010 Weaving of Textiles
2. C303010 Non-woven Fabrics Mills
3. F401010 International Trade
4. C301010 Yarn Spinning
5. C801120 Artificial Fiber Manufacturing
6. A401010 Livestock Farm Management
7. H701020 Industrial Plant Development and Lease
8. H701040 Specific Specialized Zone Development
9. F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
10. F203010 Retail sale of Food Products and Groceries
11. F203020 Tobacco and Wine Retail Industry
12. F501060 Restaurants
13. F501030 Beverage Stores
14. F501050 Bars
15. F601010 Intellectual Property Rights Services
16. I102010 Investment Consulting

17. J701020 Amusement Parks
18. J601010 Arts and Literature Services
19. J801030 Athletics and Recreational Sports Stadium
20. JB01010 Conference and Exhibition Services
21. G801010 Warehousing Industry
22. H703100 Real Estate Leasing
23. H701010 Residential and Building Development and Rental
24. H701050 Investment in Public Works.
25. IZ06010 Cargo Packaging
26. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1: The Company's total foreign investment amount shall not be subject to the restriction stipulated in Article 13 of the Company Act that investment cannot exceed 40 percent of the paid-in capital.

Article 2-2: Based on operational needs, the Company may provide fund lending in accordance with the Operating Procedures for Loaning of Funds to Others. The Company prohibits the provision of endorsements or guarantees for others or other companies.

The Company is located in Tainan City and may establish branches or offices at appropriate locations within and outside of the country.

Article 3-1: Removed

Article 4: Removed

## **Chapter 2 Shares**

Article 5: The total capital of the Company is set at NT\$3.6 billion, divided into 360 million shares, with a par value of NT\$10 per share. The unissued shares shall be issued in installments as authorized by the Board of Directors.

Article 5-1: Deleted.

Article 6: All shares of the Company shall be registered shares, signed or sealed by the director representing the Company, and issued after certification by a bank that is legally qualified to act as a share certificate certifier.

After the Company publicly issues shares, the issued shares can be exempted from printing stock certificates, but they should be registered with the centralized securities depository institution.

Article 7: In years when there is a surplus available for distribution, the Company's dividends shall be proposed by the Board of Directors and resolved by the shareholders' meeting.

Article 8: For matters related to share transfer, pledge of rights, loss reporting, inheritance, donation, and seal loss reporting or change, etc., shareholders shall follow the Regulations Governing the Administration of Shareholder Services of Public Companies unless otherwise stipulated by laws and securities regulations.

Article 9: Deleted.

Article 10: Deleted.

Article 11: Deleted.

Article 12: Share transfers shall be suspended for sixty days before each annual general shareholders' meeting, thirty days before each extraordinary shareholders' meeting, or five days before the record date for distributing dividends or other benefits.

### **Chapter 3 Shareholders' Meeting**

Article 13: Shareholders' meetings are divided into two types: annual general meetings and extraordinary meetings:

1. Annual general meetings shall be convened by the Board of Directors within six months after the end of each fiscal year.
2. Extraordinary meetings shall be convened when the Board of Directors deems necessary for important matters or when shareholders request in accordance with the provisions of the Company Act.

Article 14: The convention of a general shareholders' meeting shall be notified to all shareholders thirty days prior to the meeting date, and the convention of an extraordinary shareholders' meeting shall be notified fifteen days prior, specifying the date, venue, and reasons for convening the meeting.

Article 15: Shareholders may issue a proxy statement with their signature or seal, authorizing a proxy to attend the shareholders' meeting on their behalf.

Unless otherwise provided by the Company Act, the rules regarding shareholders' proxy solicitation and attendance shall be handled in accordance with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the competent authority.

Article 16: The Chairman shall preside over shareholders' meetings. When the Chairman is on leave or unable to exercise his powers for any reason, the meeting shall be handled in accordance with the provisions of Paragraph 3, Article 208 of the Company Act.

Article 17: Resolutions at shareholders' meetings, unless otherwise provided by the Company Act, shall be adopted by a majority vote of the shareholders who represent more than half of the total number of issued shares and are present at the meeting.

Article 18: Unless otherwise provided by law, each share of the Company's shareholders shall be

entitled to one voting right.

Article 19: The matters resolved at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the chairman, and the minutes shall be distributed to all shareholders within twenty days after the meeting. The distribution of meeting minutes shall be handled in accordance with company regulations. The minutes shall record the date, venue, name of the chairperson, method of resolution, proceedings, and results of the meeting. It shall be permanently preserved during the existence of this company.

The signature book of attending shareholders and the proxy forms for proxy attendance shall be kept for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

## **Chapter 4 Board of Directors**

Article 20: The company shall have five to nine directors, whose election shall adopt a candidate nomination system. The directors shall be elected from the candidate list by the shareholders' meeting and shall have a term of three years, which may be renewed upon re-election.

Among the number of directors of the Board prescribed in the preceding article, the number of independent directors of the Company shall be no less than three and must represent no less than one fifth of the total number of directors.

Regarding the professional qualifications and restrictions on concurrent positions of independent directors, they shall be handled in accordance with relevant laws and regulations. Independent directors and non-independent directors should be elected together, with the respective number of elected seats calculated separately.

The total number of shares of the Company's registered stock to be held by all directors shall be in accordance with the regulations of the securities regulatory authority.

Article 21: The directors shall elect from among themselves one person as the Chairman and one person as the Vice Chairman. The chairperson shall represent the company externally and shall act as the chairperson of the shareholders' meeting and the board of directors. The vice chairperson shall assist the chairperson in handling the Company's affairs.

Article 22: In the event of a vacancy in one-third of the total number of directors, the Board of Directors shall convene a special shareholders' meeting within sixty days to elect replacements. The term of office of the newly elected directors shall be limited to the remaining term of the original directors.

Article 23: The powers of the Board of Directors are as follows:

1. Approval of various rules and regulations.
2. Determination of business policies.
3. Determination of budgets and final accounts.
4. Formulation of profit distribution plans.

5. Formulation of capital increase or reduction plans.
6. Determination of important personnel matters.
7. Implementation of matters resolved at shareholders' meetings.
8. Other powers and duties granted by laws, regulations, and shareholders' meetings.

Article 24: The Board of Directors shall meet once every three months. Extraordinary meetings may be convened in case of urgent matters or at the request of a majority of directors.

Article 25: The Chairman shall preside over Board of Directors meetings. When the Chairman is on leave or unable to exercise their powers for any reason, the matter shall be handled in accordance with Article 208, Paragraph 3 of the Company Act.

If a board meeting is held via video conference, directors participating in the meeting via video conference shall be deemed to have attended the meeting in person.

When a director is unable to attend a meeting due to certain reasons, they must issue a power of attorney specifying the scope of authorization and appoint another director to attend on their behalf.

Article 26: In principle, directors should attend Board of Directors meetings in person. However, a director who is unable to attend due to special circumstances may appoint another director to act as their proxy. When a director appoints another director to attend on his/her behalf, a power of attorney should be issued for each occasion, listing the scope of authority for the meeting agenda. The proxy referred to in the preceding paragraph shall be limited to one person.

Article 27: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by more than half of the directors present at a meeting attended by a majority of the directors.

## **Chapter 5: Audit Committee**

Article 28: The Company shall establish an Audit Committee in accordance with the Securities and Exchange Act. The Audit Committee shall be composed of all independent directors. The Audit Committee or its members shall be responsible for exercising the powers and duties of supervisors as specified in the Company Act, Securities and Exchange Act, and other relevant laws and regulations.

Article 29: Deleted.

Article 30: Removed

Article 31: Removed

Article 32: Removed

## **Chapter 6: Managerial Officers and Employees**

Article 33: The Company may appoint managers including the President, Vice President, Assistant Vice President, and other managerial officers. The appointment, dismissal, and

compensation of these managers shall be handled in accordance with Article 29 of the Company Act.

Article 34: The President shall manage the Company's business operations under the direction of the Board of Directors. In case the President is unable to perform his/her duties, the Vice President shall act on his/her behalf.

Article 35: The organizational structure, staffing levels, and recruitment methods for employees at all levels shall be determined by the Board of Directors.

Article 36: The compensation of the Company's directors (including the Chairman) shall be determined by the Board of Directors based on their level of participation in the Company's operations, the value of their contributions, and with reference to the standard compensation levels in the same industry.

## **Chapter 7: Accounting**

Article 37: The Company's fiscal year shall run from January 1 to December 31, with annual financial statements prepared as of December 31.

Article 38: At the end of each fiscal year, the Board of Directors shall prepare the following documents in accordance with the law and submit them to the Annual General Meeting of Shareholders for approval through the legal procedures.

1. Business Report.
2. Financial Statements.
3. Proposal for profit distribution or loss coverage.

Article 38-1: The Company shall allocate 1% to 5% of the current year's profit as employee compensation and may allocate not more than 5% of the current year's profit as directors' compensation. However, if the Company has accumulated losses, such losses shall be offset first.

The earnings in the preceding paragraph refer to the annual pre-tax earnings before deduction of the compensation to employees and directors.

Proposals of distributions to employees and directors shall be resolved by the Board of Directors with the attendance of more than two-thirds of directors and a majority approval and then reported to the shareholders' meeting.

The distribution can be made in the form of cash or stocks for employees.

Article 39: The Company belongs to a mature, highly competitive traditional industry. Under the dual requirements of balancing shareholder interests and company growth, the Company adopts a residual dividend policy.

1. Conditions and Timing of Dividend Distribution:

The Company, if there are earnings after final settlement every year, should pay taxes according to law, cover the losses of the previous years, and distribute

above 75% of dividends to shareholders after 10% of legal surplus is withdrawn and special earned surplus is withdrawn or transferred according to law.

2. Dividend Amount:

To meet operation needs and stabilize yearly dividends, dividends distributed should be no more than 60% of distributable profit.

3. Types of Dividends:

According to budget plan and dilution of earnings per share, dividends distributed yearly should be stock dividends or cash dividends.

The aforementioned dividend distribution conditions and opportunities, limit and type are subject to the principles only. The Company should determine the optimal dividend policy according to practical situation and in consideration of the budget plan of the next year.

The Company authorizes more than two-thirds of the directors present and a resolution is adopted by more than half of the directors thereat in accordance with Paragraph 5 of Article 240, the distribution of all or part of the dividends and bonus in cash according to Subparagraph 3 of the preceding paragraph, which shall be then reported to the shareholders' meeting. However, it does not require shareholders' meeting approval. In case of distributing in the form of issuing new shares, it is required to be resolved by the shareholders' meeting before distribution.

## **Chapter 8 Supplementary Provisions**

Article 40: Any matters not stipulated in these Articles of Incorporation shall be governed by the provisions of the Company Act.

Article 41: The organizational regulations and operational procedures of the Company shall be established by the Board of Directors.

Article 42: These Articles of Incorporation were established on August 18, 1959 of the Republic of China and shall take effect from the date of resolution by the shareholders' meeting. The same shall apply when amendments are made.

The first amendment was made on September 5, 1960.

The second amendment was made on December 31, 1960.

The third amendment was made on October 15, 1961.

The fourth amendment was made on April 15, 1964.

The fifth amendment was made on January 3, 1968.

The sixth amendment was made on March 25, 1969.

The seventh amendment was made on March 20, 1970.

The eighth amendment was made on July 20, 1971.

The ninth amendment was made on October 8, 1971.

The tenth amendment was made on April 26, 1972.  
The eleventh amendment was made on March 30, 1973.  
The twelfth amendment was made on April 10, 1974.  
The thirteenth amendment was made on May 25, 1974.  
The fourteenth amendment was made on June 12, 1974.  
The fifteenth amendment was made on April 9, 1975.  
The sixteenth amendment was made on April 22, 1976.  
The seventeenth amendment was made on November 23, 1976.  
The eighteenth amendment was made on May 23, 1977.  
The nineteenth amendment was made on June 15, 1978.  
The twentieth amendment was made on May 12, 1979.  
The twenty-first amendment was made on June 21, 1980.  
The twenty-second amendment was made on June 27, 1981.  
The twenty-third amendment was made on June 19, 1982.  
The twenty-fourth amendment was made on August 30, 1983.  
The twenty-fifth amendment was made on June 14, 1986.  
The twenty-sixth amendment was made on May 14, 1988.  
The twenty-seventh amendment was made on April 22, 1989.  
The twenty-eighth amendment was made on April 25, 1990.  
The twenty-ninth amendment was made on April 23, 1991.  
The thirtieth amendment was made on April 23, 1992.  
The thirty-first amendment was made on June 15, 1993.  
The thirty-second amendment was made on December 2, 1993.  
The thirty-third amendment was made on April 8, 1996.  
The thirty-fourth amendment was made on May 16, 2000.  
The thirty-fifth amendment was made on May 20, 2002.  
The thirty-sixth amendment was made on May 14, 2004.  
The thirty-seventh amendment was made on May 19, 2005.  
The thirty-eighth amendment was made on June 21, 2006.  
The thirty-ninth amendment was made on May 25, 2010.  
The fortieth amendment was made on June 6, 2012.  
The forty-first amendment was made on June 4, 2013.  
The forty-second amendment on June 3, 2015.  
The forty-third amendment on June 8, 2016.  
The forty-fourth amendment on June 11, 2018.

The forty-fifth amendment on June 12, 2019.

The forty-sixth amendment on July 1, 2021.

The forty-seventh amendment was made on June 17, 2022.

**Tung Ho Textile Co., Ltd.**

Chairman Tsai, Sui-Ying

# Appendix 3

## Tung Ho Textile Co., Ltd.

### Procedures for Director Election

Amended and approved at the Annual Shareholders' Meeting on June 12, 2019

Article 1: The election of the directors of the Company shall be conducted in accordance with the provisions of these procedures.

Article 2: In the election of directors of the Company, each share shall have voting rights equal to the number of directors to be elected and may be cast for a single candidate or split among multiple candidates.

Independent directors and non-independent directors should be elected together, with the respective number of elected seats calculated separately.

Article 3: The Board of Directors shall prepare ballots equal to the number of directors to be elected, mark the number of voting rights on each ballot, and distribute them to the shareholders present at the shareholders' meeting.

Article 4: Before the election begins, the Chairman shall appoint several persons to act as ballot supervisors and ballot counters to perform the related duties.

Article 5: For the election of directors, the Board of Directors shall set up a ballot box, which shall be publicly inspected by the ballot supervisors before the voting.

If a candidate is a shareholder of the Company, the elector must enter the candidate's account name and shareholder account number in the "Candidate" column of the ballot. If the candidate is not a shareholder of the Company, the elector shall enter the candidate's name and identification number. However, if the government or a juristic person is a candidate, the name of the government or juristic person should be entered in the "Candidate" column of the ballot, or both the name of the government or juristic person and the name of its representative may be entered. If there are multiple representatives, the names of each representative should be entered separately.

Article 7: Ballots shall be deemed invalid under any of the following circumstances:

- (1) Ballots not prepared in accordance with these procedures.
- (2) Blank ballots cast into the ballot box.
- (3) Ballots with illegible writing, unrecognizable marks, or alterations.
- (4) If the candidate filled in is a shareholder, the account name or shareholder account number does not match the shareholder register. If the candidate filled in is not a shareholder, the name or national ID number does not match upon verification.
- (5) Aside from filling in the name or shareholder account number (national ID number) of the candidate and allocating voting rights, including any other words.

- (6) Ballots that do not include the candidate's name or shareholder account number (national ID number).
- (7) Ballots that list two or more candidates.

Article 8: The election of directors of the Company adopts the candidate nomination system pursuant to Article 192-1 of the Company Act according to the number of positions specified in the Company's Articles of Incorporation. Those who receive more votes, representing the largest number of voting rights, shall be elected as directors in sequence. If two or more persons receive an equal number of votes, exceeding the prescribed number of seats, those with the same number of votes shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any absentee.

Article 9: The ballots shall be counted immediately after the voting is completed, and the chairperson shall announce the results of the election immediately.

Article 10: The elected directors shall be notified of their election by the Board of Directors of the Company.

Article 11: Matters not stipulated in these procedures shall be handled in accordance with the Company Act, the Company's Articles of Incorporation, and other relevant laws and regulations.

Article 12: These procedures shall be implemented after being approved by the shareholders' meeting, and the same applies when amendments are made.

# Appendix 4

## TUNG HO TEXTILE CO. LTD.

List of Director

Base date: April 18, 2025

Job Title	Name	Date Elected	Number of Shares While Elected			Current Shareholding			Note
			Category	Number of Shares	Shareholding Ratio (%)	Category	Number of Shares	Shareholding Ratio (%)	
Chairman	Representative of Yushun Investment Development Co., Ltd.: Tsai, Sui-Ying	2022.06.17	Common shares	28,000,626	12.73%	Common shares	28,589,626	13.00%	
Vice Chairman	Representative of Yushun Investment Development Co., Ltd.: Cheng, Chih-Wen								
Director	Representative of Yushun Investment Development Co., Ltd.: Tsai, Fu-Jen								
Director	Representative of Yushun Investment Development Co., Ltd.: Chang, Chia-Heng								
Independent Director	Chen, Cheng-Keng	2022.06.17	Common shares	0	0.00%	Common shares	0	0.00%	
Independent Director	Lin, Chang-Hsiung	2022.06.17	Common shares	0	0.00%	Common shares	0	0.00%	
Independent Director	Lin, A-Yu	2024.06.18	Common shares	0	0.00%	Common shares	0	0.00%	
Total			Common shares	28,000,626	12.73%	Common shares	28,589,626	13.00%	

June 17, 2022 Total issued shares: 220,000,000 shares

April 18, 2025 Total issued shares: 220,000,000 shares

Note: The statutory shareholding requirement for all directors of the Company is 12,000,000 shares. As of April 18, 2025, they hold 28,589,626 shares

©The shareholding of independent directors are not included in the shareholding of directors.