

Eclat Textile Co., Ltd.

2022 Annual General Shareholders' Meeting Minutes

Time and Date : June 14, 2022 (Tuesday) 9:00AM

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

Attendance:

Total shares represented by shareholders present in person or by proxy: 251,543,467.
Percentage of shares held by shareholders present in person or by proxy: 91.68 %.

Attendance list of Directors of the Board:

Cheng-Hai Hung (Chairperson), Xin-Xin Limited Company (Representative: Hsien-Chin Tsai) (Director), Sou-Tsun Yeh (Director), Kun-Tang Chen (Director), Jen-Chieh Lo (Director), Shu-Wen Wang (Director), Yih-Yuan Investment Corp (Representative: Kuo-Sung Hsieh) (Director), Yea-Kang Wang (Independent Director), Cheng-Ping Yu (Independent Director), Nai-Ming Liu (Independent Director), Chiu-Chun Lai (Independent Director)

In attendance: Hui-Chih Kou (CPA), Chung-Chieh Yue (Lawyer)

Chairperson: Cheng-Hai Hung

Recorder: Chia-Fang Hsieh

Call the meeting to order:

(The total number of shareholders and representative shares has reached the statutory amount; the chairman hence calls the meeting to order.)

Chairperson's remarks: (skip)

I. Reporting Matters

1. 2021 Business Report. (Refer to Appendix I)
2. Audit Committee's Review Report on the 2021 Financial Statements. (Refer to Appendix II)
3. 2021 Employees' Remuneration Appropriation Report. (Refer to Appendix III)

II. Acknowledged Matters

1. To approve 2021 Business Report and Financial Statements. (Refer to Appendix IV)

Explanation:

- (1) The 2021 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.

Submitted for approval

Voting results:

Shares represented at the time of voting: 251,543,467

Voting result	Account for total votes
Approval votes: 240,953,775	95.79%
Disapproval votes: 7,322	0%
Invalid votes: 0	0%
Abstention votes/no votes: 10,582,370	4.20%

RESOLVED, that the 2021 Business Report and Financial Statements be and hereby were accepted as submitted.

2. To approve the Proposal for Distribution of 2021 Profits

Explanation:

- (1) The net profit after tax of the Company in 2021 was NT\$ 5,148,610,964, deducted other comprehensive loss of NT\$ 11,384,000, the net profit after tax with extra items included in current year was NT\$ 5,137,226,964, in addition, plus the undistributed profit from the previous year of NT\$ 6,024,351,742 and deducted legal reserve of NT\$ 513,722,696 and special reserve NT\$ 137,742,413, the distributable profit of the current year was NT\$ 10,510,113,597. The Board proposed to declare cash dividend for NT\$ 12 per share and for a total amount of NT\$ 3,292,405,332 (calculated based on the current ordinary share), and the remaining amount of NT\$ 7,217,708,265 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.

Where the Company executes the buyback of the treasury shares or transfers the treasury shares to employees, employees exercise warrant rights with stock warrants, or the Company issues new shares for cash capital increase, the chairman is authorized to make proportional adjustment on the dividend distribution ratio of shareholders, based on the number of shares outstanding and on the ex-dividend date .

Eclat Textile Co., Ltd. Earnings Distribution Table 2021		Unit: NT\$
Beginning undistributed profit		\$6,024,351,742
Plus: Current net profit after tax	\$ 5,148,610,964	
Less: Other comprehensive loss (actuarial loss with confirmed welfare plan)	(2021) (11,384,000)	
Net profit after tax with extra items included in current year		5,137,226,964
Deduction: Legal reserve		(513,722,696)
Special reserve		(137,742,413)
Distributable profit for current year		10,510,113,597
Proposed profit distribution items ¹ :		
Cash dividends - NT\$ 12 per share		(3,292,405,332)
Ending undistributed profit		<u>\$7,217,708,265</u>

Note1: The profit of 2021 should be distributed in priority.

Voting results:

Shares represented at the time of voting: 251,543,467

Voting result		Account for total votes
Approval votes:	241,028,563	95.81%
Disapproval votes:	4,721	0%
Invalid votes:	0	0%
Abstention votes/no votes:	10,510,183	4.17%

RESOLVED, that the above proposal be and hereby was approved as proposed.

III Discussion Matters:

1. Proposal: Amendment to the “Articles of Incorporation”.

Explanation:

Cooperate with the central competency's amendment of partial clauses of the Company Act and consideration of the future practical operation flexibility, the Company proposes to amend parts of the provisions of the “Articles of Incorporation”. The Comparison Table for the provisions before and after amendment is provided in the following. It is submitted for resolution.

Voting results:

Shares represented at the time of voting: 251,543,467

Voting result	Account for total votes
Approval votes: 174,732,879	69.46%
Disapproval votes: 64,313,713	25.56%
Invalid votes: 0	0%
Abstention votes/no votes: 12,496,875	4.96%

RESOLVED, that the above proposal be and hereby was approved as proposed.

2. Proposal: Amendments to the “Procedures for Acquisition and Disposal of Assets”.

Explanation:

According to the amendment of “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” as well as considering the practical experience and enhancing the management of the related-party transactions, the Company proposes to amend the “Procedures for Acquisition and Disposal of Assets”, and the Comparison Table for the Provisions Before and After Amendment is provided as the following. It is submitted for resolution.

Voting results:

Shares represented at the time of voting: 251,543,467

Voting result	Account for total votes
Approval votes: 239,516,774	95.21%
Disapproval votes: 3,236	0%
Invalid votes: 0	0%
Abstention votes/no votes: 12,023,457	4.77%

RESOLVED, that the above proposal be and hereby was approved as proposed.

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

Explanation:

According to the amendment of “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings, the Company proposes to amend the “Rules Governing the Procedures for Shareholders’ Meetings”. The Comparison Table for the Provisions Before and After Amendment is provided as the following. It is submitted for resolution.

Voting results:

Shares represented at the time of voting: 251,543,467

Voting result		Account for total votes
Approval votes:	236,926,576	94.18%
Disapproval votes:	2,468,345	0.98%
Invalid votes:	0	0%
Abstention votes/no votes:	12,148,546	4.82%

RESOLVED, that the above proposal be and hereby was approved as proposed.

IV Extraordinary Motions: None.

V Meeting Adjourned: 09:27 AM

* The record of 2022 Annual General Shareholders’ Meeting only minute the main points, The Minutes only reflected the main contents of the meeting. Please refer to the video recording for the exact contents and procedures of the meeting.

Chairperson: Cheng-Hai Hung

Recorder: Chia-Fang Hsieh

Appendix I 2021 Business Report

(1) Preface

After the COVID-19 vaccines had been developed, the implement of the vaccination program mitigated the impact of the pandemic at main retail and consumer markets worldwide, which in turn, drove the economic recovery at the beginning of 2021. The inventory and business strategies of the retail industry were adjusted rapidly to satisfy strong consumer demands, which drove the consumer-goods supply chain. During the post-pandemic era, the supply chain was also swiftly restructured, and branded customers started to relocate orders to large suppliers so that management efficiency can be improved. Accordingly, the Company benefited from such demand and opportunity. Both the revenue and profit of the Company for the first half of the year reached new record highs.

Nevertheless, Vietnam had been facing the outbreak of the coronavirus variant during the second half of the year and the local supply chain was disrupted by factory shutdowns. As the vaccination coverage gradually increased in Vietnam and the government decided to live with the virus, the recovery rate of the manufacturing sector increased after the relaxation of the factory operation rules. With advanced planning for the Q4 production and shipping schedule, the Company's overseas factories reopened and resumed full-speed production. Despite tough epidemic control policies and high shipping costs, the Company achieved remarkable performance and the revenue in December of 2021 reached a new record high for a single month.

Due to the impact of the pandemic and the disturbance in the supply chain, a lot of branded customers had chosen to plan early and placed orders for the second half of the year in advance. However, due to the negative factors of the geopolitical tension, oil price fluctuation and increase in container transportation costs, the global supply has been severely affected, impacting the Company's business. The Company will actively discuss with customers to establish strategies in response to market changes. In addition, through research and development of innovation heading toward high-value and niche products, the Company cooperates closely with branded customers.

1) 2021 Business Plan Implementation Status

- (i) Risk Control: The COVID-19 pandemic continues to affect the global retail business and the operation of branded customers. To evaluate cooperating customers, the Company will continue to make careful decisions regarding the added value of products and the 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 competitive advantages of the Company. The Company has maintained long-term cooperation relationships with customers and supply chain in order to design and create trendy, comfortable and eco-friendly fabrics. As the demand for recreation clothing and sports fitness clothing remains strong, the Company will continue to cooperate with branded customers in the joint development of various innovative clothing.
- (iii) **Digital Optimization:** As numerous countries still implement border controls as part of the epidemic control measures, the Company enhances the digital design, 3D simulation, and establishes connection and communication platform with customers. In addition, the Company continues to implement AI technology and has established a digital project team. By providing samples to customers for confirmation and communication timely through digital information and 3D information, the Company has been able to achieve remarkable business performance under the pandemic this year.

2) Implementation Status and Budget Execution

In 2021, the net operating revenue of the Company was NT\$ 35.836 billion, where the net operating revenue from the Fabric Division was NT\$ 12.284 billion, accounted for 34.28% of the overall operating revenue of the Company. The operating revenue from the Garment Division was NT\$ 23.552 billion, accounted for 65.72% of the overall operating revenue of the Company. The total thereof shows a growth of NT\$ 7.778 billion from 2020 with an increase of 27.72%. Regarding the current operating profit, the operating profit for 2021 was NT\$ 6.102 billion, a growth of NT\$ 738 million from 2020 with a growth of 13.76%. The net income for 2021 was NT\$ 5.149 billion, a growth of NT\$ 894 million from 2020 with a growth of 21.01%. For 2021, the earnings per share (EPS) after tax was NT\$ 18.77.

3) Financial Revenue/Expenditure and Profitability Analysis

Unit: NT\$ 1,000

Item \ Year		2021	2020
Financial Revenue/Expenditure	Operating Revenue	35,835,602	28,057,641
	Gross profit	8,629,190	7,429,572
	Operating Income (Loss)	6,102,499	5,363,684
	Current Income (Loss) after tax	5,148,611	4,254,534
Profitability	Return on Assets (%)	19.84	18.39
	Return on Equity (%)	25.54	22.82
	Operating Income to Paid-in Capital Ratio (%)	222.42	195.49

Item		Year	2021	2020
	Income before tax to paid-in capital ratio (%)		231.19	193.59
	Net Profit Margin (%)		14.37	15.16
	Basic Earnings Per Share (NT\$)		18.77	15.51

(2) 2022 Business Plan

1) 2022 Business Plan

- (i) Production capacity expansion: The phase 2 factory construction project of Indonesia Plant of the Company is expected to be completed during the Q2 of 2022, and the phase 3 of the construction is expected to be started in 2023. Through project planning, technical experience transfer and industrial engineering, the production efficiency of the Indonesia Plant is improved, in order to establish a complete overseas production site, thereby improving the flexible production mechanism among overseas factories and coping with the rapid change in the market.
- (ii) Local talent cultivation: The Company aims to cultivate local employees of overseas factories to assume medium and senior management job positions and to act as technical supervisors. Talent cultivation will be beneficial to local management and improve communication efficiency and employee cohesiveness. The recruitment plans of the Vietnam Plant and Indonesia Plant will be implemented through comprehensive salary welfare and promotion mechanisms, in order to continuously increase the rate of workers returning to work and workforce competencies hiring employees in all plants. Promoting excellent local talents and providing the right positions for the right employees will be advantageous to the corporate management and sustainable development of the Company.
- (iii) Digital upgrade: With regard to the fabric development, the Company has introduced automatic dyeing and finishing equipment in order to increase the technical stability and reproducibility, to reduce the use of natural resources, and to develop eco-friendly and low-carbon manufactured textile products. In terms of the garment design, the Company will focus on 3D drawing design efficiency and accuracy, and will also actively link and communicate 3D drawing designs with customers, in order to reduce the mailing and delivery of physical sample clothing. Through digitization and data management, the development process is expedited, and the cost of sample delivery is also saved.

2) 2022 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.

Looking into 2022, the increasing inflation is expected to affect the consumer dynamics, and it will also cause the world's major central banks to increase the interest rate, leading to concern in the global business of the retail industry. As the raw material price and transportation cost continue to increase, in the short term, it will pose challenges to the operation of the Company. As for the long-term outlook, in view of the trend of a centralized supply chain for branded customers, the Company will continue to enhance the two-way collaboration with suppliers in order to achieve a win-win situation. In addition, the Company will continue to improve the automatic green eco-friendly manufacturing process in order to reduce carbon emissions and fight against the potential impact of green inflation. As customers establish their consumer trend leading position, the Company will continue to invest in the research and development of innovative products in order to expand its potential market. 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: Cheng-Hai Hung

President, Fabric Division: Jun-Ching Tsai

President, Garment Division: Kun-Tang Chen

CFO: Jen-Chieh Lo

The logo for Eclat, featuring the word "Eclat" in a light blue, bold, sans-serif font. The letters are closely spaced and have a modern, clean design.

Appendix II Audit Committee's Review Report on the 2021 Financial Statements

Explanation:

2021 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 2021 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 report) 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 2022 Annual General Shareholders' Meeting

Eclat Textile Co., Ltd.

Audit Committee Convener: Yea-Kang Wang

March 3, 2022

Appendix III 2021 Employees' Remuneration Appropriation Report

Explanation:

- (1) The proposal for 2021 employees' remuneration appropriation of the Company had been approved through the resolution of the board of directors' meeting.
- (2) The 2021 net profit of the Company was NT\$ 5,148,610,964, the profit before tax was NT\$ 6,343,217,343. 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 2021 employees' remuneration, an amount of NT\$ 7 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 2021.
- (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.

Appendix IV 2021 Business Report and Financial Statements

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, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") as well as related guidance endorsed and issued into effect 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 Auditors' 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 significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters individually. Based on our judgment, the key audit matters that should be disclosed in this audit report are 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(n) 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, reconciling between sales systems and general ledger, implementing cut off test of revenues and further inspecting 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, 2021 and 2020, 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, interpretation as well as related regulations endorsed and issued into effect 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 that are 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 3, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of 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 auditor's audit 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 auditor's audit report and consolidated financial statements, the Chinese version shall prevail.

(Expressed in Thousands of New Taiwan Dollars)

- 16 -

(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, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the years ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(n) and 7)	\$ 35,917,247	100	28,175,401	100
5000	Operating costs (notes 6(c)(d)(e)(i)(j)(o), 7 and 12)	<u>26,426,100</u>	<u>74</u>	<u>20,096,659</u>	<u>71</u>
	Gross profit from operations	<u>9,491,147</u>	<u>26</u>	<u>8,078,742</u>	<u>29</u>
	Operating expenses (notes 6(d)(e)(i)(j)(o), 7 and 12):				
6100	Selling expenses	1,736,179	5	1,375,374	5
6200	Administrative expenses	1,193,869	3	1,059,929	4
6300	Research and development expenses	<u>162,617</u>	<u>-</u>	<u>146,887</u>	<u>-</u>
	Total operating expenses	<u>3,092,665</u>	<u>8</u>	<u>2,582,190</u>	<u>9</u>
	Net operating income	<u>6,398,482</u>	<u>18</u>	<u>5,496,552</u>	<u>20</u>
	Non-operating income and expenses (notes 6(i)(p) and 7):				
7010	Other income	9,251	-	9,322	-
7020	Other gains and losses, net	(18,334)	-	(171,529)	(1)
7050	Finance costs	(22,899)	-	(33,920)	-
7060	Share of loss of associates accounted for using equity method, net	(2,113)	-	(6,564)	-
7100	Interest income	<u>21,378</u>	<u>-</u>	<u>29,997</u>	<u>-</u>
	Total non-operating income and expenses	<u>(12,717)</u>	<u>-</u>	<u>(172,694)</u>	<u>(1)</u>
7900	Income before income tax	6,385,765	18	5,323,858	19
7950	Less: Tax expense (note 6(k))	<u>1,237,154</u>	<u>4</u>	<u>1,069,232</u>	<u>4</u>
	Profit from continuing operations	<u>5,148,611</u>	<u>14</u>	<u>4,254,626</u>	<u>15</u>
8100	Loss from discontinued operations, net of tax (note 12(b))	<u>-</u>	<u>-</u>	<u>(92)</u>	<u>-</u>
8200	Profit (note 6(s))	<u>5,148,611</u>	<u>14</u>	<u>4,254,534</u>	<u>15</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements from defined benefit plans(note 6(j))	(11,384)	-	10,399	-
8349	Income tax related to components that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	<u>(11,384)</u>	<u>-</u>	<u>10,399</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements (note 6(k))	(172,178)	-	(253,328)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>34,436</u>	<u>-</u>	<u>50,665</u>	<u>-</u>
8300	Other comprehensive income, net of income tax	<u>(149,126)</u>	<u>-</u>	<u>(192,264)</u>	<u>(1)</u>
8500	Total comprehensive income	<u>\$ 4,999,485</u>	<u>14</u>	<u>4,062,270</u>	<u>14</u>
	Earnings per share (notes 6(m) and 12(b))				
9750	Basic earnings per share (in dollars)				
	Basic earnings per share from continuing operations	\$ 18.77		15.51	
	Basic loss per share from discontinued operations	<u>-</u>		<u>-</u>	
	Total basic earnings per share	<u>\$ 18.77</u>		<u>15.51</u>	
9850	Diluted earnings per share (in dollars)				
	Diluted earnings per share from continuing operations	\$ 18.76		15.51	
	Diluted loss per share from discontinued operations	<u>-</u>		<u>-</u>	
	Total diluted earnings per share	<u>\$ 18.76</u>		<u>15.51</u>	

(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, 2021 and 2020
(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, 2020	\$ 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 (loss)	-	-	-	-	10,399	10,399	(202,663)	(192,264)
Total comprehensive income (loss)	-	-	-	-	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
Profit	-	-	-	-	5,148,611	5,148,611	-	5,148,611
Other comprehensive income (loss)	-	-	-	-	(11,384)	(11,384)	(137,742)	(149,126)
Total comprehensive income (loss)	-	-	-	-	5,137,227	5,137,227	(137,742)	4,999,485
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	426,493	-	(426,493)	-	-	-
Special reserve appropriated	-	-	-	202,663	(202,663)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at December 31, 2021	\$ 2,743,671	3,769,547	3,612,376	291,705	11,161,579	15,065,660	(429,447)	21,149,431

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from (used in) operating activities:		
Profit from continuing operations before tax	\$ 6,385,765	5,323,858
Loss from discontinued operations before tax	-	(92)
Profit before tax	<u>6,385,765</u>	<u>5,323,766</u>
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	610,887	681,557
Amortization expense	21,459	21,047
Interest expense	22,899	33,920
Interest income	(21,378)	(29,997)
Share of loss of associates accounted for using equity method	2,113	6,564
Loss (gain) on disposal of property, plant and equipment	(2,270)	(1,744)
Total adjustments to reconcile profit	<u>633,710</u>	<u>711,347</u>
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	241,046	(2,089,618)
Decrease (increase) in inventories	(3,074,495)	(978,640)
Decrease (increase) in other current assets	(361,334)	234,040
Decrease (increase) in other financial assets	(16,617)	61,875
Decrease (increase) in other operating assets	16	3,607
Increase (decrease) in notes and accounts payable	(186,308)	1,062,916
Increase (decrease) in other payable	332,832	58,783
Increase (decrease) in other current liabilities	(18,415)	95,093
Increase (decrease) in net defined benefit liability	(72,030)	(1,557)
Total adjustments	<u>(2,521,595)</u>	<u>(842,154)</u>
Cash inflow generated from operations	3,864,170	4,481,612
Interest received	21,575	32,607
Interest paid	(20,473)	(31,952)
Income taxes paid	(1,087,722)	(584,284)
Net cash flows from operating activities	<u>2,777,550</u>	<u>3,897,983</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(2,268,346)	(886,914)
Proceeds from disposal of property, plant and equipment	4,679	10,979
Increase in refundable deposits	(6,232)	(352)
Acquisition of intangible assets	(6,833)	(16,015)
Increase in prepayments for business facilities	(221,738)	(26,799)
Increase in other prepayments	-	(659,945)
Net cash flows from (used in) investing activities	<u>(2,498,470)</u>	<u>(1,579,046)</u>
Cash flows from (used in) financing activities:		
Increase in current borrowings	3,800	-
Increase (decrease) in current borrowings	-	(229,619)
Proceeds from long-term borrowings	553,600	580,000
Increase in guarantee deposits received	284	-
Decrease in guarantee deposits received	-	(30)
Payment of lease liabilities	(28,773)	(35,412)
Cash dividends paid	(3,018,038)	(3,018,038)
Net cash flows from (used in) financing activities	<u>(2,489,127)</u>	<u>(2,703,099)</u>
Effect of exchange rate changes on cash and cash equivalents	(54,408)	(35,807)
Net increase (decrease) in cash and cash equivalents	(2,264,455)	(419,969)
Cash and cash equivalents at beginning of period	<u>4,024,302</u>	<u>4,444,271</u>
Cash and cash equivalents at end of period	<u>\$ 1,759,847</u>	<u>4,024,302</u>

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, 2021 and 2020, and the statements of comprehensive income, changes in equity and 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, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit 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 Auditors' 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 significant in our audit of the financial statements of the year ended December 31, 2021. 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 individually. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

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 matter 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, reconciling between sales systems and general ledger, implementing cut off test of revenues and further inspecting 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are 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 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 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 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 auditor's 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 auditor's 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, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 3, 2022

Eclat

Notes to Readers

The accompanying financial statements are intended only to present the financial statements of financial position, financial performance and its cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations). The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditor's 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 auditor's report and financial statements, the Chinese version shall prevail.

(Expressed in Thousands of New Taiwan Dollars)

- 23 -

(English Translation of Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD.

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the year ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(n) and 7)	\$ 35,835,602	100	28,057,641	100
5000	Operating costs (notes 6(e)(f)(j)(o), 7 and 12)	27,206,412	76	20,628,069	74
	Gross profit from operations	8,629,190	24	7,429,572	26
	Operating expenses (notes 6(e)(f)(i)(j)(o), 7 and 12):				
6100	Selling expenses	1,590,437	5	1,243,224	4
6200	Administrative expenses	777,341	2	681,177	2
6300	Research and development expenses	158,913	-	141,487	1
	Total operating expenses	2,526,691	7	2,065,888	7
	Net operating income	6,102,499	17	5,363,684	19
	Non-operating income and expenses (notes 6(i) (p) and 7):				
7010	Other income	9,251	-	9,322	-
7020	Other gains and losses, net	(65,409)	-	(182,834)	(1)
7050	Finance costs	(9,083)	-	(12,654)	-
7060	Share of profit of associates accounted for using equity method, net	302,163	1	122,704	1
7100	Interest income	3,796	-	11,183	-
	Total non-operating income and expenses	240,718	1	(52,279)	-
7900	Income before income tax	6,343,217	18	5,311,405	19
7950	Less: Tax expenses (note 6(k))	1,194,606	4	1,056,871	4
8200	Profit (note 6(s))	5,148,611	14	4,254,534	15
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(j))	(11,384)	-	10,399	-
8349	Income tax related to components that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	(11,384)	-	10,399	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements (note 6(k))	(172,178)	-	(253,328)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	34,436	-	50,665	-
8300	Other comprehensive income, net of income tax	(149,126)	-	(192,264)	(1)
8500	Total comprehensive income	4,999,485	14	4,062,270	14
	Earnings per share (note 6(m))				
9750	Basic earnings per share (in dollars)	\$ 18.77		15.51	
9850	Diluted earnings per share (in dollars)	\$ 18.76		15.51	

(English Translation of Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD.

Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020
(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, 2020	\$ 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 (loss)	-	-	-	-	10,399	10,399	(202,663)	(192,264)
Total comprehensive income (loss)	-	-	-	-	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
Profit	-	-	-	-	5,148,611	5,148,611	-	5,148,611
Other comprehensive income (loss)	-	-	-	-	(11,384)	(11,384)	(137,742)	(149,126)
Total comprehensive income (loss)	-	-	-	-	5,137,227	5,137,227	(137,742)	4,999,485
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	426,493	-	(426,493)	-	-	-
Special reserve appropriated	-	-	-	202,663	(202,663)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at December 31, 2021	\$ 2,743,671	3,769,547	3,612,376	291,705	11,161,579	15,065,660	(429,447)	21,149,431

(English Translation of Financial Statements Originally Issued in Chinese)
ECLAT TEXTILE CO., LTD.

Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 6,343,217	5,311,405
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	251,293	264,945
Amortization expense	8,567	7,407
Interest expense	9,083	12,654
Interest income	(3,796)	(11,183)
Share of loss(gain) of associates accounted for using equity method	(302,163)	(122,704)
Loss (gain) on disposal of property, plant and equipment	(2,334)	(1,744)
Total adjustments to reconcile profit	<u>(39,350)</u>	<u>149,375</u>
Changes in operating assets and liabilities:		
Decrease (increase) in notes and accounts receivable	256,918	(2,079,408)
Decrease (increase) in inventories	(2,797,936)	(1,025,557)
Decrease (increase) in other current assets	(96,666)	(70,919)
Increase (decrease) in notes and accounts payable	(161,875)	1,264,805
Increase (decrease) in other payable	100,584	31,391
Increase (decrease) in other current liabilities	(26,770)	151,785
Increase (decrease) in net defined benefit liability	(72,030)	(1,557)
Total changes in operating assets and liabilities	<u>(2,797,775)</u>	<u>(1,729,460)</u>
Total adjustments	<u>(2,837,125)</u>	<u>(1,580,085)</u>
Cash inflow generated from operations	3,506,092	3,731,320
Interest received	3,993	13,793
Interest paid	(8,623)	(13,712)
Income taxes paid	(1,027,855)	(573,487)
Net cash flows from operating activities	<u>2,473,607</u>	<u>3,157,914</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(734,458)
Proceeds from capital reduction of investments accounted for using equity method	75,439	-
Acquisition of property, plant and equipment	(985,869)	(699,483)
Proceeds from disposal of property, plant and equipment	4,679	10,979
Increase in refundable deposits	(251)	(375)
Acquisition of intangible assets	(1,792)	(15,723)
Increase in prepayments for business facilities	(96,665)	(26,799)
Net cash flows from (used in) investing activities	<u>(1,004,459)</u>	<u>(1,465,859)</u>
Cash flows from (used in) financing activities:		
Increase in long-term borrowings	-	580,000
Increase in guarantee deposits received	284	-
Payment of lease liabilities	(25,150)	(32,796)
Cash dividends paid	(3,018,038)	(3,018,038)
Net cash flows from (used in) financing activities	<u>(3,042,904)</u>	<u>(2,470,834)</u>
Net increase (decrease) in cash and cash equivalents	(1,573,756)	(778,779)
Cash and cash equivalents at beginning of period	<u>2,510,542</u>	<u>3,289,321</u>
Cash and cash equivalents at end of period	<u>\$ 936,786</u>	<u>2,510,542</u>