



JINLI GROUP HOLDINGS LIMITED
2023 Annual Shareholders Meeting Minutes (Translation)

Time : 09:00 a.m. on Wednesday, June 21, 2023

Place : No.1, Sec. 3, Zhongxiao E. Rd., Da'an Dist., Taipei City, Taiwan (R.O.C.) (GIS Taipei
Tech Convention Center 205 Conference Room)

Total number of shares issued by the Company : 185,747,151 shares

Total shares represented by shareholders present in person or by proxy : 122,280,895 shares

Percentage of shares held by shareholders present in person or by proxy : 65.83%

Attendance directors in person : Chen Shih Ying

Attendance directors via video conference : Chong Chun Lung

Chairman : Chen Shih Ying

Recorder : Chang Tze Fang

The number of representative shares of the shareholders present has reached the statutory number, and the Chairman announced the start of the meeting.

1. Chairman's speech (omitted)

2. Report Items :

Item 1

Proposed by the Board of Directors

Brief of case: The Company 2022 annual business report.

Description: The Company 2022 annual business report, as shown in Attachment 1.

Shareholder's speeches and questions: No.

Item 2

Proposed by the Board of Directors

Brief of case: Audit Committee Review report on 2022 Financial Statement.

Description: Review report of audit committee of The Company, as shown in Attachment 2.

Shareholder's speeches and questions: No.

Item 3

Proposed by the Board of Directors

Brief of case: The Company 2022 employees and directors' remuneration distribution report.

Description:

(A) In accordance with the Article 34.1 of the Memorandum and Articles of Association of the

Company, the Company shall set aside no less than 0.1% of its annual profits as bonus, distribute to employees in the form of shares and/or cash, to employees of the Company, and set side no more than 2% of its annual profits as bonus to Directors, upon the attendance of more than two-thirds of the Directors of the Board of Directors and the resolution of more than half of the Directors present.

(B) After approval by the Salary and Remuneration Committee, the employee's and Director's remuneration shall not be distributed.

Shareholder's speeches and questions: No.

3. Resolution Items

Item 1

Proposed by the Board of Directors

Brief of case: Resolution of the Company's 2022 business report and consolidated financial statements.

Description:

(A) The Company 2022 annual financial statements have been approved by the resolution of the Board of Directors, and have been reviewed and completed by certified public account Lin Chao-Min and Shih Dai-Ping of Candor Taiwan CPAs, and submitted to the audit committee for review

together with the business report, and the written review report has been be put on record.

(B) Please refer to Attachment 1 and Attachment 3 for the statements in the Item.

Shareholder's speeches and questions: No.

Resolution:

The voting results of this proposal - The total voting rights of the shareholders present at the time of voting were 122,280,895, the number of votes in favor were 118,925,370 (including 16,893,087 for electronic voting), accounting for 97.25% of the total voting power, and the number of votes against were 753,744 (including 753,744 for electronic voting), accounting for the total voting rights were 0.61%, invalidity rights were 0, abstentions and non-voting rights were 2,601,781 rights (including electronic voting 2,305,781 rights), accounting for 2.12% of the total voting rights. This case was passed by the original vote.

Item 2

Proposed by the Board of Directors

Brief of case: Ratification of the Company's 2022 profit distribution.

Description:

(A) The Company 2022 Profit and Deficit Appropriation Statement as shown in Attachment 4.

(B) The Company's 2022 net deficit after tax is NT\$ 201,260,067, adding up the beginning retained earnings of NT\$2,918,297,763, and reallocation from the special reserve of NT\$70,557,017, the distributable net profit is NT\$2,787,594,713.

(C) According to the Articles of Association of the Company, it is proposed not to distribute cash dividends and stock dividends to shareholders, please refer to the Profit and Deficit Appropriation Statement.

Shareholder's speeches and questions: No.

Resolution:

The voting results of this proposal - The total voting rights of shareholders present at the time of voting were 122,280,895, the number of votes in favor were 119,044,085 (including 17,011,802 for electronic

voting), accounting for 97.35% of the total voting power, and the number of votes against were 766,774 (including 766,774 for electronic voting), accounting for the total voting rights were 0.62%, invalidity rights were 0, abstentions and non-voting rights were 2,470,036 rights (including electronic voting 2,174,036 rights), accounting for 2.01% of the total voting rights, and this case was passed by the original vote.

4. Discussion Items

Item 1

Proposed by the Board of Directors

Brief of case: Amendment “ARTICLES OF ASSOCIATION” of the Company.

Description:

(A) For the purpose to cope with the revision of laws and regulations, and the need of the Company’s operations, it is proposed to amend ARTICLES OF ASSOCIATION of the Company. Please refer to Attachment 5.

(B) Proposed for discussion.

Shareholder’s speeches and questions: No.

Resolution:

The voting results of this proposal - The total voting rights of the shareholders present at the time of voting 122,280,895, the number of votes in favor were 119,105,365 (including 17,073,082 electronic voting rights), accounting for 97.40% of the total voting rights, and the number of votes against were 757,428 (including electronic voting 757,428rights), accounting for the total voting rights were 0.61%, invalidity rights were 0, and abstentions and non-voting rights were 2,418,102 rights (including electronic voting 2,122,102 rights), accounting for 1.97% of the total voting rights. This case was passed by the original vote.

5. Election Items

Item 1

Proposed by the Board of Directors

Brief of case: Election of the Sixth session Directors and Independent Directors.

Description:

- (A) The term of office of the Fifth session of the Board will end on June 21, 2023. Hence, the Company proposed to re-elect the Board during the Annual Shareholders Meeting.
- (B) According to Article 25 of Articles of Association, it is proposed to elect new 4 Directors and 3 Independent Directors.
- (C) According to the Articles of Association, a Candidate nomination system shall be adopted for the election of Directors. The Board of Directors intends to nominate 7 directors (including 3 independent directors). The relevant materials of the Candidates have been approved by the Board of Directors. Please refer to Attachment 6 for relevant information.
- (D) Previous Directors agreed to perform their duties until the Annual General meeting 2023 completed the re-election of directors and takes office that their tasks shall be due when the re-elected directors were being appointed during 2023 regular shareholders' meeting. The term of office of the new Directors (including Independent Directors) will take effect from the date of election, and the term of office will be from June 21, 2023 to June 20, 2026, and the term of office is 3 years, and can be re-elected.
- (E) Proposed for election.

Shareholder's speeches and questions: No.

Results of the election:

Shareholders present to vote four directors and six independent directors. New directors will take effect from June 21, 2023 to June 20, 2026.

Directors' elected list and rights were as below:

Title	Name	Number of Voting rights
Director	Chong Chun Lung	144,226,709
	Chen Honglin	118,529,831
	Tsai Yunglung	116,068,731
	Shiue You-Wei	113,590,181
Independent director	Chen Jin-De	113,549,878
	Yeh Ming	111,069,780
	Luo Ping	108,815,179

6. Other Proposals

Item 1

Brief of case: Proposal for the release on the prohibition of newly appointed Directors' participation in competitive businesses.

Description:

- (A) In accordance with the Article 209 of the Taiwan Company Law and Article 30 of the Company's Articles of Association, the obligation to lift directors' non-competition shall be resolved by the Shareholders meeting and the main content shall be listed and explained with reasons for the discussion in Shareholders meeting.
- (B) In response to the Company's business needs, the directors of the Company are often assigned representatives to serve as directors of affiliated companies and other companies that match or are similar to the Company's business projects, and intend to propose to lift the restrictions on the non-competition of the new Directors.
- (C) Please refer to Attachment 7 for details of the non-competition of the new Directors.
- (D) Proposed for discussion.

Shareholder's speeches and questions: No.

Resolution:

The voting results of this proposal - The total voting rights of the shareholders present at the time of voting 122,280,895, the number of votes in favor were 118,383,374 (including 16,351,091 electronic voting rights), accounting for 96.81% of the total voting rights, and the number of votes against were 1,460,939 (including electronic voting 1,460,939 rights), accounting for the total voting rights were 1.19%, invalidity rights were 0, and abstentions and non-voting rights were 2,436,582 rights (including electronic voting 2,140,582 rights), accounting for 1.99% of the total voting rights. This case was passed by the original vote.

7. Extempore Motion

8. Adjournment:

(The minutes of this general meeting of shareholders record the essentials and results of the proceedings in accordance with Article 183, Paragraph 4 of the Company Law. The content, procedures and speeches of shareholders are still subject to the video and audio recordings of the meeting.)



Chairman : Chen Shih Ying



Recorder : Chang Tze Fang

Jinli Group Holdings Limited

2022 Business Report

1. 2022 Annual operating performance

In 2022, the overall economic environment in China grew slowly. According to the "2022 National Economic and Social Development Statistical Bulletin" released by the National Bureau of Statistics, the income of urban and rural residents continued to increase. The per capita disposable income of residents in the country for the whole year was RMB36,883, an increase of 5.0% from the previous year. After deducting price factors, the actual growth was 2.9%. The per capita consumption expenditure of residents in the country was RMB24,538, which was an increase of 1.8% from the previous year. After deducting price factors, the actual decrease was 0.2%. The total retail sales of consumer goods in the society for the whole year of 2022 reached RMB44.0 trillion, a decrease of 0.2% from the previous year. Looking back at 2022, due to the impact of the COVID-19 pandemic, it had a huge impact on various aspects of life safety, medical systems, politics, society, and the economy in countries around the world. With the impact of the COVID-19 virus mutation, economic activities began to recover and decline from time to time. Various data indicators such as China's economy and consumer demand gradually stabilized due to the recovery from the epidemic. However, it has been unable to shake off the impact of the epidemic and return to normal, becoming a cloud hanging over the head of the Chinese economy. There was an atmosphere of poor operation in the Chinese branded footwear and clothing market, and the company's long-term cooperation with offline agents marketing in various provinces and European and American foreign trade footwear orders have not shown obvious signs of recovery, resulting in unsatisfactory revenue performance. Therefore, the shoe factory's capacity utilization rate is still not high, and the manufacturing cost is relatively higher than in previous years. In terms of financial performance, the Company's consolidated revenue for 2022 was NT\$213 million, a decline of 50.69% from the consolidated revenue of NT\$432 million in 2021. The pre-tax net loss for 2022 was NT\$220 million, a significant decline from the pre-tax net loss of NT\$27 million in 2021. The after-tax loss per share for 2022 was NT\$1.08.

2. 2022 Summary of annual operating plan

As the COVID-19 pandemic in 2023 continues to be controlled through widespread vaccination, countries around the world are adopting strategies to coexist with the virus, bringing new hope for the recovery of the global economic environment. As the epidemic eases, the previously tense economic activities are also loosening. Looking back at the past three years, China has implemented strict restrictive measures against the COVID-19 pandemic, which has severely impacted the economy. Since the major policy shift on epidemic prevention and control in December last year, production and life have gradually resumed, which may drive short-term

consumption. However, the long-term recovery is not optimistic. China's National People's Congress has also mentioned that due to the significantly lower-than-expected economic growth rate last year, the outside world is concerned about the targets set out in the Chinese government work report. The focus is on a low base period plus economic recovery, and Chinese think tanks or international organizations believe that it will not be lower than 5%. Furthermore, according to IMF forecasts, 2023 will be another "challenging year". Global economic growth will slow to below 3.0%, but China's GDP growth rate is expected to reach 5.2%, indicating that the China's economic market will operate steadily. This year, our company will focus on online e-commerce, while streamlining and adjusting brand sales channels, and strengthening the development of potential agents to accumulate the company's long-term competitiveness.

The Company will uphold a steady pace of sustainable operation and continuously develop new customers, design new products, improve production processes, and create maximum benefits for shareholders. We believe that with the support of our shareholders, our operational performance will surely create new achievements again.

Chairman : Chong, Chun-Lung

General manager : Chong, Chun-Lung

Finance/Accounting supervisor: Poon, Chit-Lun

Audit Committee Review Report

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Alchip Technologies, Limited 2022 Business Report, Consolidated Financial Statements and Dividend Distribution proposal. The Consolidated Financial Statements have been duly audited by Certified Public Accountants Lin Chao-Min and Shih Dai-Ping of Candor Taiwan CPAs. The above Business Report, Consolidated Financial Statements and Dividend Distribution proposal have been examined and determined to be correct and accurate by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

For your honor's approval

Regards

Jinli Group Holdings Limited

Chairman of the Audit committee: Chen, Shih Ying

May 8, 2023

To the Board of Directors and Shareholders of Jinli Group Holdings Limited

Opinion

We have audited the accompanying consolidated balance sheets of Jinli Group Holdings Limited and its subsidiaries as at December 31, 2022, and the related 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 Jinli Group Holdings Limited and its subsidiaries as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations Committee (IFRIC) Interpretations, and Standard Interpretations Committee (SIC) Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and the Standards on Auditing of 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 Jinli Group Holdings Limited and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. 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 matters for Jinli Group Holdings Limited and its subsidiaries' consolidated financial statements for the year ended December 31, 2022 are stated as follows:

Cash and Financial Assets at Amortized Cost

For details of cash and cash equivalent accounts, please refer to Note 6(1). For accounting policies on financial assets at amortized cost, please refer to Note 4(6) and for details of current financial assets at amortized cost accounts, please refer to Note 6 (2).

On December 31, 2022, Jinli Group Holdings Limited and its subsidiaries' total cash and financial assets at amortized cost amounted to NTD 5,978,631 thousand. The aforementioned assets constitute 87% of total consolidated assets, thus, we consider cash and financial assets at amortized cost as a key audit matter.

Our key audit procedures performed in respect of the above included the following

1. Inspected the bank statements and online banking information of significant accounts and sample tested bank receipts and payments records.
2. Verified that the contact information of the bank was true and correct.
3. Sent out confirmations to all relevant financial institutions to inquire on the balances of cash and financial assets at amortized cost. If the replied amounts did not agree with the recorded amounts, obtained the reconciliation statements of cash in banks prepared by Jinli Group Holdings Limited and its subsidiaries' management and verified the reasonableness and correctness of the adjustments.
4. Sample tested the cash receipts and payments of Jinli Group Holdings Limited and its subsidiaries, confirmed that the nature of the transactions was for operating needs.
5. Counted the physical certificates of time deposits.

Income Recognition

For accounting policies on revenue recognition, please refer to Note 4(22). For details of operating revenue accounts, please refer to Note 6(14). The consolidated operating revenue of Jinli Group Holdings Limited and its subsidiaries for the year ended December 31, 2022 amounted to NTD 212,674 thousand.

Our key audit procedures performed in respect of the above included the following:

1. Understand and test the internal control related to authenticity of recognizing income, including if the internal controls related the order operations and shipping are effective, and thus recognition of operating revenue.
2. Randomly inspect if the details of operating revenue are consistent with the counterparties on the

delivery orders and invoices to ensure sale revenue has been appropriately recognized and the recipient and the customer are the same.

3. Randomly inspect the accounts receivable receipts and counterparties in the details of operating revenue are identical to the counterparties of sales.

Other Matters – The Previous Financial Report were Audited by other Accountants

The consolidated financial report of Jinli Group Holdings Limited and its subsidiaries in 2021 was audited by other accountants, who issued unqualified opinion on March 30, 2022.

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 the IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal controls as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing Jinli Group Holdings Limited and its subsidiaries' 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, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 the Standards on Auditing of 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 controls.
2. Obtain an understanding of internal controls 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 t Jinli Group Holdings Limited and its subsidiaries' internal controls.
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 Jinli Group Holdings Limited and its subsidiaries' 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 Jinli Group Holdings Limited and its subsidiaries 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 Jinli Group Holdings Limited and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin Chao-Min and Shih Dai-Ping.

Candor Taiwan CPAs

Taipei, Taiwan

Republic of China

March 30, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

JINLI GROUP HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	Note 6(1)	\$ 4,655,667	68	\$ 4,750,430	67
Current financial assets at amortized cost	Note 4(6), 6(2)	1,322,964	19	1,302,813	19
Accounts receivable, net	Note 4(7), 4(9), 6(3)	18,929	-	70,311	1
Other receivables		12,228	-	-	-
Other receivables- related parties	Note 7	1,632	-	1,607	-
Current tax assets	Note 4(19), 6(21)	1,533	-	1,510	-
Inventories	Note 4(11), 6(4)	4,393	-	17,470	-
Prepayments		9,937	-	7,439	-
Total current assets		6,027,283	87	6,151,580	87
NON-CURRENT ASSETS					
Property, plant and equipment	Note 4(12), 6(5)	3,142	-	15,819	-
Right-of-use assets	Note 4(13), 6(6), 7	160,328	2	165,029	2
Investment property, net	Note 4(14), 6(8)	754,118	11	757,925	11
Other non-current assets		41	-	5	-
Total non-current assets		917,629	13	938,778	13
Total		\$ 6,944,912	100	\$ 7,090,358	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Accounts payable	Note 4(16)	4,648	-	37,306	1
Other payables	Note 6(9)	64,644	1	81,376	1
Other payables- related parties	Note 7	700	-	700	-
Current income tax liabilities	Note 4(19), 6(21)	122	-	426	-
Total current liabilities	Note 4(13), 6(6), 7	3,896	-	3,670	-
		74,010	1	123,478	1
NON-CURRENT LIABILITIES					
Deferred tax liabilities	Note 6(21)	571,825	8	532,804	7
Non-current lease liabilities	Note 4(13), 6(6), 7	35,457	1	38,754	1
Total non-current liabilities		607,282	9	571,558	8
Total liabilities		681,292	10	695,036	10
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Share capital - common stock	Note 4(20), 6(21)	1,857,472	27	1,857,472	26
Capital surplus	Note 6(12)	1,617,452	23	1,617,452	23
Retained earnings	Note 6(13)				
Special reserve		576,637	8	549,614	8
Unappropriated retained earnings		2,717,038	39	2,945,321	41
Other equity interest		(506,082)	(7)	(576,637)	(8)
Equity attributable to owners of the parent		6,262,517	90	6,393,222	90
Non-controlling interests		1,103	-	2,100	—
Total equity		6,263,620	90	6,395,322	90
Total		\$ 6,944,912	100	\$ 7,090,358	100

JINLI GROUP HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings (losses) per share)

		2022		2021	
		Amount	%	Amount	%
OPERATING REVENUE	Note 4(22), 6(14)	\$ 212,674	100	\$ 432,077	100
OPERATING COSTS	Note 6(4), 6(19), 6(20)	(263,057)	(124)	(396,791)	(92)
GROSS PROFIT (LOSS)		(50,383)	(24)	35,286	8
OPERATING EXPENSES	Note 6(19), 6(20), 7				
Selling expense		(7,109)	(3)	(9,195)	(2)
General and administrative expense		(148,866)	(70)	(77,589)	(18)
Research and development expense		(26,290)	(12)	(41,604)	(10)
Expected Credit Gain (Loss)		(8,132)	(4)	77,825	18
Total operating expenses		(190,397)	(89)	(50,563)	(12)
OPERATIONS LOSS		(240,780)	(113)	(15,277)	(4)
NON-OPERATING INCOME AND EXPENSES					
Interest income	Note 6(15)	36,875	17	36,019	8
Other income	Note 6(16), 7	18,740	9	19,285	5
Other gains and losses	Note 6(17)	(32,964)	(15)	(11,648)	(3)
Finance costs	Note 6(18), 7	(1,852)	(1)	(985)	-
Total non-operating income and expenses		20,799	10	42,671	10
INCOME BEFORE INCOME TAX		(219,981)	(103)	27,394	6
INCOME TAX (EXPENSE) BENEFIT	Note 4(19), 6(21)	18,721	8	(4,826)	(1)
PROFIT (LOSS) FOR CONTINUING OPERATIONS		(201,260)	(95)	22,568	5
PROFIT (LOSS) FOR DISCONTINUING OPERATION		-	-	-	-
PROFIT (LOSS) FOR THE YEAR		(201,260)	(95)	22,568	5
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Exchange differences from translation of foreign operations		685,373	322	(181,954)	(42)
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences from translation of foreign operations		(615,815)	(289)	154,931	36
Other comprehensive (loss) income, net		69,558	33	(27,023)	(6)
TOTAL COMPREHENSIVE LOSS		\$ (131,702)	(62)	\$ (4,455)	(1)
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the parent		\$ (201,260)	(95)	\$ 22,879	5
Non-controlling interests		-	-	(311)	-
		\$ (201,260)	(95)	\$ 22,568	5
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the parent		\$ (130,705)	(61)	\$ (4,144)	(1)
Non-controlling interests		(997)	(1)	(311)	-
		\$ (131,702)	(62)	\$ (4,455)	(1)
EARNINGS PER SHARE		2022		2021	
Basic (diluted) earnings (losses) per share		\$ (1.08)		\$ 0.12	

The accompanying notes are an integral part of the consolidated financial statements.
(With Candor Taiwan CPAs auditor's report dated March 30, 2023)

JINLI GROUP HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Year Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

		Capital Surplus- additional paid- in capital	Special Reserve	Unappropriated Retained Earnings	Exchange Differences from Translation of Foreign Operations	Total Equity Attributable to Shareholders of the Parent	Non-Controlling Interests	Total Equity
BALANCE, JANUARY 1, 2021	\$ 1,857,472	\$ 1,617,452	\$ 383,087	\$ 3,088,969	\$ (549,614)	\$ 6,397,366	\$ 2,411	\$ 6,399,777
Special reserve appropriated	-	-	166,527	(166,527)	-	-	-	-
Profit (loss) for the year	-	-	-	22,879	-	22,879	(311)	22,568
Other comprehensive (loss) income for the year	-	-	-	-	(27,023)	(27,023)	-	(27,023)
BALANCE, DECEMBER 31, 2021	\$ 1,857,472	\$ 1,617,452	\$ 549,614	\$ 2,945,321	\$ (576,637)	\$ 6,393,222	\$ 2,100	\$ 6,395,322
BALANCE, JANUARY 1, 2022	\$ 1,857,472	\$ 1,617,452	\$ 549,614	\$ 2,945,321	\$ (576,637)	\$ 6,393,222	\$ 2,100	\$ 6,395,322
Special reserve appropriated	-	-	27,023	(27,023)	-	-	-	-
Profit (loss) for the year	-	-	-	(201,260)	-	(201,260)	-	(201,260)
Other comprehensive (loss) income for the year	-	-	-	-	70,555	70,555	(997)	69,558
BALANCE, DECEMBER 31, 2022	\$ 1,857,472	\$ 1,617,452	\$ 576,637	\$ 2,717,038	\$ (506,082)	\$ 6,262,517	\$ 1,103	\$ 6,263,620

The accompanying notes are an integral part of the consolidated financial statements. (With Candor

Taiwan CPAs auditor's report dated March 30, 2023)

JINLI GROUP HOLDINGS LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Year Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) Income before income tax	\$ (219,981)	\$ 27,394
Adjustments for:		
Depreciation on property, plant and equipment	23,089	37,474
Depreciation on right-of-use assets	7,289	7,154
Expected credit (gain) loss	8,132	(77,825)
Finance costs	1,852	985
Interest income	(36,875)	(36,019)
Gain on disposal of property, plant and equipment, net	(3,213)	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	44,601	36,355
(Increase) decrease in other receivables	(12,229)	5,420
(Increase) decrease in inventories	13,424	1,220
(Increase) decrease in prepayments	(2,408)	1,523
Increase (decrease) in accounts payable	(33,402)	3,283
Increase (decrease) in other payables	14,813	(25,147)
Cash generated (used in) from operations	(194,908)	(18,183)
Interest received	36,875	36,019
Interest paid	(1,852)	(985)
Income tax refunded (paid)	(777)	34,464
Net cash generated (used in) by operating activities	(160,662)	51,315
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition for property, plant and equipment	(1,037)	(4,096)
Acquisition for investment property	-	(7,272)
Proceeds from disposal of property, plant and equipment	9,725	-
Decrease (increase) in refundable deposits	(35)	16
Net cash generated (used in) from investing activities	8,653	(11,352)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Decrease) increase in other payables - related parties	-	(2,000)
Repayment of the principal portion of lease liabilities	(3,737)	(4,601)
Net cash generated (used in) financing activities	(3,737)	(6,601)
EFFECT OF EXCHANGE RATE CHANGES	60,983	(34,384)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(94,763)	(1,022)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,750,430	4,751,452
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,655,667</u>	<u>\$ 4,750,430</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Candor Taiwan CPAs auditor's report dated March 30, 2023)

JINLI GROUP HOLDINGS LIMITED**Profit and Deficit Appropriation Statement**

	Unit: NT\$
Beginning retained earnings	2,918,297,763
Plus: 2022 deficit after tax	(201,260,067)
Plus: Reallocation from Special reserve	70,557,017
Unappropriated retained earnings:	2,787,594,713

Chairman: Chong, Chun-Lung Manager: Chong, Chun-Lung Accountant in charge: Poon, Chit-Lun

Jinli Group Holdings Limited
Comparison Table for ARTICLES OF ASSOCIATION

No.	Current Provisions	Proposed Amendments	Explanations
Articles 22.3	Subject to the provisions of the Statute, <u>in the event</u> a Member <u>making a</u> request pursuant to Article 22.2 <u>and</u> the Company fail to reach an agreement on the repurchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty-day (60) period, file a petition against all Members who fail to reach such an agreement (collectively, the " Dissenting Members ") with any competent court of the R.O.C. for a ruling on the appraisal price, and may designate ROC Taipei District Court as the court of first instance.	Subject to the provisions of the Statute, a Member <u>who votes against or waives his voting right at the meeting may</u> request <u>the Company to repurchase all of his Shares</u> pursuant to Article 22.2. <u>In the event</u> the Company <u>and such Member</u> fail to reach an agreement on the repurchase price within sixty (60) days following the date of the resolution, the Company shall, within thirty (30) days after such sixty-day (60) period, file a petition against all Members who fail to reach such an agreement (collectively, the "Dissenting Members") with any competent court of the R.O.C. for a ruling on the appraisal price, and may designate ROC Taipei District Court as the court of first instance. <u>Any and all votes waived by a Member referred to in this paragraph shall not be counted toward</u>	To comply with the Taiwan Stock Exchange's announcement of revision to the "Checklist of Shareholders' Equity Protection Matters for Foreign Issuers Registered in Taiwan" (referred to as the "Shareholders' Equity Protection Checklist") on January 9, 2023, the provisions of Article 22.3 are revised.

No.	Current Provisions	Proposed Amendments	Explanations
		<u>the number of votes represented by the Members present at a general meeting.</u>	
Articles 25.4	Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors. To the extent required by the Applicable Public Company Rules, at least two of the Independent Directors shall be domiciled in the R.O.C. and at least one of the same shall have accounting or financial expertise.	Unless otherwise permitted under the Applicable Public Company Rules, there shall be at least three (3) Independent Directors, <u>PROVIDED HOWEVER that the number of Independent Directors of the Company shall not be less than four (4) when the chairman is also the general manager or holds an office equivalent to the general manager or when a spousal relationship or a familial relationship within the first degree of kinship as defined under the Civil Code of Taiwan exists between the chairman and the general manager of the Company or between the chairman and an officer equivalent to the general manager of the Company.</u> To the extent required by the Applicable Public Company Rules, at least two of the Independent Directors shall be domiciled in	To comply with Article 4, Paragraph 2 of the "Guidelines for the Establishment and Exercise of Powers by the Board of Directors of Listed Companies of Taiwan Stock Exchange Corporation Limited," which stipulates that the chairman and the general manager or equivalent positions cannot be the same person, or spouse, or a blood relative within the first level, the number of independent directors must not be less than four if the chairman and the general manager or equivalent positions are the same person, or spouse, or a blood relative within the first level.

No.	Current Provisions	Proposed Amendments	Explanations
		the R.O.C. and at least one of the same shall have accounting or financial expertise.	
Articles 30.5	Notwithstanding anything to the contrary contained in this Article 30, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with the interest of the Company, shall declare the nature of his interest and its essential contents at the relevant meeting, and shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. When the Company conducts any Spin-off, Merger, or acquisition, a Director who	Notwithstanding anything to the contrary contained in this Article 30, a Director who has a personal interest in the matter under discussion at a meeting of the Directors, which may conflict with the interest of the Company, shall declare the nature of his interest and its essential contents at the relevant meeting, and shall not vote nor exercise voting rights on behalf of another Director; the voting right of such Director who cannot vote or exercise any voting right as prescribed above shall not be counted in the number of votes of Directors present at the board meeting. When the Company conducts any Spin-off, Merger, or acquisition, a Director who	To comply with the requirements of the Shareholders' Equity Protection Checklist, the provisions of Article 30.5 are revised.

No.	Current Provisions	Proposed Amendments	Explanations
	bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction at the board meeting and the general meeting. Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under discussion at a board meeting, such Director shall be deemed to bear a personal interest in the matter.	bears any interest in the transaction shall explain the essential contents of such personal interest and the reason of approval or disapproval of the resolution in connection with the transaction at the board meeting and the general meeting. <u>The Company shall specify in the notice of general meeting with descriptions of the essential contents of a Director's personal interest and the reason of approval or disapproval of the resolution in connection with the transaction. The essential contents may be posted on the website designated by the R.O.C. securities authority or the Company, and such website shall be indicated in the above notice.</u> Where the spouse, a blood relative within the second degree of kinship of a Director as defined under the Civil Code of Taiwan, or any company which has a controlling or subordinate relation with a Director bear any interest in the matter under	

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No.	Current Provisions	Proposed Amendments	Explanations
		discussion at a board meeting, such Director shall be deemed to bear a personal interest in the matter.	

Jinli Group Holdings Limited
List of Board of Directors and Independent Director Candidates
(Nomination system election)

1. List of Directors Candidates

No.	Name	Main Education (Experience)	Current Position	Shares holding
1	Chong Chun Lung	Graduated from Jinjiang Fourth High School. General Manager of Jinjiang Shuanggou Longfei Shoe Factory. Vice Chairman of Jinjiang Footwear Industry Association. Vice Chairman of Quanzhou Footwear Industry Association. President of Youth Entrepreneurs Association and Youth Chamber of Commerce.	Chairman and General Manager, Jinli Group Holdings Limited	35,303,883
2	Chen Honglin	Xiamen University of Technology Purchasing Manager of Leading (China) Biotechnology Co., Ltd. Chief Operation Officer of Heyi Advertising Media Co., Ltd. E-Commerce Sales Director of Golden Apple (China) Co., Ltd.	E-Commerce Sales Director of Golden Apple (China) Co., Ltd.	0
3	Tsai Yunglung	International Trade Department of Chinese Culture University. Special Assistant to General Manager, Home Jui International Corp. Manager of Distribution Business Department at Hong Kong Lerado Group.	Deputy General, Manager, Baumer Industrial Co., Ltd. Management Consultant of Yue Sheng Co., Ltd. Deputy General Manager of Yue Ting Investment Co., Ltd.	0
4	Shiue You-Wei	Master of Accountancy from Tamkang University Manager of Deloitte & Touche Special Assistant to Chairman of Asia Plastic Recycling Holding Limited General Manager of Chongzheng Management Consultant Co., Ltd.	Special Assistant to the Chairman, Asia Plastic Recycling Holding Limited General Manager of Chongzheng Management Consultant Co., Ltd.	0

Chong, Chun Lung hold 10,824,408 shares of the Company through his own company, Dragon Million (Asia) Limited.

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2. List of Independent Director Candidates

No	Name	Main Education (Experience)	Current Position	Shares holding
1	Chen Jinde	Master Degree in Accounting from Soochow University Senior advisor of Jiuhua Real Estate Co., Ltd. Chief Financial Officer of Taiwan Gamma Mobile Digital Co., Ltd. Deputy General Manager of of General Management office of Chang Li Technology Co., Ltd. Chief Financial Officer of Junshi Group. Chief Financial Officer of Trishine-Group/TW, Kunshan. Finance Deputy Manager and Spokesperson of Hongjie Circuit Co., Ltd. Finance and Administrative Senior Manager of Hongjie Circuit (Changshu) Co., Ltd Finance and Administrative Senior Manager of TVBS Special Assistant to the General Manager of Clevo Co Deputy General Manager of Taihang Industry Co., Ltd. Senior Group Leader of , PwC Taiwan	Senior advisor of Jiuhua Real Estate Co., Ltd.	0
2	Yeh Ming	Department of tourism management from Chinese Culture University Deputy General Manager of Ejectt Inc. Director of Jiangsu Fangsheng Co., Ltd. Supervisor of Zhancheng Electric (Dongguan) Co., Ltd. General Manager, Unitel High Technology Corporation Director, Unitel High Technology Corporation	Director of Everterminal Co., Ltd.	0

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3	Luo Ping	Dual Degree in Business Administration and Chinese Language and Literature from Hubei University. Deputy General Manager of Xiamen Hongji Weiye Industrial Co., Ltd. Sales channel Director and Retail project Director of Xiamen Seebest Technology Co., Ltd. Marketing Director of Zhejiang Mengna Co., Ltd. Marketing Director of Aipule Technology Co., Ltd. Marketing Director of Yonggaoren Sports Products Co., Ltd. Marketing Director of Joyoye Sports Products Co., Ltd. Marketing Director of Bigwasp Sports Products Co., Ltd. Brand Manager of Xtep (China) Co., Ltd.	Co-founder of Lingmei (Cosmetics) Fujian Co., Ltd.	0
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JINLI GROUP HOLDINGS LIMITED
Details of the non-competition of the new Directors

Name	Job Title	Concurrently hold positions in other companies or the Group
Chong Chun Lung	Director	General Manager of Jinli Group Holdings Limited. Chairman of Dragon Million (Asia) Limited (BVI). Chairman of Jinli Group Holdings Limited (Bermuda). Chairman of Topoint Group Limited (BVI). Chairman of Dragon Flair Limited (BVI). Chairman of Gold Apple (HK) Int'l Trading Co. Limited. Chairman of Million Win Creation Limited. Director of Ai Qi (Fujian) Shoe Plastic Co., Ltd. Director of Golden Apple (China) Co., Ltd. General Manager of Jinjiang Ai Qi Plastic Products Co., Ltd. Chairman of Changtai Golden Apple Industry Co., Ltd. Chairman of Leading International Biotechnology Co., Ltd.
Chen Honglin	Director	E-commerce Sales Director of Golden Apple (China) Co., Ltd.
Tsai Yunglung	Director	Deputy General, Manager, Baumer Industrial Co., Ltd. Management Consultant of Yue Sheng Co., Ltd. Deputy General Manager of Yue Ting Investment Co., Ltd.
Shiue You-Wei	Director	Special Assistant to the Chairman, Asia Plastic Recycling Holding Limited General Manager of Chongzheng Management Consultant Co., Ltd.
Chen Jin-De	Independent Director	Senior Advisor of Jiuhua Real Estate Co., Ltd.
Yeh Ming	Independent Director	Director of Everterminal Co., Ltd.
Luo Ping	Independent Director	Co-founder of Lingmei (Cosmetics) Fujian Co., Ltd.

Note: The content of concurrent positions in other companies or the Group will be adjusted according to the actual situation.