

Stock Code: 1476

Eclat

ECLAT TEXTILE CO., LTD.

Handbook of 2021 Annual General Shareholders' Meeting

June 18, 2021

**Location: 3F Conference Room, Eclat's Hsichou Plant, No. 39, Sanhao Road,
Hsichou Village, Houlong Township, Miaoli County**

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Eclat Textile Co., Ltd.
2021 Annual General Shareholders' Meeting Procedures

- I Call the Meeting to Order
- II Chairperson's Remarks
- III Reporting Matters
- IV Acknowledged Matters
- V Matters for Discussion
- VI Election Matters
- VII Other Proposals
- VIII Extraordinary Motions
- IX Meeting Adjourned

Eclat Textile Co., Ltd.

2021 Annual General Shareholders' Meeting Agenda

Time: June 18, 2021 (Friday) 9:00AM

Location: No. 39, Sanhao Road, Hsichou Village, Houlong Township, Miaoli County
3F Conference Room, Eclat's Hsichou Plant

- I Reporting Matters
 - 1. 2020 Business Report
 - 2. Audit Committee's Review Report on the 2020 Financial Statements
 - 3. 2020 Employees' Remuneration Appropriation Report
- II Acknowledged Matters
 - 1. To approve 2020 Business Report and Financial Statements.
 - 2. To approve the Proposal for Distribution of 2020 Profits
- III Matters for Discussion
 - 1. Amendment to the "Rules Governing the Procedures for Shareholders' Meetings".
 - 2. Amendments to the "Procedures for Election of Directors".
- IV Election Matters : Election of Directors
- V Other Proposals : Release of non-competition restrictions on the 13th terms directors of the Company
- VI Extraordinary Motions
- VII Meeting Adjourned

I Reporting Matters

1. Please review and approval the 2020 Business Report.

(1) Preface

The COVID-19 pandemic outbreak took place globally at the beginning of 2020, and the public health crisis caused by such a sudden outbreak changed the world. The regions of Europe and America were severely impacted by the pandemic, and nearly all of the brick-and-mortar stores were shut down or closed. The apparel was one of the industries affected seriously by the pandemic. Hence, a great number of our customers deferred their product delivery and extended the payment terms, causing significant challenges to the Company's business operation.

Nevertheless, starting from the second half of the year, the trend of work from home had driven the demand for leisure and comfortable wear. People also started to value physical health more seriously due to the pandemic, leading to strong growth in the demand for sportswear and fitness wear. Due to the border blockade implemented by various countries, many of our customers accelerated the consolidation of supply chain and only worked with long-term qualified partners, which also drove the Company's business. In the fourth quarter of this year, the revenue and profit reached record highs in a single quarter.

Due to the impact of the pandemic, countries were implementing easing monetary policies, and NTD surged by 5.6% for the year, imposing non-operating challenges to the Company. Despite that vaccines became available at the end of 2020, their effectiveness was still uncertain for the time being. Through research and development of innovation heading toward high-value and niche products, the Company cooperated with branded customers closely. The Company was able to continue its growth while facing the challenge of the pandemic.

(2) 2020 Business Plan Implementation Status and Outcome

1) 2020 Business Plan Implementation Status

- (i) Global market planning:** As National Brands execute the plan for supply chain concentration, the cooperation relationship with the Company will continue to be enhanced. In addition to the seeking of cooperating contractors in Vietnam and other regions in order to distribute different customer orders, the new plant in Indonesia is under construction on schedule.

- (ii) Optimize customer structure: The Company has maintained long-term cooperation relationship with the global leading brand makers and large retailers. In addition, the Company also cooperates with new small and medium size customers, and niche branded customers in light of assisting future stars in the industry. Since the centralized purchase supply chain adopted by the branded makers is the industrial trend, the Company will appropriately increase the ratio of the leading branded customers.
- (iii) Talent cultivation and preparation: With the expansion of the business scale of the Company and the increase of the weight of branded customers, the Company will continue to cultivate professional talents, provide competitive salary strategy, focus on the issues of corporate social responsibility and environmental protection etc. The new headquarter building is also under construction according to the schedule. After the completion of the building, it is expected to provide a work place of more comprehensive environment and traffic convenience to employees.

2) Implementation Status and Budget Execution

In 2020, the net operating revenue of the Company was NTD 28.058 billion, where the net operating revenue from the Knitting Division was NTD 7.914 billion, accounted for 28.21% of the overall operating revenue of the Company. The operating income from the Garment Division was NTD 20.144 billion, accounted for 71.79% of the overall operating revenue of the Company. The total thereof shows a decline of NTD 17 million from 2019 with a decrease of 0.06%. Regarding the current operating profit, the operating profit for 2020 was NTD 5.364 billion, a growth of NTD 30 million from 2019 with a growth of 0.56%. The net income for 2020 was NTD 4.255 billion, a decline of NTD 45 million from 2019 with a decrease of 1.04%. For 2020, the earnings per share (EPS) after tax was NTD 15.51.

3) Financial Revenue/Expenditure and Profitability Analysis

		Unit: NTD 1,000	
Item \ Year		2020	2019
Financial Revenue/Expenditure	Operating Revenue	28,057,641	28,074,641
	Gross profit	7,429,572	7,519,402
	Operating Income (Loss)	5,363,684	5,333,674
	Current Income (Loss) after tax	4,254,534	4,299,249
Profitability	Return on Assets (%)	18.39	20.71
	Return on Equity (%)	22.82	24.53
	Operating Income to Paid-in Capital Ratio (%)	195.49	194.40
	Income before tax to paid-in capital ratio (%)	193.59	196.82
	Net Profit Margin (%)	15.16	15.31
	Basic Earnings Per Share (NTD)	15.51	15.67

(3) 2021 Business Plan

1) 2021 Business Plan

- (i) Risk Control: Due to the impact of the COVID-19 pandemic, the global retail business and the operation of branded customers will continue to be affected. To evaluate cooperating with customers, the Company will continue to make careful decisions in the added value of products and soundness of the financial system. In addition, the Company will also rigorously control the age of the accounts receivable, diversify payment receipt risk through insurance mechanism and actively manage inventories.
- (ii) Product Diversity: Fabric research and development and garment design are the strengths of the Company. It will continue to cooperate with the upstream and downstream supply chains and will utilize new technologies, new machines and manufacturing methods in order to create a new generation of trendy, comfortable and eco-friendly fabrics. The Company will also engage in a collaborative development with branded customers to design various innovative clothes according to the field of activities, living style, and sports type of consumers.
- (iii) Digital Optimization: Under the impact of the pandemic, numerous countries still implement border controls. The Company will continue to enhance the digital design, 3D simulation, data information application and establish connection and communication platform with customers. In addition, the

Company will also continue to implement AI technology, establish a digital project team, optimize management and improve personnel efficiency. The Company has introduced various new machines and smart machines in order to convert professional technologies into data information, thereby standardizing processes and achieving quality control.

2) 2021 Research and Development Plan

- (i) Continue to research and develop functional fabrics: Functional fabrics are the core products of the Company, and the Company will continue to introduce new raw materials, new equipment in the research and development of new manufacturing processes and products, along with the improved production quality and yield rate. For the environment-friendly and high-end fabric markets, the Company will increase the investment in the talent development and equipment. Regarding the knitting and dying process, the Company will continue to invest in the development of new technologies, in light of leading the industry to head toward the new era for technologies and to expand the application of functional fabrics.
- (ii) Co-creation with customers to generate value: Through the joint collaboration and development model with the upstream raw materials and downstream customers, along with the vertical integration advantage of the Company as well as the one-stop shopping service, the Company is able to create niche market and to prevent price competition with the competitors in the industry. In addition, the R&D team is able to assist customers to develop unique fabrics. Grow garment designer pool to assist customers to build new brands or create new market, thereby gradually increasing the ratio of ODM and the margin.
- (iii) Digital technology and environmental-friendly manufacturing process: Introduce digital technology to, innovate manufacturing process. Applying the latest technologies of Big Data, Internet of Things (IoT), artificial intelligence (AI) etc. to integrate industry professional knowledge. Engage in industry-academy collaboration model to change the current manufacturing process requiring large amount of manpower in order to increase efficiency as well as to increase the product yield rate and production capacity per person. The Company also values corporate social responsibility significantly and implements labor safety and health related regulations. In addition to the product quality, the Company also invested great resources in the development and implementation of environmentally friendly manufacturing processes.

Global marine transportation has indicated a serious shortage of container capacity since the second half of 2020. The global logistic problem is expected to continue in 2021, which can have a serious impact on the Company. In addition, with the raw material supply shortage, it can impose challenges to the Company's operation in the short term. Nevertheless, looking into the future in a long term, under the trend of concentrated

supply chain of the branded makers, the cooperation with suppliers will be closer, and the production capacity scale, production site decentralization, inventory management, human rights, environmental protection and corporate social responsibility issues etc. of suppliers will also be emphasized and evaluated. The Company will continue to invest in research, development and innovation, focus on product quality, and strengthen talent cultivation and management, in order to continuously create the maximum value for customers, employees and shareholders.

We wish all shareholders all the best

Good health and success

Eclat Textile Co., Ltd.

Chairman: Hung Cheng-hai

President, Fabric Division: Tsai Chun-chin

President, Garment Division: Chen Kuan-tang

CFO: Lo Jen Chieh

2. Audit Committee's Review Report on the 2020 Financial Statements.

Explanation:

2020 Financial Statements of the Company, approved through the resolution of the board of directors and audited by CPA, along with the Business Report and Profit Distribution Table, was submitted to the Audit Committee for review and review report was provided.

Audit Committee's Review Report

The Board of Directors prepares and submits the 2020 Business Report, Financial Statements and Profit Distribution Proposal etc., where the financial statements had been audited by KPMG's CPA Hui-Chih Kou and CPA Hsin-I Kuo, and financial reports (including consolidated financial reports) are issued. The aforementioned Business Report, Financial Statements and Profit Distribution Proposal have been reviewed by the Audit Committee and are considered to be conformed to requirements. Consequently, it is reported for review according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Respectfully submitted

The Company's 2021 Annual General Shareholders' Meeting

Eclat Textile Co., Ltd.
Audit Committee Convener: Ya-Kang Wang
March 5, 2021

3. 2020 Employees' Remuneration Appropriation Report

Explanation:

- (1) The proposal for 2020 employees' remuneration appropriation of the Company had been approved through the resolution of the board of directors' meeting.
- (2) The 2020 net profit of the Company was NTD 4,254,533,712, the profit before tax was NTD 5,311,405,020. According to the Article 37 of the Articles of Incorporation, the employees' remuneration shall be appropriated from the profit before tax prior to the deduction of the employees' remuneration, and the amount of appropriation shall not be less than 0.1%. For the 2020 employees' remuneration, an amount of NTD 6 million is to be appropriated, accounting for 0.11% of the profit before tax prior to the deduction of employee's remuneration, which complies with the provisions of the Articles of Incorporation of the Company, and is consistent with the expense amount recognized for 2020.
- (3) The employees' remuneration is to be issued by cash in full amount, and the recipients of the employees' remuneration shall be limited to full-time employees of the Company, excluding the ones with the identity of directors and managerial personnel. The amount of issuance and employee qualification determination etc. shall be made based on the year of service, job rank, work performance, overall contribution or special achievement, and the Chairman is authorized with the full power to handle relevant matters.

II Acknowledged Matters

Proposal 1

Proposed by the board of directors

Proposal: To approve 2020 Business Report and Financial Statements.

Explanation:

1. The 2020 financial statements (including consolidated financial statements) of the Company had been audited by KPMG's CPA Hui-Chih Kou and CPA Hsin-I Kuo, and audit reports which were capable of appropriately presenting the financial status of the Company were issued.
2. The aforementioned financial statements and business report, profit distribution table had been reviewed by the Audit Committee with the written review report issued on record, and had been submitted to the board of directors' meeting for resolution and approval.
3. Refer to the financial statements at Appendix V and VI

Submitted for approval

Resolution:

Proposal 2

Proposed by the board of directors

Proposal: To approve the Proposal for Distribution of 2020 Profits

Explanation:

1. The net profit after tax of the Company in 2020 was NTD 4,254,533,712, add other comprehensive income of NTD 10,399,000, the net profit after tax with extra items included in current year was NTD 4,264,932,712, in addition, plus the undistributed profit from the previous year of NTD 5,406,612,402 and deducted legal reserve of NTD 426,493,271 and special reserve NTD 202,661,880, the distributable profit of the current year was NTD 9,042,389,963. The Board proposed to declare cash dividend for NTD 11 per share and for a total amount of NTD 3,018,038,221 (calculated based on the current ordinary share), and the remaining amount of NTD 6,024,351,742 is to be retained for future distributions in subsequent years.
2. According to the shareholding of the shareholders recorded on the shareholders' roster on the ex-dividend date, the amount of issuance per share is calculated to the integer dollar with the decimal values truncated; where the distribution is less than 1 dollar, it would be accounted to Other Income of the Company.
3. After this proposal is approved through the resolution of the shareholders' meeting, the Chairman is authorized to set the ex-dividend date and other relevant issues.
4. Where the new shares are issued due to the Company repurchase of the treasury stocks or transfer of the treasury stocks to employees or employees' exercise of the subscription right with the share subscription warrants or due to capital increased by cash, then for the dividend distribution ratio of shareholders, the Chairman is authorized to make adjustment proportionally accordingly to the number of shares outstanding on the ex-dividend date.

Regarding the profit distribution proposal, it is submitted for approval.

Resolution:

Eclat Textile Co., Ltd. Earnings Distribution Table 2020		Unit: NTD
Beginning undistributed profit		\$ 5,406,612,402
Plus: Current net profit after tax	\$ 4,254,533,712	
Other comprehensive income (actuarial income with confirmed welfare plan (2020))	<u>10,399,000</u>	
Net profit after tax with extra items included in current year		4,264,932,712
Deduction: Legal reserve		(426,493,271)
Special reserve		<u>(202,661,880)</u>
Distributable profit for current year		9,042,389,963
Proposed profit distribution items ¹ :		
Cash dividends - NTD 11 per share		<u>(3,018,038,221)</u>
Ending undistributed profit		\$ <u>6,024,351,742</u>

Chairman: Hung Cheng-hai

President, Fabric Division:

CFO: Lo Jen Chieh

Tsai Chun-chin

President, Garment Division:

Chen Kuan-tang

¹ The profit of 2020 should be distributed in priority.

III Matters for Discussion

Proposal 1

Proposed by the board of directors

Proposal: Amendment to the “Rules Governing the Procedures for Shareholders’ Meetings”.

Explanation:

To comply with the amendment of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” approved by the competent authority, the Company proposes to amend parts of the provisions of the “Rules Governing the Procedures for Shareholders’ Meetings”. The Comparison Table for the provisions before and after amendment is provided in the following. It is submitted for resolution.

Eclat Textile Co., Ltd.

Comparison Table for the provisions before and after amendment of “Rules Governing the Procedures for Shareholders’ Meetings”

Provision After Amendment	Current Provision	Reason of Amendment
Article 3 Paragraphs 1,2 and 3(omitted) Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, <u>and the matters described as the Article 26-1 and 43-6 of the Securities and Exchange Act, the Article 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers</u> shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. Paragraph 5 is omitted.	Article 3 Paragraphs 1,2 and 3(omitted) Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice. Paragraph 5 is omitted.	To avoid the listed Company's mistaken belief that matters other than Article 185-1 of the Company Act could be raised by an extraordinary motion, the competent authority proposes to amend Paragraph 4 of this Article to include all matters that should not be raised by extraordinary motions.

Provision After Amendment	Current Provision	Reason of Amendment
A shareholder holding 1 percent or more of the total number of issued shares may submit to the <u>Company</u> a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. <u>Nevertheless, shareholders may raise an advisory proposal for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, where should follow comply with the Article 172-1, of the "Company Act". Such proposals are limited to one matter, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda.</u> (The following is omitted)	A shareholder holding 1 percent or more of the total number of issued shares may submit to the Corporation a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Nevertheless, since shareholders' proposals are recommendations made for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, the board of directors may still list such proposals for meeting discussion. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. (The following is omitted)	According to the amendment to Paragraph 5 of Article 172-1 and the Jin-Shang-Zi No. 10700105410 Letter, no matter the proposal raised by shareholder is advisory or not, should comply with Article 172-1 of the "Company Act". Such proposals are limited to one matter, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. Consequently, amend Paragraph 6 of Article 172-1.
Article 10 The chair shall call the meeting to order at the appointed meeting time, <u>meanwhile announcing the relevant information regarding non-voting shares and the number of shares in attendance.</u> However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two	Article 10 The chair 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 chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the	To enhance corporate governance and sustain shareholders' equity, the Company proposed to amend Paragraph 1 and adjust the order of the following paragraphs.

Provision After Amendment	Current Provision	Reason of Amendment
such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. (The following is omitted)	attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. (The following is omitted)	
Article 16 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors, the numbers of votes with which they were elected, <u>and the list of directors candidate who are not elected and the number of election rights obtained.</u> (The following is omitted)	Article 16 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected. (The following is omitted)	To enhance corporate governance and sustain shareholders' equity, the Company proposed to amend Paragraph 1.
Article 23 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. These Rules were first amended on June 14, 2006. These Rules were second amended on June 18, 2012. These Rules were third amended on June 24, 2015. These Rules were fourth amended on June 18, 2020. <u>These Rules were fifth amended on June 18, 2021.</u>	Article 23 These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings. These Rules were first amended on June 14, 2006. These Rules were second amended on June 18, 2012. These Rules were third amended on June 24, 2015. These Rules were fourth amended on June 18, 2020.	Add the latest amendment date.

Submitted for Resolution:

Result:

Proposal 2

Proposed by the board of directors

Proposal: Amendments to the “Procedures for Election of Directors”.

Explanation:

According to the amendment of “Articles of Incorporation” and the relevant regulation to adopt candidates nomination system, the Company proposes to amend the “Procedures for Election of Directors”, and the Comparison Table for the Provisions Before and After Amendment is provided as the following. It is submitted for resolution..

Eclat Textile Co., Ltd.
Comparison Table for the provisions Before and After Amendment of
“Procedures for Election of Directors”

Provision After Amendment	Current Provision	Reason of Amendment
Article 7 The <u>ballot boxes</u> shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.	Article 7 The <u>ballot boxes</u> shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.	Only revised Chinese texts in accordance with practical expedient.
(Deleted)	Article 8 Where a candidate is of the identity of a shareholder, voters shall indicate the account name of the candidate and the account number of shareholder in the field of the candidate on the ballot. Where a candidate is not of the identity of a shareholder, the voter shall enter the candidate's name and identity certificate number. However, when the candidate is a government agency or corporate shareholder, the name of the government agency or corporate shareholder shall be entered in the field of the candidate on the ballot, or both the name of the government agency or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative	Since the election of directors for Publicly listed companies and over-the-counter (OTC) companies is required to adopt the candidate nomination system since 2021, shareholders shall elect directors from the director candidate roster. Accordingly, shareholders are able to understand the information of name, educational background and experience, etc., of each candidate from the candidate roster before the convention of the shareholders' meeting. As a result, the method of providing the shareholder's account number or national ID card number to identify candidates becomes redundant; therefore, this

Provision After Amendment	Current Provision	Reason of Amendment
	shall be entered.	article is deleted.
Article 8 A ballot shall be invalid under any of the following circumstances: <u>1. The ballot was not prepared by a person with the right to convene.</u> - A blank ballot is placed in the ballot box. - The writing is unclear and indecipherable or has been altered. - The candidate whose name is entered in the ballot <u>does not conform to the director candidate list.</u> 5. Other words or marks are entered in addition to the <u>number of voting rights allotted.</u>	Article 9 A ballot shall be invalid under any of the following circumstances: 1. Ballots specified in Article 5- these Regulations are not used. - A blank ballot is placed in the ballot box. - The writing is unclear and indecipherable or has been altered. - The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity certificate number do not match. 5. One identical ballot is indicated with the number of candidates exceeding the number of seats specified. - Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (or identification number) and the number of voting rights allotted. 7. The account name (name) or shareholder number (identification number) of the candidate entered on the ballot is identical to that of another shareholder, but no shareholder account number or identity certificate number	The order of the paragraphs is adjusted due to the deletions of paragraph 8. Shareholders may, according to the provision of Article 173 of the Company Act, under special conditions (such as the Board of Directors fail to provide notice of meeting convention), report to the competent authority for approval in order to convene a meeting on their own. Accordingly, Subparagraph 1 of this article is adjusted, and the content of Subparagraph 2 is also amended according to the method adopted in practice. To cooperate with the candidate nomination system, shareholders shall elect directors from the director candidate roster. Accordingly, Subparagraph 4 and Subparagraph 6 of this Article are adjusted, and Subparagraph 5 and Subparagraph 7 of this article are deleted.

Provision After Amendment	Current Provision	Reason of Amendment
	is provided on the ballot to identify such individual.	
Article <u>9</u> The ballot counting operation for the election proposal in a shareholders' meeting shall be opened in the place of the shareholder's meeting. After the voting is complete, the ballot box shall be opened onsite, and for the result of the election, the chair shall announce the elected directors as well as their corresponding number of votes won. <u>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</u>	Article 10 The ballot counting operation for the election proposal in a shareholders' meeting shall be opened in the place of the shareholder's meeting. After the voting is complete, the ballot box shall be opened onsite, and for the result of the election, the chair or his or her designated person shall announce the elected directors and independent directors as well as their corresponding number of votes won.	The order of the Article is adjusted due to the deletions of Article 8. Revised texts in accordance with practical expedient. Refer to Article 16 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", adding the paragraph 2 to keep in proper custody of the ballots.
Article <u>10</u> The board of directors <u>of the Company</u> shall issue notifications to the persons elected as directors	Article 11 The board of directors shall issue notifications to the persons elected as directors and independent directors.	The order of the Article is adjusted due to the deletions of Article 8. Revised texts in accordance with practical expedient.
Article <u>11</u> (Omitted)	Article 12 (Omitted)	The order of the Article is adjusted due to the deletions of Article 8.
Article <u>12</u> These Regulations were enacted after the approval of the shareholder's meeting dated June 10, 2002. The first amendment was made on June 17, 2014. The second amendment was made on June 24, 2015.	Article <u>13</u> These Regulations were enacted after the approval of the shareholder's meeting dated June 10, 2002. The first amendment was made on June 17, 2014. The second amendment was made on June 24, 2015.	The order of the Article is adjusted due to the deletions of Article 8. Added the latest amendment date.

Provision After Amendment	Current Provision	Reason of Amendment
The third amendment was made on June 18, 2020. <u>The fourth amendment was made on June 18, 2021.</u>	The third amendment was made on June 18, 2020.	

Submitted for Resolution:

Result:

IV Election Matters

Proposal:

The 13th Board of Directors Election of the Company shall nominate a total of 12 seats of directors, including 4 seats of independent directors and 8 seats of directors, with a term of office of three years from June 18, 2021 to June 17, 2024, and may be eligible for re-elections. The Company adopts the candidate nomination system according to the Articles of Incorporation and the provision of Article 192-1 of the Company Act, and directors shall be elected by the shareholders' meeting from the candidate roster announced by the Company. The candidate roster for directors (including independent directors) reviewed and approved by the Board of Directors is as follows:

● The candidate roster for directors

Name	Education	Main Experience	Representation of government agency or a juristic person
Cheng-Hai Hung	Bachelor of Chihlee University of Technology	- Chairman, Eclat Textile Co., Ltd. - President, Eclat Textile Co., Ltd. - Consultant of Taiwan Textile Federation - Juror of Department of Industrial Technology (DoIT), MOEA - Director, You Hong Tourism and Development Co., Ltd.	-
Li-Chen Wang	Zhihui Junior High School	- Director, Eclat Textile Co., Ltd. - Consultant of Eclat Textile Co., Ltd. - Director, Yih-Yuan Investment Corp. - Vice President, Eclat Textile Co., Ltd.	-
Kun-Tang Chen	PhD., Textile Management, University of Leeds	- Director and President, Eclat Textile Co., Ltd. - Vice President, Nan Yang Dyeing & Finishing Co., Ltd.	-
Xin-xin Limited Company	-	-	-
Shu-Wen Wang	Master of Accounting and Finance, California State University, Los Angeles	- Director and Executive vice president, Eclat Textile Co., Ltd. - Assistant Manager, CTBC Bank	-
Shou-Chun Yeh	Bachelor of department of Accounting,	- Chairman, Zig Sheng Co., Ltd. - Representative director of Everest Textile Co., Ltd.	-

Name	Education	Main Experience	Representation of government agency or a juristic person
	National Chengchi University	• Chairman, Evertex Fabrinology Limited. • Representative director of Yen Hsing Textile Co., Ltd. • Supervisor of Everest Textile Co., Ltd.	
Jen-Chieh Lo	Master of Department of Accounting, Soochow University	• Director and vice president, Eclat Textile Co., Ltd. • Chairman, Hui Yuan Investment Corp. • Senior manager, Horizon Securities	-
Representative: Kuo-Sung Hsieh	• PhD of Management, University of South Australia, Australia • PhD of Department of Finance, college of management, National Changhua University of Education	• Representative director of Eclat Textile Co., Ltd. • CPA at Honesty CPA Firm. • Assistant professor at Soochow University and Ming Chuan University. • Consultant of China Credit Information Service Ltd and Professional Actuary Management Consulting Co., Ltd. • President of National Association of certified caluators and analysts. • Assistant professor at Shih Chien University.	Yih-Yuan Investment Corp.

● The candidate roster for independent directors

Name	Education	Main Experience
Ya-Kang Wang	• Master of Urban Planning, National Chung Hsing University • Bachelor, Department of Transportation and Communication Management Science, National Cheng Kung University	• Independent director, Eclat Textile Co., Ltd. • Evaluation Specialist at Public Construction Commission, Executive Yuan, • Consultant of Taiwan Textile Research Institute • Director of Singtex Industrial Co., Ltd. • Director of Johnson Health Tech. Co., Ltd. • Independent Director of Wah Lee Industrial Corp. • Independent Director of Wisher Industrial Co., Ltd. • Independent Director of Feng Hsin Steel Co., Ltd. • Director General, Small and Medium Enterprise Administration ,MOEA • Director General, Industrial Development Agency, MOEA

Name	Education	Main Experience
		• Secretary General, Chinese National Federation of Industries • Consultant of Taiwan Textile Research Institute
Cheng-Ping Yu	• PhD of The University of Leeds	• Independent director, Eclat Textile Co., Ltd. • Associate Professor at Department of Textiles & Clothing, Fu Jen Catholic University • Research Fellow, University of Leeds
Nai-Ming Liu	• Master of Department of Accounting, National Chengchi University • Bachelor, Department of Accounting, National Cheng Kung University	• Independent director, Eclat Textile Co., Ltd. • CPA at Cheng Yuan CPA Firm • Independent Director, Bioptik Technology Inc. • Independent Director, Inpaq Technology Co., Ltd. • Independent Director, Apa Technology Co., Ltd. • Representative Director of Hh leasing& financial Corp. • Independent Director, Ampak Technology Inc. • Supervisor, Taiwan Panstone Building Materials Co., Ltd. • Assistant Professor at Hsing Wu University
Chiu-Chun Lai	• PhD., Institute of Polymer Science and Engineering, National Taiwan University of Science and Technology	• Professor and concurrently as Chairperson and Director, Chinese Culture University • Associated Research Fellow, Taiwan Textile Research Institute • Special Assistant to Chairman, Golden-State Industrial Co., Ltd. • Committee Member, Textile Industry National Standard Technical Committee, Bureau of Standards, Metrology and Inspection, MOEA • Committee Member, Evaluation Committee on TDP Performance, MOEA • A+ Project Examiner and Technology Development Program Examiner, Technology Department, MOEA • Examiner of Small Business Innovation Research (SBIR) Project, Small and Medium Enterprise Administration, MOEA • Examiner of Industrial Upgrade and Innovative Platform Project, Industrial Development Bureau, MOEA; CITD Textile Group Convener; Small and Medium Enterprise Instant Project Examiner

Submitted for election.

Result:

V Other Proposals

Proposed by the board of directors

Proposal: Release of non-competition restrictions on the 13th terms directors of the Company.

Explanation:

1. According to Article 209 of Company Act" A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Considering the growth of the Company's operations, it may happen that the elected directors concurrently serve at other company that are the same or similar to the Company's business scope. The Company proposed to report the competition contents of the 13th terms director candidates to 2021 general shareholders' meeting for approval. The contents of the competition of director candidates are as follows:

Title	Name	Agency and the title	Business Scope
Independent directors	Ya-Kang Wang	Director of Singtex Industrial Co., Ltd.	• Weaving of textiles • Printing, dyeing, and Finishing • Wearing apparel
		Independent Director of Wisher Industrial Co., Ltd.	• Weaving of textiles • Manufacture and wholesale of Non-woven fabrics
Directors	Shou-Chun Yeh	Chairman, Zig Sheng Co., Ltd.	• Manufacture and wholesale of fibers and textiles
		Chairman, Evertex Fabrinology Limited.	• Spinning of yarn • Weaving of textiles • Printing, dyeing, and Finishing • Other textile and products Manufacturing
		Representative director of Everest Textile Co., Ltd	• Weaving of textiles • Printing, dyeing, and finishing • Wearing apparel
		Representative director of	• Manufacture and

Title	Name	Agency and the title	Business Scope
		Yen Hsing Textile Co.,Ltd	wholesale of fibers • Weaving of fibers • Printing, dyeing, and finishing. • International trade of above mentioned product.

Submitted for Resolution:

Result:

VI Extraordinary Motions

VII Meeting Adjourned

Appendix I

Eclat Textile Co., Ltd. Articles of Incorporation

Chapter I General Principles

Article 1: The Company shall be incorporated under the Company Act. The English name of the Company shall be “Eclat Textile Co., Ltd.”

Article 2: The scope of business of the Company shall be as follows:

1. C301010 Yarn Spinning Mills
2. C302010 Knit Fabric Mills
3. C305010 Printing, Dyeing, and Finishing Mills
4. C306010 Outerwear Knitting Mills
5. C399990 Other Textile Products Manufacturing
6. CF01011 Medical Materials and Equipment Manufacturing
7. F108031 Wholesale of Drugs, Medical Goods
8. F208031 Retail sale of Medical Equipments
9. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The reinvestment amount of the Company in other enterprises may exceed the limit of forty percent of the paid-in capital specified in the Company Act. The Board of Director is authorized to make resolution on the actual amount.

Article 4: The Company may provide endorsements and guarantees to the external depending upon the business needs. The operation procedure thereof shall be handled according to the Endorsement and Guarantee Policies of the Company.

Article 5: The Company shall have its head office in Taipei City, and when it is determined to be necessary, branch offices may be established domestically or overseas.

Article 6: (Deleted)

Chapter 2 Shares

Article 7: The total capital of the Company shall be in the amount of NTD 3,000,000,000, divided into 300,000,000 shares, at NTD 10 per share, which may be issued at discrete times, and may be exchanged for shares of large denomination according to the request of shareholders.

Article 8: The shares of the Company shall be registered, which shall be signed or sealed by the Directors on behalf of the Company, and the shares shall be certified with the signatures by the authorized bank for the issuance thereof.

Article 9: For the shares issued by the Company, the printing of share certificates may be exempted; however, they shall be registered with the Centralized Securities Depository Enterprises.

Article 10: Shareholders of the Company performing shareholder services of share transfer, creation of rights and pledges, reporting of loss, inheritance, gift and chop loss/change or address change etc. and the exercising all of the rights of shareholders, unless the laws and securities regulations specify otherwise, shall be handled according to the “Regulations Governing the Administration of Shareholder Services of Public Companies”.

Article 11: Deleted.

Article 12: Deleted.

Article 13: Deleted.

Article 14: Any change and transfer registration of shares shall be prohibited within 60 days prior to the ordinary shareholders’ meeting, 30 days prior to the extraordinary shareholders’ meeting, or 5 days prior to the record date for the distribution of dividends and bonuses or other interests by the Company.

Chapter 3 Shareholders’ Meeting

Article 15: The shareholders’ meeting is divided into two types of the ordinary shareholder’s meeting and the extraordinary shareholders’ meeting:

1. Ordinary shareholders' meeting shall be convened within six months after the end of each fiscal year.
2. Extraordinary shareholders’ meeting shall be convened when there is an important event and considered necessary by the Board of Directors or shall be convened upon the request of shareholders according to the regulations of the Company Act.

Article 16: 30 days prior to the convention of an ordinary shareholders’ meeting and 15 days prior to the convention of an extraordinary shareholder's meeting, a notice indicating the date, location of the meeting and the reason of convention shall be issued to each shareholder in writing or may be informed via electronic method upon the consent of the counterparty; provided that for shareholders with the holding of less than 1,000 shares, announcement method may be adopted.

Article 17: Except where the Company Act and relevant laws specify restrictions or conditions without voting rights, each shareholder shall have one voting right for each share held. Unless otherwise specified in the Company Act, the convention of a shareholders’ meeting shall be attended by a majority of the shareholders representing more than half of the total number of the Company’s

outstanding shares, and a resolution of the shareholders' meeting shall be executed based on the consents of a majority of the voting rights of attending shareholders.

Article 18: (deleted).

Article 19: A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. The regulations for authorizing proxies to attend shareholders' meetings on behalf of the shareholders of the Company shall comply with Article 177 of the Company Act and shall also be handled accordingly to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority.

Article 20: Shareholders' meeting shall be convened by the Board of Directors' meeting, and the Chairman shall be the chairperson of the shareholders' meetings. In case where the Chairman is absent due to reasons, the Chairman may designate one director to act as a proxy thereof. In case where no designation of proxy is made, the Board of Directors shall elect one director to act as the chairperson. Where a shareholders' meeting is convened by other party with the convening power, such party shall act as the chairperson of the shareholders' meeting. Shareholders' meeting shall be convened according to the Rules of Procedure for Shareholders' Meeting of the Company.

Article 21: Resolutions made in a shareholders' meeting shall be recorded in the meeting minutes and shall be prepared, preserved and issued to all shareholders according to Article 183 of the Company Act.

Chapter 4 Director and Managerial Personnel

Article 22: The Company shall have eleven to thirteen directors. The election of the directors of the Company shall adopt the candidate nomination system prescribed in Article 192-1 of the Company Act, and directors shall be elected by the shareholders' meeting from the candidate roster announced by the Company. Required compliance matters shall be handled according to relevant laws. The total number of registered shares held by all of the directors shall not be less than the percentage specified by the competent authority according to the laws.

In the roster of directors described in the preceding paragraph, the number of independent directors shall not be less than three and shall not be less than one fifth of the total number of Directors. Relevant matters of the professional qualification, shareholding, concurrent job position limitation, nomination and election methods of the Independent Director as well as other necessary

requirements shall comply with relevant regulations specified by the competent authority.

Independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

Article 23: The term of office of a director is three years, and he/she may be eligible for re-election. Unless otherwise specified in the Company Act, in case where no election of new Directors is effected after expiration of the term of office of existing directors, the term of office of out-going Directors shall be extended until the time new Directors have been elected and assumed their office. The Company establishes the "Audit Committee" according to Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors.

The number and term of office of audit committee members, powers of the audit committee, and the rules of procedure for meetings of the audit committee shall be handled according to the "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies", and shall be further specified in the audit committee charter.

The Company might establish other functional committees under the Board, the numbers, terms of office, and powers of committee members etc, shall be included in organizational charter to be approved by the board of directors.

Article 24: When the number of vacancies of directors reaches one third or when all of the independent directors are discharged, the Board of Directors shall convene an extraordinary shareholders' meeting within sixty days to fill the vacancies, and the term of office thereof shall be limited to fulfill the unexposed term of office of the predecessor.

Article 25: When the directors are performing duties, regardless of the operating loss or profit of the Company, the Company may pay remuneration for the performance of duties, and the remuneration is authorized to the Board of Directors make determination based on their participation level and value of contribution to the operation of the Company along with the consideration of the standard adopted in the same industry.

Article 26: The Board of Directors organizing the Board of Directors' meeting shall exercise the authorities of the directors according to the laws, and shall be attended by more than two-thirds of the directors along with the consents of the majority of the attending directors in order to elect a Chairman among the directors.

Article 27: Except that the first board of directors' meeting of each session shall be convened according to the Company Act, board of director's meetings shall be convened by the Chairman. Unless otherwise specified in the Company Act, resolutions of Board of Directors' meeting shall be executed based on the

attendance of a majority of Directors and the consents of more than half of the attending Directors.

The notice for the convention of Board of Directors' meeting of the Company may be made in writing, e-mail or facsimile method.

Article 28: Unless otherwise specified in the Company Act, Board of Directors' meetings shall be attended by a majority of the directors. In case where a director cannot attend the meeting due to reasons, he or she may appoint another director to act as a proxy for attending the Board of Directors' meeting on his or her behalf, by presenting a power of attorney indicating the authorization scope of the convention; provided that such appointment shall be limited to one director only. Resolutions of the Board of Directors' meeting shall be executed based on the consent of a majority of the attending directors, and resolution records shall be made and shall be signed and sealed by the chairperson for preservation. Where a Board of Directors' meeting is held as a video conference, the directors attending the meeting through video conference shall be deemed to have attended to the meeting in person.

Article 29: (Deleted)

Article 30: (Deleted.)

Article 31: According to the indemnification liabilities required to be borne under the laws within the scope of duties of all of the directors within their term of office, the Company shall purchase liability insurances for the directors in order to reduce and diversify the damage risks of all of the directors, the Company and the shareholders. The Board of Directors is authorized to have the full authority to handle matters related to the application of liability insurances for all of the directors.

Article 32: The Company may have managerial personnel, and the appointment, discharge and remuneration thereof shall be handled according to Article 29 of the Company Act. Within the scope of authorization, the managerial personnel are empowered to manage affairs and signature for the Company, and the Board of Directors shall establish relevant scope of authorization and authorization regulations.

Article 33: The President of the Company shall handle daily affairs of the Company according to the resolutions of the Board of Directors' meeting.

Article 34: Deleted

Chapter 5 Accounting

Article 35: The accounting fiscal year of the Company shall start from January 1 to December 31, and settlement shall be performed at the end of each fiscal year.

Article 36: The Board of Directors shall prepare the business report, financial statement and proposal on distribution of surplus earnings or loss of-setting according to the Company Act at the end of each fiscal year, and shall submit to the Audit Committee for auditing thirty days prior to the convention of ordinary shareholders' meeting, in order to issue a report for submission to the shareholders' meeting for approval.

Article 37: Where the Company has a profit (the term "profit" refers to the income before deducting the distribution of employee compensation from the income before tax) in current year, if there is surplus after covering the accumulated loss, no less than 0.1% shall be appropriated for the employee's compensation for the distribution according to the resolution of the Board of Directors' meeting, and be reported to the shareholders' meeting. The distribution of employee's compensation may be made in the form of shares or cash

Article 37-1: Where the Company has a profit in current year, when allocating its surplus profits after having paid all taxes and dues, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision may be exempted. Aside from the aforesaid legal reserve, the company may, under its Articles of Incorporation or by resolution of the meeting of shareholders, set aside another sum as special reserve, along with the undistributed earnings at the beginning, the Board proposed the earning distribution to the shareholder's meetings to resolve. The present industrial development of the Company is at the growing stage, and there are plans for expansion of production lines and fund demands. Consequently, during the distribution of surplus earnings, the Board of Directors shall consider the investment plan, financial structure, future fund demand and profit status of the Company, and under the consideration that there are no other special conditions, it shall not be lower than 50% of the net income of the current year after the deduction of the compensation loss according to the preceding paragraph, for the Board of Directors to submit proposal to the shareholders' meeting for resolution before the execution thereof. However, the total amount of dividends shall not be less than 20% of amount of cash dividends distributed.

Article 38: (Delete)

Chapter 6 Supplementary Provisions

Article 39: For any matters not specified in this Article of Incorporation, such matters shall be handled according to the regulations of the Company Act.

Article 40: These Articles of Incorporation shall become effective after the resolution of

the shareholders' meeting, and the same requirement shall be applied to the amendment thereof.

Article 41: These Articles of Incorporation were established on November 10, 1977.

The first amendment was made on August 21, 1981.

The second amendment was made on February 27, 1985.

The third amendment was made on October 23, 1987.

The fourth amendment was made on June 27, 1988.

The fifth amendment was made on July 23, 1988.

The sixth amendment was made on July 18, 1990.

The seventh amendment was made on October 1, 1991.

The eighth amendment was made on January 20, 1992.

The ninth amendment was made on September 15, 1992.

The tenth amendment was made on September 29, 1992.

The eleventh amendment was made on June 21, 1995.

The twelfth amendment was made on May 12, 1997.

The thirteenth amendment was made on August 16, 1997.

The fourteenth amendment was made on June 25, 1998.

The fifteenth amendment was made on May 26, 2000.

The sixteenth amendment was made on May 25, 2001.

The seventeenth amendment was made on June 10, 2002.

The eighteenth amendment was made on June 7, 2004.

The nineteenth amendment was made on June 6, 2005.

The twentieth amendment was made on June 14, 2006.

The twenty-first amendment was made on June 15, 2010.

The twenty-second amendment was made on June 18, 2012.

The twenty-third amendment was made on June 17, 2014.

The twenty-fourth amendment was made on June 24, 2015.

The twenty-fifth amendment was made on June 21, 2016.

The twenty-sixth amendment was made on June 18, 2019.

The twenty-seventh amendment is made on June 18, 2020.

Eclat Textile Co., Ltd.

Chairman: Chen-Hai Hung

Appendix II

Eclat Textile Co., Ltd.

Rules Governing the Procedures for Shareholders' Meetings

1. To establish excellent board of directors meeting governance system, sound supervisory function and enhance the management performance of the Company, the Company establishes these rules according to the Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies as the basis for compliance.
2. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

The Company shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

3. Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

For the convention of an ordinary shareholders' meeting, meeting agenda book shall be prepared and notices shall be sent to all shareholders thirty days before the convention of the meeting, and for shareholders holding less than 1,000 registered shares, the announcement method of uploading onto the Market Observation Post System (MOPS) may be adopted 30 days before the convention of the meeting. For the convention of an extraordinary shareholders' meeting, notices shall be sent to all shareholders 15 days before the convention of the meeting, and for shareholders holding less than 1,000 registered shares, the announcement method of uploading onto the MOPS may be adopted 15 days before the convention of the meeting.

The notice and announcement shall describe the reason of convention. Where the consent of the counterparty of the notice is obtained, an electronic method may be adopted.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion. The essential contents may be posted on the website designated by the competent authority in charge of securities affairs or the company, and such website shall be indicated in the above notice.

The reason of convention of shareholders' meeting has indicated the re-election of

directors, and the date of assuming the position is also indicated. After the re-election is completed in such session of shareholder's meeting, the date of assuming the position shall not be changed through extempore motion or other methods.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Nevertheless, since shareholders' proposals are recommendations made for the purpose of promoting the Company to improve the public interest or to fulfill the corporate social responsibility, the board of directors may still list such proposals for meeting discussion. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce that it will receive shareholder proposals by written or electronic, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days..

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda book. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

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

4. The Company shall furnish the attending shareholders or proxies appointed by the shareholders (collectively, "shareholders") with an attendance book to, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.

When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

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

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

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

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder. The number of shares for which voting rights may not be exercised shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

6. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
7. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairman. If there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chairman, or, if there are no managing directors, one of the directors shall be appointed to act as the chairman. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as the chairman.

When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

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

8. Attorneys, certified public accountants, or related persons appointed by the Company

may attend a shareholders meeting.

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

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

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

10. The chair 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 chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.

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

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

11. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. All the discussion matters should be voted by each proposal. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

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

chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

13. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the above provisions or exceeds the scope of the agenda item, the chair may prevent the shareholder from doing so.

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.

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

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

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. However, where a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the files shall be retained until the conclusion of the litigation.

17. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

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

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

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

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

When the Company holds a shareholders meeting, it should allow the shareholders to exercise voting rights by electronic and correspondence means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.

When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

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

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

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

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

22. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the numbers of votes). The Company shall disclose the voting numbers of each elected, which shall be retained for the duration of the existence of the Company.

23. These Rules, and any amendments hereto, shall be implemented after adoption by shareholders meetings.

These Rules were amended on June 18, 2012.

These Rules were amended on June 24, 2015.

These Rules were amended on June 18, 2020.

Appendix III

Eclat Textile Co., Ltd.

Procedures for Election of Directors

- Article 1: Except as otherwise provided by law and regulation or by the Company's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 2: For the elections of directors of the Company, the board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. The registered names of voters may be replaced by the attendance certificate number printed on the ballots.
- Where the voting rights are exercised via the electronic method, no further ballots are additionally prepared and provided.
- Article 3: The cumulative voting method shall be used for election of the directors at the Company. Each share shall have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 4: The election of directors of the Company shall adopt the candidate nomination system according to Article 192-1 of the Company Act, and shareholders shall elect directors from among those listed in the roster of directors.
- Independent directors and non-independent directors shall be elected together, and the number of directors shall be based on the requirements specified in the Company's articles of incorporation. The voting rights of independent directors and non-independent directors shall be counted separately, and the candidates receiving ballots representing the highest numbers of voting rights shall be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the number of seats specified, those candidates receiving the same number of votes shall draw lots to determine the winner, and in the event that

any one of such candidates is absent, the chair shall draw lots on behalf of such candidate.

Article 5: The voting rights shall be calculated according to the votes casted by the shareholders plus the number of votes of the voting rights exercised in writing or via electronic method. When the total number of votes distributed is less than the number of votes held by the voters, the number of votes reduced (in short) shall be treated as abandonment of rights.

Article 6: Before the election begins, the chair shall appoint several vote monitoring personnel and vote counting personnel respectively to perform the all relevant job. All monitoring personnel shall be shareholders of the Company.

Article 7: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 8: Where a candidate is of the identity of a shareholder, voters shall indicate the account name of the candidate and the account number of shareholder in the field of the candidate on the ballot. Where a candidate is not of the identity of a shareholder, the voter shall enter the candidate's name and identity certificate number. However, when the candidate is a government agency or corporate shareholder, the name of the government agency or corporate shareholder shall be entered in the field of the candidate on the ballot, or both the name of the government agency or corporate shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 9: A ballot shall be invalid under any of the following circumstances:

1. Ballots specified in Article 5 these Regulations are not used.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered not compliance with the laws.
4. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder,

and a cross-check shows that the candidate's name and identity certificate number do not match.

5. One identical ballot is indicated with the number of candidates exceeding the number of seats specified.
6. Other words or marks are entered in addition to the candidate's account name (name) or shareholder account number (or identity certificate number) and the number of voting rights allotted.
7. The candidate's account name (name) and shareholder account number (or identity certificate number) are not entered; or the name of the candidate entered on the ballot is identical to that of another shareholder, but no shareholder account number or identity certificate number is provided on the ballot to identify such individual.

Article 10: The ballot counting operation for the election proposal in a shareholders' meeting shall be opened in the place of the shareholder's meeting. After the voting is complete, the ballot box shall be opened onsite, and for the result of the election, the chair or his or her designated person shall announce the elected directors and independent directors as well as their corresponding number of votes won.

Article 11: The board of directors shall issue notifications to the persons elected as directors and independent directors.

Article 12: These Regulations, and any amendments hereto, shall be stipulated by the board of directors and shall be implemented after approval by a shareholders meeting.

Article 13: These Regulations were enacted after the approval of the shareholder's meeting dated June 10, 2002.

The first amendment was made on June 17, 2014.

The second amendment was made on June 24, 2015.

The third amendment was made on June 18, 2020.

Appendix IV

Eclat Textile Company Limited Shareholdings of All Directors

As of April 20, 2021

Title	Name	Shareholding	
		Share	%
Chairman	Cheng-Hai Hung	9,035,318	3.29%
Director	Li-Chen Wang	8,233,769	3.00%
Director	Hsien-Chin Tsai	21,634,993	7.89%
Director	Shou-Chun Yeh	517,330	0.19%
Director	Kun-Tang Chen	473,864	0.17%
Director	Jen-Chieh Lo	365,724	0.13%
Director	Shu-Wen Wang	28,008	0.01%
Director	Yih-Yuan Investment Corp. Representative : Kuo-Sung Hsieh	25,790,335	9.40%
	Total	66,079,341	24.08%
Independent Director	Yea-Kang Wang	0	0.00%
Independent Director	Cheng-Ping Yu	0	0.00%
Independent Director	Nai-Ming Liu	0	0.00%
	Total	0	0.00%
The total shares issued as of April 20, 2021 were 274,367,111 common shares. Note : Directors are required to hold in the aggregate not less than 12,000,000 shares. April 20, 2021, the holding shares of Directors were 66,079,341 shares.			

Appendix V

Independent Auditors' Report

To the Board of Directors of Eclat Textile Co., Ltd.:

Opinion

We have audited the accompanying financial statements of Eclat Textile Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant 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, 2020 and 2019, 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.

Basis for Opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and the auditing standards generally accepted in the Republic of China. 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 the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company is stated as follow:

Revenue recognition and cut-off

Please refer to note 4(n) for details of the accounting policies of the recognition of revenue and note 6(n) operating revenues.

How the matter was addressed in our audit:

Revenue recognition of the Company is the main concern of the financial report users. Therefore, the assessment of revenue recognition is the key audit items in our audit.

Our principal audit procedures included:

Testing the design and implementation of internal control over revenue recognition, inspecting the accuracy of revenue recognition, and reconciling between sales systems and general ledger; the Company' s main sources of revenues to evaluate whether there are major anomalies; conditions for revenue recognition and to further inspect related transaction documents to ensure that the revenue is recorded in the appropriate period.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements free from material misstatement due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company' 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 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 generally accepted in Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit.

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 financial statements for the year ended December 31, 2020 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.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Kou and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2021

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD.
Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 2,510,542	10	3,289,321	16	2150	Notes payable	\$ 259,923	1	263,601	1
1150	Notes receivable (note 6(b))	2,294	-	13,245	-	2170	Accounts payable	2,285,903	9	1,168,715	5
1170	Accounts receivable, net(including related parties) (note 6(b) and 7)	5,107,614	21	3,016,695	14	2180	Accounts payable to related parties (note 7)	502,484	2	359,240	2
1200	Other receivables, net	5,916	-	9,196	-	2200	Other payables (note 6(j))	853,987	4	815,999	4
1310	Inventories, net (note 6(c))	4,515,725	18	3,490,168	16	2230	Current tax liabilities	1,072,588	4	591,039	3
1470	Other current assets (note 6(g) and 8)	<u>278,803</u>	<u>1</u>	<u>207,213</u>	<u>1</u>	2280	Current lease liabilities (note 6(i))	17,014	-	17,229	-
Total current assets		<u>12,420,894</u>	<u>50</u>	<u>10,025,838</u>	<u>47</u>	2399	Other current liabilities, others	<u>197,731</u>	<u>1</u>	<u>46,011</u>	<u>-</u>
Non-current assets:						Total current liabilities		<u>5,189,630</u>	<u>21</u>	<u>3,261,834</u>	<u>15</u>
1550	Investments accounted for using equity method (note 6(d))	5,119,953	21	4,516,119	21	Non-current liabilities:					
1600	Property, plant and equipment (note 6(e),7 and 8)	7,236,086	29	6,716,581	32	2540	Long-term borrowings (note 6(h))	580,000	2	-	-
1755	Right-of-use assets (note 6(f))	45,554	-	44,993	-	2570	Deferred tax liabilities (note 6(k))	6,440	-	12,225	-
1780	Intangible assets	13,427	-	5,111	-	2580	Non-current lease liabilities (note 6(i))	16,331	-	19,726	-
1840	Deferred tax assets (note 6(k))	97,126	-	54,080	-	2640	Net defined benefit liability, non-current (note 6(j))	-	-	5,132	-
1975	Net defined benefit asset, non-current (note 6(j))	6,824	-	-	-	2645	Guarantee deposits received	<u>2,509</u>	<u>-</u>	<u>2,539</u>	<u>-</u>
1990	Other non-current assets, others (note 6(g))	<u>23,030</u>	<u>-</u>	<u>62,486</u>	<u>-</u>	Total non-current liabilities		<u>605,280</u>	<u>2</u>	<u>39,622</u>	<u>-</u>
Total non-current assets		12,542,000	50	11,399,370	53	Total liabilities		<u>5,794,910</u>	<u>23</u>	<u>3,301,456</u>	<u>15</u>
						Equity (Note 6(l) and (s)):					
						3110	Ordinary share	<u>2,743,671</u>	<u>11</u>	<u>2,743,671</u>	<u>13</u>
						3200	Capital surplus	<u>3,769,547</u>	<u>15</u>	<u>3,769,547</u>	<u>17</u>
						Retained earnings:					
						3310	Legal reserve	3,185,883	13	2,756,589	13
						3320	Special reserve	89,042	-	6,862	-
						3350	Unappropriated retained earnings	<u>9,671,546</u>	<u>39</u>	<u>8,936,125</u>	<u>42</u>
						Total retained earnings		<u>12,946,471</u>	<u>52</u>	<u>11,699,576</u>	<u>55</u>
						3490	Other equity, others	<u>(291,705)</u>	<u>(1)</u>	<u>(89,042)</u>	<u>-</u>
						Total equity		<u>19,167,984</u>	<u>77</u>	<u>18,123,752</u>	<u>85</u>
Total assets		<u><u>\$ 24,962,894</u></u>	<u><u>100</u></u>	<u><u>21,425,208</u></u>	<u><u>100</u></u>	Total liabilities and equity		<u><u>\$ 24,962,894</u></u>	<u><u>100</u></u>	<u><u>21,425,208</u></u>	<u><u>100</u></u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD.
Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (note 6(n) and 7)	\$ 28,057,641	100	28,074,641	100
5000	Operating costs (note 6(e)(f)(j)(o), 7 and 12)	<u>20,628,069</u>	<u>74</u>	<u>20,555,239</u>	<u>73</u>
	Gross profit from operations	<u>7,429,572</u>	<u>26</u>	<u>7,519,402</u>	<u>27</u>
	Operating expenses (note 6(e)(f)(i)(j)(o), 7 and 12):				
6100	Selling expenses	1,243,224	4	1,300,087	5
6200	Administrative expenses	681,177	2	746,033	3
6300	Research and development expenses	<u>141,487</u>	<u>1</u>	<u>139,608</u>	<u>-</u>
	Total operating expenses	<u>2,065,888</u>	<u>7</u>	<u>2,185,728</u>	<u>8</u>
	Net operating income	<u>5,363,684</u>	<u>19</u>	<u>5,333,674</u>	<u>19</u>
	Non-operating income and expenses (note 6(i) and (p)):				
7010	Other income	9,322	-	9,708	-
7020	Other gains and losses, net	(182,834)	(1)	(15,910)	-
7050	Finance costs	(12,654)	-	(14,263)	-
7060	Share of profit of associates accounted for using equity method, net	122,704	1	68,020	-
7100	Interest income	<u>11,183</u>	<u>-</u>	<u>18,867</u>	<u>-</u>
	Total non-operating income and expenses	<u>(52,279)</u>	<u>-</u>	<u>66,422</u>	<u>-</u>
7900	Income before income tax	5,311,405	19	5,400,096	19
7950	Less: Tax expenses (note 6(k))	<u>1,056,871</u>	<u>4</u>	<u>1,100,847</u>	<u>4</u>
8200	Profit (note 6(s))	<u>4,254,534</u>	<u>15</u>	<u>4,299,249</u>	<u>15</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(j))	10,399	-	(4,260)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>10,399</u>	<u>-</u>	<u>(4,260)</u>	<u>-</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(253,328)	(1)	(102,724)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(k))	<u>(50,665)</u>	<u>-</u>	<u>(20,544)</u>	<u>-</u>
		<u>(202,663)</u>	<u>(1)</u>	<u>(82,180)</u>	<u>-</u>
8300	Other comprehensive income, net of income tax	<u>(192,264)</u>	<u>(1)</u>	<u>(86,440)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 4,062,270</u>	<u>14</u>	<u>4,212,809</u>	<u>15</u>
	Earnings per share (note 6(m))				
9750	Basic earnings per share (in dollars)	<u>\$ 15.51</u>		<u>15.67</u>	
9850	Diluted earnings per share (in dollars)	<u>\$ 15.51</u>		<u>15.67</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD.
Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2019	\$ 2,743,671	3,769,547	2,318,613	104,100	8,001,961	10,424,674	(6,862)	16,931,030
Effects of retrospective application	-	-	-	-	(2,049)	(2,049)	-	(2,049)
Equity at beginning of period after adjustments	2,743,671	3,769,547	2,318,613	104,100	7,999,912	10,422,625	(6,862)	16,928,981
Profit	-	-	-	-	4,299,249	4,299,249	-	4,299,249
Other comprehensive income	-	-	-	-	(4,260)	(4,260)	(82,180)	(86,440)
Total comprehensive income	-	-	-	-	4,294,989	4,294,989	(82,180)	4,212,809
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	437,976	-	(437,976)	-	-	-
Reversal of special reserve	-	-	-	(97,238)	97,238	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at December 31, 2019	2,743,671	3,769,547	2,756,589	6,862	8,936,125	11,699,576	(89,042)	18,123,752
Profit	-	-	-	-	4,254,534	4,254,534	-	4,254,534
Other comprehensive income	-	-	-	-	10,399	10,399	(202,663)	(192,264)
Total comprehensive income	-	-	-	-	4,264,933	4,264,933	(202,663)	4,062,270
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	429,294	-	(429,294)	-	-	-
Special reserve appropriated	-	-	-	82,180	(82,180)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at December 31, 2020	\$ 2,743,671	3,769,547	3,185,883	89,042	9,671,546	12,946,471	(291,705)	19,167,984

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

ECLAT TEXTILE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 5,311,405	5,400,096
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	264,945	275,190
Amortization expense	7,407	6,006
Interest expense	12,654	14,263
Interest income	(11,183)	(18,867)
Share of profit of associates accounted for using equity method	(122,704)	(68,020)
(Gain) loss on disposal of property, plant and equipment	(1,744)	6,530
Gain on disposal of investments	-	(217)
Total adjustments to reconcile profit	<u>149,375</u>	<u>214,885</u>
Changes in operating assets and liabilities:		
(Increase)decrease in notes and accounts receivable	(2,079,408)	784,072
(Increase)decrease in inventories	(1,025,557)	8,647
(Increase)decrease in other current assets	(70,919)	49,403
Increase in notes and accounts payable	1,264,805	160,545
Increase(decrease) in other payables	31,391	(48,932)
Increase in other current liabilities	151,785	10,532
Decrease in net defined benefit liability	(1,557)	(1,144)
Total changes in operating assets and liabilities	<u>(1,729,460)</u>	<u>963,123</u>
Total adjustments	<u>(1,580,085)</u>	<u>1,178,008</u>
Cash inflow generated from operations	3,731,320	6,578,104
Interest received	13,793	19,414
Interest paid	(13,712)	(13,563)
Income taxes paid	(573,487)	(1,258,786)
Net cash flows from operating activities	<u>3,157,914</u>	<u>5,325,169</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(734,458)	(761,190)
Proceeds from disposal of investments accounted for using equity method	-	12,459
Proceeds from capital reduction of investments accounted for using equity method	-	57,322
Acquisition of property, plant and equipment	(699,483)	(653,695)
Proceeds from disposal of property, plant and equipment	10,979	557
Increase in refundable deposits	(375)	(1)
Acquisition of intangible assets	(15,723)	(2,013)
Increase in prepayments for business facilities	(26,799)	(38,757)
Net cash flows used in investing activities	<u>(1,465,859)</u>	<u>(1,385,318)</u>
Cash flows from (used in) financing activities:		
Increase in long-term borrowings	580,000	-
Payment of lease liabilities	(32,796)	(30,478)
Cash dividends paid	(3,018,038)	(3,018,038)
Net cash flows used in financing activities	<u>(2,470,834)</u>	<u>(3,048,516)</u>
Net (decrease)increase in cash and cash equivalents	(778,779)	891,335
Cash and cash equivalents at beginning of period	<u>3,289,321</u>	<u>2,397,986</u>
Cash and cash equivalents at end of period	<u><u>\$ 2,510,542</u></u>	<u><u>3,289,321</u></u>

See accompanying notes to financial statements.

Appendix VI

Independent Auditors' Report

To the Board of Directors of ECLAT TEXTILE CO., LTD.:

Opinion

We have audited the accompanying consolidated financial statements of ECLAT TEXTILE CO., LTD. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and the auditing standards generally accepted in the Republic of China. 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 the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group is stated as follow:

Revenue recognition and cut-off

Please refer to note 4(o) for details of the accounting policies of the recognition of revenue and note 6(o) operating revenues.

How the matter was addressed in our audit:

Revenue recognition of the Group is the main concern of the consolidated financial report users. Therefore, the assessment of revenue recognition is the key audit items in our audit.

Our principal audit procedures included:

Testing the design and implementation of internal control over revenue recognition, inspecting the accuracy of revenue recognition, and reconciling between sales systems and general ledger; the Group's main sources of revenues to evaluate whether there are major anomalies; conditions for revenue recognition and to further inspect related transaction documents to ensure that the revenue is recorded in the appropriate period.

Other Matter

ECLAT TEXTILE CO., LTD has prepared its individual financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, SIC, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 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.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Kou and Hsin-Yi Kuo.

KPMG

Taipei, Taiwan (Republic of China)
March 5, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019				December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$ 4,024,302	15	4,444,271	19	2100	Current borrowings (note 6(h))	\$ 1,342,832	5	1,572,451	7
1150	Notes receivable, net (notes 6(b))	2,294	-	13,245	-	2150	Notes payable	259,923	1	263,601	1
1170	Accounts receivable, net (note 6(b))	5,115,963	19	3,015,394	13	2170	Accounts payable	2,509,229	9	1,448,292	6
1200	Other receivables, net	11,911	-	73,665	-	2180	Accounts payable to related parties (note 7)	-	-	2,394	-
1310	Inventories, net (note 6(c))	5,201,647	20	4,219,962	18	2200	Other payables (note 6(k))	1,203,560	5	1,087,896	5
1460	Non-current assets classified as held for sale (note 6(d))	-	-	8,772	-	2230	Current tax liabilities	1,080,875	4	595,926	3
1470	Other current assets (notes 6(g) and 8)	501,618	2	373,162	2	2280	Current lease liabilities (note 6(j))	18,148	-	18,387	-
Total current assets		14,857,735	56	12,148,471	52	2399	Other current liabilities, others	212,972	1	117,879	-
Non-current assets:											
1550	Investments accounted for using equity method	2,149	-	8,943	-	Total current liabilities		6,627,539	25	5,106,826	22
1600	Property, plant and equipment (notes 6(e),7 and 8)	10,383,556	39	10,600,139	46	Non-current liabilities:					
1755	Right-of-use assets (notes 6(f))	89,755	-	93,238	-	2540	Long-term borrowings (notes 6(i) and 8)	580,000	3	-	-
1780	Intangible assets	23,285	-	18,619	-	2570	Deferred tax liabilities (notes 6(l))	6,440	-	12,225	-
1840	Deferred tax assets (notes 6(l))	97,126	1	54,080	-	2580	Non-current lease liabilities (notes 6(j))	61,953	-	68,946	-
1975	Net defined benefit asset, non-current (notes 6(k))	6,824	-	-	-	2640	Net defined benefit liability, non-current (notes 6(k))	-	-	5,132	-
1990	Other non-current assets, others (note 6(g) and 8)	985,995	4	395,930	2	2645	Guarantee deposits received	2,509	-	2,539	-
Total non-current assets		11,588,690	44	11,170,949	48	Total non-current liabilities		650,902	3	88,842	-

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (note 6(o) and 7)	\$ 28,175,401	100	28,125,136	100
5000	Operating costs (notes 6(c)(e)(f)(k)(p), 7 and 12)	20,096,659	71	20,010,977	71
	Gross profit from operations	8,078,742	29	8,114,159	29
	Operating expenses (notes 6(e)(f)(j)(k)(p), 7 and 12):				
6100	Selling expenses	1,375,374	5	1,411,494	5
6200	Administrative expenses	1,059,929	4	1,086,719	4
6300	Research and development expenses	146,887	-	145,162	1
	Total operating expenses	2,582,190	9	2,643,375	10
	Net operating income	5,496,552	20	5,470,784	19
	Non-operating income and expenses (note 6(j)(q) and 7):				
7010	Other income	9,322	-	9,708	-
7020	Other gains and losses, net	(171,529)	(1)	(17,851)	-
7050	Finance costs	(33,920)	-	(63,060)	-
7060	Share of loss of associates accounted for using equity method, net	(6,564)	-	(4,556)	-
7100	Interest income	29,997	-	26,975	-
	Total non-operating income and expenses	(172,694)	(1)	(48,784)	-
7900	Income before income tax	5,323,858	19	5,422,000	19
7950	Less: Tax expenses (note 6(l))	1,069,232	4	1,118,957	4
	Profit from continuing operations	4,254,626	15	4,303,043	15
8100	Loss from discontinued operations, net of tax (note 12(b))	(92)	-	(3,794)	-
8200	Profit (note 6(t))	4,254,534	15	4,299,249	15
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans (note 6(k))	10,399	-	(4,260)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		10,399	-	(4,260)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(253,328)	(1)	(102,724)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(l))	(50,665)	-	(20,544)	-
		(202,663)	(1)	(82,180)	-
8300	Other comprehensive income, net of income tax	(192,264)	(1)	(86,440)	-
8500	Total comprehensive income	<u>\$ 4,062,270</u>	<u>14</u>	<u>4,212,809</u>	<u>15</u>
	Earnings per share (note 6(n) and 12(b))				
9750	Basic earnings per share (in dollars)				
	Basic earnings per share from continuing operations	\$	15.51		15.68
	Basic loss per share from discontinued operations	-		(0.01)	
	Total basic earnings per share	<u>\$</u>	<u>15.51</u>	<u></u>	<u>15.67</u>
9850	Diluted earnings per share (in dollars)				
	Diluted earnings per share from continuing operations	\$	15.51		15.68
	Diluted loss per share from discontinued operations	-		(0.01)	
	Total diluted earnings per share	<u>\$</u>	<u>15.51</u>	<u></u>	<u>15.67</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2019	\$ 2,743,671	3,769,547	2,318,613	104,100	8,001,961	10,424,674	(6,862)	16,931,030
Effects of retrospective application	-	-	-	-	(2,049)	(2,049)	-	(2,049)
Equity at beginning of period after adjustments	2,743,671	3,769,547	2,318,613	104,100	7,999,912	10,422,625	(6,862)	16,928,981
Profit	-	-	-	-	4,299,249	4,299,249	-	4,299,249
Other comprehensive income	-	-	-	-	(4,260)	(4,260)	(82,180)	(86,440)
Total comprehensive income	-	-	-	-	4,294,989	4,294,989	(82,180)	4,212,809
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	437,976	-	(437,976)	-	-	-
Reversal of special reserve	-	-	-	(97,238)	97,238	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at December 31, 2019	2,743,671	3,769,547	2,756,589	6,862	8,936,125	11,699,576	(89,042)	18,123,752
Profit	-	-	-	-	4,254,534	4,254,534	-	4,254,534
Other comprehensive income	-	-	-	-	10,399	10,399	(202,663)	(192,264)
Total comprehensive income	-	-	-	-	4,264,933	4,264,933	(202,663)	4,062,270
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	429,294	-	(429,294)	-	-	-
Special reserve appropriated	-	-	-	82,180	(82,180)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at December 31, 2020	\$ 2,743,671	3,769,547	3,185,883	89,042	9,671,546	12,946,471	(291,705)	19,167,984

See accompanying notes to consolidated financial statements.

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	\$ 5,323,858	5,422,000
Loss from discontinued operations before tax	(92)	(3,794)
Profit before tax	<u>5,323,766</u>	<u>5,418,206</u>
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	681,557	817,971
Amortization expense	21,047	21,085
Interest expense	33,920	63,060
Interest income	(29,997)	(26,975)
Share of loss of associates accounted for using equity method	6,564	4,556
(Gain) loss on disposal of property, plant and equipment	(1,744)	6,532
Gain on disposal of investments	-	(217)
Total adjustments to reconcile profit	<u>711,347</u>	<u>886,012</u>
Changes in operating assets and liabilities:		
(Increase) decrease in notes and accounts receivable	(2,089,618)	780,899
(Increase)decrease in inventories	(978,640)	44,870
Decrease (increase) in other current assets	234,040	(25,279)
Decrease in other financial assets	61,875	12,407
Decrease(increase) in other operating assets	3,607	(12,791)
Increase in notes and accounts payable	1,062,916	95,474
Increase(decrease) in other payables	58,783	(27,018)
Increase in other current liabilities	95,093	12,188
Decrease in net defined benefit liability	(1,557)	(1,144)
Total adjustments	<u>(842,154)</u>	<u>1,765,618</u>
Cash inflow generated from operations	4,481,612	7,183,824
Interest received	32,607	27,522
Interest paid	(31,952)	(60,782)
Income taxes paid	(584,284)	(1,282,992)
Net cash flows from operating activities	<u>3,897,983</u>	<u>5,867,572</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of investments accounted for using equity method	-	12,459
Acquisition of property, plant and equipment	(886,914)	(1,286,359)
Proceeds from disposal of property, plant and equipment	10,979	557
(Increase)decrease in refundable deposits	(352)	216
Acquisition of intangible assets	(16,015)	(8,768)
Increase in prepayments for business facilities	(26,799)	(38,757)
Increase in prepayments for buildings and land	(659,945)	-
Net cash flows used in investing activities	<u>(1,579,046)</u>	<u>(1,320,652)</u>
Cash flows from (used in) financing activities:		
Decrease in current borrowings	(229,619)	(57,528)
Increase in long-term borrowings	580,000	-
(Decrease) increase in guarantee deposits received	(30)	1,051
Payments of lease liabilities	(35,412)	(33,215)
Decrease in other non-current liabilities	-	(6,014)
Cash dividends paid	(3,018,038)	(3,018,038)
Net cash flows used in financing activities	<u>(2,703,099)</u>	<u>(3,113,744)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(35,807)</u>	<u>114,757</u>
Net (decrease) increase in cash and cash equivalents	<u>(419,969)</u>	<u>1,547,933</u>
Cash and cash equivalents at beginning of period	<u>4,444,271</u>	<u>2,905,110</u>
Cash and cash equivalents at end of period	<u>\$ 4,024,302</u>	<u>4,453,043</u>
Components of cash and cash equivalents		
Cash and cash equivalents reported in the statement of financial position	\$ 4,024,302	4,444,271
Non-current assets classified as held for sale, net	-	8,772
Cash and cash equivalents at end of period	<u>\$ 4,024,302</u>	<u>4,453,043</u>

See accompanying notes to consolidated financial statements.