

Common Stock Code: 1718

CHINA MAN-MADE FIBER CORPORATION

The 2024 Annual Shareholders' Meeting

Annual meeting handbook

June 12, 2024

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Meeting Agenda of the 2024 Annual Shareholders' Meeting of China Man-Made Fiber

Meeting Time: 9:00 am, Wednesday, June 12, 2024

The way the meeting is held: Physical shareholders' meeting

Venue of the Meeting: 3F, No. 350 Songjiang Road, Zhongshan District,
Taipei City (First Conference Room)

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Company Reports
 - (1) Present the 2023 business results.
 - (2) Audit Report of the Auditing Committee.
 - (3) Report about amendment to the “Rules of Procedure for Board Meetings.”
- IV. Proposals
 - (1) Confirm the Company’s 2023 business report and financial report.
 - (2) Confirm the Company's proposal for deficit compensation for 2023.
- V. Questions and Motions
- VI. Adjournment

Management Presentation (Company Reports)

- I. Presenting the 2023 business results for acknowledgment. (please see page 8 to 10 of this manual)
- II. Please review the audit report from the audit committee. (please see page 11 of this manual)
- III. Report about the partial amendment to the Company's "Rules of Procedure for Board Meetings" for acknowledgment. (please see page 12 of this manual)

Proposals

Proposal 1 (by the Board)

Subject: The Company's 2023 business report and financial statements have been completed and submitted to the Audit Committee for review. The financial statements have also been audited and certified by CPAs Su-Huan Yu and Pan-Fa Wang of Deloitte Taiwan.

Description: Business report (please refer to pages 8 to 10 of this manual).
Independent auditor's report and financial report (please refer to pages 13 to 29 of this manual).

Resolution:

Proposal 2 (by the Board)

Subject: Acknowledging the Company's proposal for deficit compensation for 2023 for ratification.

Description: In 2023, the Company's net loss after tax was NT\$1,587,151,087, and the accumulated losses at the end of the period were NT\$411,573,195. The Company intends to make up by using the legal reserve. Therefore, it does not intend to distribute shareholders' cash or stock dividends. For the content of the Table of Deficit Compensation, (please refer to page 30 of this manual).

Resolution:

Questions and Motions

Appendix

China Man-made Fibers Corporation 2023 Business Report

I. Operation strategies

- (1) Reduce costs and inventory and improve operational efficiency.
- (2) Research and develop value-added products, accelerate the vertical integration of products and improve competitiveness.
- (3) Computerize the operations management, inspect various operating procedures, strengthen internal control and improve efficiency.
- (4) Strengthen marketing efforts and market development, and improve service quality and customer satisfaction.
- (5) Actively and prudently assess various investments and adjust the portfolios in a timely manner.
- (6) Control customers' credit line to reduce the occurrence of bad debts.
- (7) Pay attention to employee welfare, promote labor-management coordination, emphasize occupational safety and fulfill social responsibilities.

II. Business plan execution and achievement

Unit: thousand dollars

Item	2023	2022	Difference
Operating revenue	5,843,746	8,331,419	(2,487,673)
Non-operating revenue	1,707,433	1,708,341	(908)
Operating costs and operating expenses	8,085,070	11,084,811	(2,999,741)
Realized (unrealized) gain of affiliates	(17,241)	27	(17,268)
Non-operating expenses	1,035,829	298,075	737,754
Gain (loss) before income tax	(1,586,961)	(1,343,099)	(243,862)
Gain (loss) after income tax	(1,587,151)	(1,352,253)	(234,898)

III. Financial income and expenditure, and profitability analysis

Item		2023	2022	
Financial structure (%)	Debt to assets ratio	44.68	44.43	
	Ratio of long-term capital to property, plant and equipment	363.00	331.93	
Solvency analysis	Current ratio (%)	31.91	52.23	
	Quick ratio (%)	16.52	28.51	
	Interest coverage ratio	(4.30)	(5.85)	
Profitability analysis	Return on assets (%)	(3.48)	(3.05)	
	Return on shareholders' equity (%)	(7.40)	(5.97)	
	Paid-in capital	Operating profit	(13.40)	(16.33)
	Percentage (%)	Net profit before tax	(9.41)	(7.97)
	Net profit margin (%)		(27.16)	(16.23)
	Base earnings per share (\$)		(1.18)	(1.01)
	Diluted earnings per share (\$)		(1.18)	(1.01)

IV. Research and development

- (1) Completed mass produce of eco-friendly pellets derived from recycled PET bottle chips, which can be provided to the spinning section and false twist section to manufacture eco-friendly yarns to boost the added values. By this, we virtually minimized waste, saved on energy and reduced carbon emission to be friendly toward the global environment.
- (2) Total implementation of our efforts toward refurbishment of double-suction pumps for cooling water circulation and the ceramic coating projects that would significantly save on power, boost efficiency and minimize power consumption.
- (3) The motor for the supply of dry compressed air system for spinning manufacturing was changed to the

variable-frequency drive type to benefit the increase in operating rate, raising the quality and energy-saving performance.

- (4) The QAC-1N and 3N windmill motor for spinning manufacturing was changed to the variable-frequency drive type to stabilize wind pressure, improve quality, and achieve power-saving performance.
- (5) In the false twisting process, the pipeline GA air system is added to the IA air system to reduce the frequency of turning on machines of the IA system and save electricity and energy consumption.
- (6) The addition of an inverter to the bottom pump motor of the EO stripper in the G3 Plant to reduce speed, save power, reduce equipment noise, prolong bearing life, reduce the wear and tear of mechanical pump blades, and extend equipment's useful life.
- (7) Activate the application of polyester scrap and waste. A waste recycling machine is added to process the scrap into polyester pellets for recycling and reuse, which is not only environmentally friendly but also reduces production costs.

V. Business outlook

(1) 2024 operational objectives and prospects.

In 2023, under the influence of the Russo-Ukrainian War, the Israel-Palestine conflict, the Red Sea Crisis and other factors, the international price of energy and food increased, and the container freight rate also soared. The decline in inflation was slower than expected. The purchasing power of consumers was affected due to the high inflation and high interest rates in Europe and the U.S., and the commissioning of new petrochemical capacities in the U.S. and China has dragged down the petrochemical market price. In the future, the global economy shall attach attention to the trends of monetary policies in Europe and the U.S., the schedule of interest rate reduction, the economic performance of China, Europe and the U.S., and the effects of geopolitical risks on the trends of oil prices. Given that Europe and the U.S. raised interest rates in the first half of the year with the stubbornly high inflation, and central banks around the world are expected to maintain the tightening policies, it is expected that the end demand will remain sluggish. However, there is an opportunity that the interest rates will be reduced in the second half of the year, which is expected to boost corporate investment and consumer spending. In addition, the economic growth in Europe and other emerging markets (i.e., India and Southeast Asia) offsets the unfavorable impact of the decline in the U.S. and China, which will drive the increase in demand for petrochemical products. In terms of EG, the raw material cost of EG has increased. However, the price of EG is limited due to the impact of inflation on downstream chemical fiber end consumption. After the lockdown is lifted in Mainland China, the demand recovery is slow, and the price is unable to catch up due to the sluggish development in the petroleum industry. Due to overcapacity, the ex-factory price is less than the variable cost, and the plastics market hovers at the low bottom for consolidation. In recent years, the chemical and chemical fiber industries have been greatly challenged. The EG market faces imbalanced supply and demand due to the plant construction and new plants put into production. Manufacturers have to reduce production to respond to the sluggish demand. However, they no longer have economic scale and production benefits after the reduction, and it is not favorable for profits. Supply and demand conditions are concurrently under pressure.

In terms of polyester yarn, consumer spending was curtailed due to inflation last year. After the pandemic slowed down, the economic recovery of the global apparel consumer market was not as fast as expected. Brand customers had high inventory, and the operating performance was not less favorable than expected. Destocking will continue in the following year, and the recovery of the market will be subject to the end of the Russo-Ukrainian War, the slow down of inflation, the decrease in interest rates, the destocking of brands, and other factors. The polyester market still has to face dumping from Mainland China and the rise of supply chains in Southeast Asia, posing a difficult operating environment. The Company will adjust the production and sales strategy flexibly, improve the product structure, and produce refined, customized, and environmentally-friendly recycled products to increase profits and benefits.

Looking into the year, under the influence of high interest rates and high prices, citizens with limited income reduce unnecessary consumption (i.e., clothing). As a result, Europe and the U.S. recorded poor consumption, and the consumption in Mainland China was not as favorable as it was before the pandemic, and the interest rate is pending downward adjustment. The end demand is expected to recover only when the public's purchasing power recovers after the reduction in interest rates. EG continues to increase new production capacities during the year, and the operating market conditions remain difficult. In addition to the unchanged destocking trend of polyester yarn brand customers, the polyester market has to face new production capacity released in Mainland China and the competition pressure from the rise of Vietnam's industrial chain. It is expected that the interest rate will be gradually reduced by the middle of the year; by then (Q3), there is a chance to drive a new wave of industrial upswing upon the completion of economic adjustment. It is expected that the economy will return to pre-pandemic level in 2025.

In 2024, we expect to sell 100,815 tons of EG, 17,010 tons of EO, 15,848 tons of NP, 18,866 tons of POY, 9,583 tons of SDY, 13,096 tons of DTY and 12,045 tons of chips, a total of 187,533 tons.

(2) Subject to competition of external environment.

1. The market supply of EG is expected to gradually increase as a result of the large-scale construction and commissioning of new plants in China. This competitive advantage is further aggravated by the current

shortage of Ethylene in Taiwan coupled with limitations in the field of transportation.

2. RCEP was launched last year. Under tariff considerations, brand customers require the supply chain to move to Southeast Asia. At present, the textile industry chain in Vietnam and other ASEAN countries has taken shape and has significant price advantages, for which brand orders will give priority to these areas. After occupying the full production capacity of such areas, the orders may have the chance to turn to Taiwan. In the future, it may trigger the transfer of the textile industry chain and cause an imbalanced supply and demand. The local textile industry in Taiwan is facing great operating pressure from upstream to downstream, and it shall keep abreast of the development and respond early.
3. In the post-pandemic era, global brands will adopt the “concentrated procurement” method. The global supply chain turns short-chain, regionalized, and localized.

(3) Impact of regulatory environment and overall business environment.

1. The increase in basic salary will increase the labor cost of enterprises. In the face of job shortage, outstanding talents are reluctant to engage in traditional industries (i.e., petrochemicals and textiles), which brings new pressure and challenges to corporate management.
2. Domestic environmental awareness and the related regulations still have many restrictions on enterprises investing in new equipment. Communication with the neighboring residents often faces great resistance.
3. The overall business environment, including the acquisition of land, investment in environmental equipment and other external environment factors is what all enterprises need to face in the domestic development.
4. In recent years, the chemical fiber upstream raw materials, e.g., PX and PTA, have rapidly increased in outputs in China, leading the prices of downstream processed products to be highly suppressed. The personnel engaging in chemical fiber operations technology and management are aging. We are facing higher and higher tariffs and anti-dumping factors at a disadvantage amidst mounting challenges.
5. The RCEP (Regional Comprehensive Economic Partnership Agreement) has been officially effective on January 1, 2022. While the FTA signed by and between The ASEAN and other member countries entered into force with the degree of openness reaching levels as significantly as 90%, the degree of further openness for RCEP over the existing FTA would be virtually limited. Our concern should be aimed at the potential impact upon our country of facing unfair competition in the relevant markets. Another pact known as CPTPP (Comprehensive and Progressive Trans-Pacific Partnership) already came into effect on December 30, 2018 where more than 70% of products have been reduced to zero tariffs. Taiwan has officially submitted the application; CPTPP accounts for 25% of Taiwan’s foreign trade value, while RCEP accounts for 59%. Excluding the overlapping countries, the two multi-lateral free trade agreements virtually cover nearly 70% of Taiwan’s foreign trade value. If Taiwan is excluded from such regional economic integration, this would have a very significant impact on Taiwan in trade development or participation in the regional industry competition.
6. Impact of the cancelation of ECFA: In the short term, China has to import some products from Taiwan. In the long run, Taiwan will lose this advantage. Products from Mainland China will be imported in large numbers with a price advantage. The chemical fiber industry in Taiwan bears the brunt and will face the closure of factories in the future, chain rupture, and other difficulties, and may even affect the survival of the overall textile industry.
7. Competitors in those emerging countries that have always taken advantage of economies of scale in the competitions. Notably the competitors in Mainland China have, as well, begun to differentiate their products. The companies in Taiwan should continually develop high-end specific products, in a small number of diverse, environmentally-friendly and functional products with high-level functionality to deal with the challenges. Under such policies, we should be able to continually maintain the advantages in the global polyester filament industry supply chains.
8. The Green Deal Industrial Plan was officially promulgated by the EU on December 11, 2019, revealing the goal of carbon neutrality by 2050 and the implementation of carbon border taxes in 2023, making the concept of “net zero carbon emissions” a popular international topic. In order to achieve the carbon reduction target, the government adopted carbon taxes as the policy tool for carbon reduction. The purpose is to reflect the social cost of carbon emissions and accelerate the development of low-carbon energy. The Textile Exchange is highly concerned with the carbon emissions of the textile industry. Using the 2020 emissions as the baseline, it is hoped that the global textile industry can achieve the GHG emission reduction target of 45% by 2030. Nike, on the other hand, established the zero carbon action plan targeting zero carbon emissions and zero waste as its goals. The trend of carbon reduction is inevitable, and the Company shall keep abreast of brand requirements for carbon reduction targets, waste recycling, hazardous chemicals, renewable energy, and the supply chain.
9. The price of crude oil dropped to US\$68/barrel in May 2023. The oil price rebounded after May and then fell again in August; the peak was US\$97/barrel. It is expected that the oil price will struggle to grow in the first half of the year, and the economy is expected to improve in the second half of the year, which will drive the increase in the oil price. The average oil price throughout the year was around US\$80.5, slightly lower than US\$82.5 last year.

Chairman: Kuei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wei Huang

Audit Committee' Review Report

The Board has submitted the Company's 2023 business report and financial statements (including the consolidated financial statements) and the table of deficit compensation. Among them, the financial statements (including the consolidated financial statements) have been audited and certified by CPAs Su-Huan Yu and Pan-Fa Wang of Deloitte Taiwan. We have verified such documents accuracy and reported the above according to Article 14-4 of the Securities and Exchange Act.

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The 2024 Annual Shareholders' Meeting

Audit Committee

Convener: Te-Wei Li

March 4, 2024

Comparison Table for the Rules of Procedure for Board Meetings of China Man-Made Fiber

Article	Clauses after the amendment	Original clause	Reasons behind amendments
Article 8	<p>When a board meeting of the Company is convened, the Secretariat shall prepare relevant information for the reference of directors at any time.</p> <p>When convening a board meeting, depending on the content of the proposal, personnel from the relevant departments or subsidiaries may be notified to present at the meeting. If necessary, CPAs, lawyers, or other professionals may also be invited to attend meetings and give explanations. However, they shall recuse themselves from discussion and voting.</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting. At the scheduled meeting time, if half of all directors are absent, the chairperson may announce the postponement of the meeting <u>on that day</u>. The number of postponements is up to two times.</p> <p>If the quorum is not met after two postponements, the chairperson may re-convene the meeting in accordance with the procedures specified in paragraph 2, Article 3.</p> <p>All Directors referred to in the preceding paragraph and subparagraph 2, paragraph 2, Article 16 shall be counted as the actual number of persons currently in office.</p>	<p>When a board meeting of the Company is convened, the Secretariat shall prepare relevant information for the reference of directors at any time.</p> <p>When convening a board meeting, depending on the content of the proposal, personnel from the relevant departments or subsidiaries may be notified to present at the meeting. If necessary, CPAs, lawyers, or other professionals may also be invited to attend meetings and give explanations. However, they shall recuse themselves from discussion and voting.</p> <p>The chairperson of the board shall call the meeting to order immediately when more than half of the directors have attended the meeting. At the scheduled meeting time, if half of all directors are absent, the chairperson may announce the postponement of the meeting. The number of postponements is up to two times.</p> <p>If the quorum is not met after two postponements, the chairperson may re-convene the meeting in accordance with the procedures specified in paragraph 2, Article 3.</p> <p>All Directors referred to in the preceding paragraph and subparagraph 2, paragraph 2, Article 16 shall be counted as the actual number of persons currently in office.</p>	<p>In order to avoid disputes arising from the delay of the Board meeting, if the quorum of participants at the meeting is not met, the chairperson may announce the postponement of the meeting on that day.</p>
Article 11	<p>The Company's board meeting shall be processed in accordance with the proceedings scheduled in the meeting notice; however, it can be changed with the consent of a majority of the directors presented.</p> <p>The chairperson shall not announce adjournment of the meeting before the end of the meeting agenda contents mentioned in the preceding paragraph unless approved by one half majority of the present directors.</p> <p>Amidst the course of the board meeting, if the number of directors present in the course does not reach one-half majority of the total present directors, upon proposal by a present director(s), the chairperson shall announce suspension from the meeting process to which the provisions set forth under paragraph 5, Article 8 shall apply mutatis mutandis.</p> <p>Amidst the course of the board meeting, if the chairperson is unable to host the board meeting for other causes or adjourns the meeting in violation of paragraph 2, the provisions under paragraph 3, Article 7 shall apply mutatis mutandis in terms of the election of the representative.</p>	<p>The Company's board meeting shall be processed in accordance with the proceedings scheduled in the meeting notice; however, it can be changed with the consent of a majority of the directors presented.</p> <p>The chairperson shall not announce adjournment of the meeting before the end of the meeting agenda contents mentioned in the preceding paragraph unless approved by one half majority of the present directors.</p> <p>Amidst the course of the board meeting, if the number of directors present in the course does not reach one-half majority of the total present directors, upon proposal by a present director(s), the chairperson shall announce suspension from the meeting process to which the provisions set forth under paragraph 5, Article 8 shall apply mutatis mutandis.</p>	<p>Considering that if the chairperson is unable to host the Board meeting for other causes or adjourns the meeting in violation of the requirements during the course of the Board meeting, to avoid the Board's operation, the Company specified the election method of the representative of the Board meeting's chairperson.</p>

China Man-Made Fiber Independent Auditor's Report

To CHINA MAN-MADE FIBER CORPORATION:

Auditor's opinions

China Man-Made Fibers Co., Ltd.'s individual balance sheet as of December 31, 2012 and 2011, as well as its individual comprehensive income statement, individual statement of changes in equity and individual statements from January 1 to December 31, 2011. The cash flow statement and notes to individual financial statements (including a summary of significant accounting policies) have been reviewed by our accountants.

In the opinion of this accountant, based on the audit results of the accountant and the audit reports of other accountants (please refer to the other matters section), the above individual financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and are sufficient to adequately express China's The individual financial status of Man-Made Fiber Co., Ltd. as of December 31, 2012 and 2011, as well as the individual financial performance and individual cash flow from January 1 to December 31, 2011.

The basis for opinions

This accountant performs the audit work in accordance with the rules and auditing standards for auditing financial statements entrusted by accountants. The accountant's responsibilities under these standards are further described in the section on the accountant's responsibilities for the review of individual financial statements. The personnel of the accounting firm affiliated to the accounting firm who are subject to independence regulations have maintained detachment and independence from China Man-Made Fibers Co., Ltd. in accordance with the professional ethics for accountants and fulfilled other responsibilities in the regulations. Based on the audit results of the accountant and the audit reports of other accountants, the accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

Key audit matter

The key audit matters refer to the most important matters in the audit of the individual financial statements of China Man-Made Fibers Co., Ltd. for the year 2011 based on the professional judgment of this accountant. These matters have been addressed in the process of reviewing the overall individual financial statements and forming audit opinions. The accountant does not express an independent opinion on these matters.

The key audit matters of the individual financial statements of China Man-Made Fibers Co., Ltd. for the 112th year of the Republic of China are described as follows:

Authenticity of specific sales revenue

Description of key inspection items

The sales revenue of China Man-Made Fibers Co., Ltd. is recognized after the customer obtains control of the goods and assumes the risk of the goods. Our accountants analyzed the sales revenue of the 112th year of the Republic of China and considered factors such as sales amount and gross profit margin to identify specific sales customers and listed the authenticity of their sales revenue as a key verification matter.

For accounting policies related to the recognition of sales revenue, please refer to Note 4 (14) of the financial statements.

Corresponding verification procedures

1. Understand the design and implementation of the internal control system related to sales revenue recognition.
2. Obtain the sales revenue account details of specific customers in the 112th year of the Republic of China and select samples, check the relevant shipping forms, documents and send letters for

verification, so as to randomly check the authenticity of the sales recognition. Adopt the equity method to assess the impairment of discounting and advances.

Evaluate expected credit losses on discounts and lending using equity method investments

Description of key inspection items

As mentioned in Note 13 of the individual financial statements, China Man-Made Fibers Co., Ltd. used the equity method to invest in Taichung Commercial Bank Co., Ltd. on December 31, 2012, with a balance of 16,443,070 thousand yuan, accounting for 43% of the total assets. Therefore, Taichung The financial performance of Commercial Bank Co., Ltd. will have a significant impact on China Man-Made Fiber Co., Ltd.'s adoption of the equity method to recognize the share of profits and losses of subsidiaries, affiliated enterprises and joint ventures this year.

The discount and loan balances of Taichung Commercial Bank Co., Ltd. and the expected credit losses provided in 2012 were 541,844,103 thousand yuan and 1,361,659 thousand yuan respectively. When Taichung Commercial Bank Co., Ltd. determines the expected credit losses after comprehensive consideration, its management is involved The Group's significant estimates and judgments, including probability of default and loss given default, must also comply with the relevant laws and regulations of the competent authorities and shall be included in the calculation, whichever is higher. Therefore, the accountant determined Taichung Commercial Bank Co., Ltd.'s expected credit losses on discounts and loans as key audit matters.

Corresponding verification procedures

1. Understand and test the internal controls related to Taichung Commercial Bank Co., Ltd.'s discount and lending assessment of expected credit losses, and test whether discounting and lending are classified in accordance with relevant laws and orders of the competent authority.
2. For the Taichung Commercial Bank Co., Ltd.'s discount and lending practices, comprehensively assess the expected credit losses, understand and re-check the important parameters (probability of default and loss given default) used in the impairment model to assess the reasonableness of the expected credit losses. Also check whether the amount proposed complies with the requirements of relevant laws and orders from the competent authority.

Other information

The financial statements of the investee companies included in the individual financial statements of China Man-Made Fibers Co., Ltd. and evaluated using the equity method have not been reviewed by this accountant, but have been reviewed by other accountants. Therefore, the opinions expressed by this accountant on the individual financial statements above have not been reviewed. , the relevant part of the investment using the equity method and the share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method and other comprehensive profits and losses are recognized based on the audit report of other accountants. Investments using the equity method in 2012 and 2011 based on other accountants' audit reports were 940,250 thousand yuan and 1,076,723 thousand yuan respectively in 2012 and 2011; subsidiaries recognized using the equity method in 2012 and 2011 based on other accountants' audit reports, The shares of interests of related enterprises and joint ventures and other comprehensive profits and losses were (136,473) thousand yuan and (51,348) thousand yuan respectively. In addition, some of the information related to reinvested enterprises disclosed in Note 33 of the individual financial statements is also disclosed based on other accountants' audit reports.

Responsibilities of Management and Those in Charge with Governance of the Individual Financial Statements

The responsibility of management is to prepare individual financial statements that adequately express themselves in accordance with the Financial Reporting Standards for Securities Issuers and to maintain necessary internal controls related to the preparation of individual financial statements to ensure that there are no significant errors or fraud in the individual financial statements. False expression.

In preparing individual financial statements, management's responsibilities also include assessing China Man-Made Fibers Co., Ltd.'s ability to continue as a going concern, disclosing relevant matters, and applying the going concern accounting basis, unless management intends to liquidate China

Man-Made Fibers Co., Ltd. or Cease operations, or there is no practical alternative other than liquidation or suspension of business.

The governance unit (including the audit committee) of China Man-Made Fibers Co., Ltd. is responsible for supervising the financial reporting process.

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

The purpose of the accountant's audit of individual financial statements is to obtain reasonable confidence as to whether there are any material misrepresentations resulting from fraud or error in the overall financial statements of an individual, and to issue an audit report. Reasonable certainty means a high degree of confidence, but there is no guarantee that the review work performed in accordance with auditing standards will be able to detect material misrepresentations in the individual financial statements. Misrepresentation may result from fraud or error. Misrepresentations of individual amounts or aggregate amounts are considered material if they can reasonably be expected to affect the economic decisions of individual users of financial statements.

The accountant shall use professional judgment and professional skepticism when conducting audits in accordance with auditing standards. The accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of individual financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for audit opinions. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls, the risk of not detecting a material misrepresentation resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal controls of China Man-Made Fibers Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, make a conclusion on the appropriateness of management's adoption of the going concern accounting basis and whether there are significant uncertainties in events or circumstances that may cast significant doubt on China Man-Made Fibers Co., Ltd.'s ability to continue operating. . If the accountant believes that there are significant uncertainties in such events or circumstances, he must remind users of individual financial statements in the audit report to pay attention to the relevant disclosures in the individual financial statements, or revise the audit opinion when such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or conditions may cause China Man-Made Fibers Co., Ltd. to no longer have the ability to continue operating.
5. Evaluate the overall presentation, structure and content of individual financial statements (including relevant notes), and whether individual financial statements appropriately represent relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of the entities within China Man-Made Fibers Co., Ltd. to express an opinion on the entity's financial statements. The accountant is responsible for the guidance, supervision and execution of audit cases, and is responsible for forming the audit opinions of China Man-Made Fibers Co., Ltd.

The matters that the accountant communicates with the governance unit include the planned scope and time of the audit, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant is affiliated who are subject to independence regulations have complied with the independence-related statements in the professional ethics for accountants, and communicates with the governance unit all relationships and other matters that may be considered to affect the accountant's independence. matters (including relevant protective measures).

Based on the matters communicated with the management unit, the accountant decided on the key audit matters for the individual financial statements of China Man-Made Fiber Co., Ltd. for the 112 years of the Republic of China. The accountant will describe these matters in the audit report, unless the public disclosure of specific matters is prohibited by law, or in extremely rare circumstances, the accountant decides not to communicate specific matters in the audit report because the negative consequences of such communication can be reasonably expected. The impact outweighs the public interest it enhances.

Deloitte and Touche
CPA: Su-Huan You

CPA: Owen-P Wang

Securities and Futures Commission Approval No. Tai-Cai-Zheng (6) No. 0920123784 To Financial Supervisory Commission Approval No. Ching-Kuan-Cheng-Shen-Tze No. 1100356048

March 4, 2024

CHINA MAN-MADE FIBER CORPORATION
 Individual Balance Sheet
 December 31, 2022 and 2021

Unit: NT\$ thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 872,282	2	\$ 1,321,494	4
1110	Financial assets through profit and/or loss with measuring for the fair value-current				
	- value-current	21,437	-	143,517	-
	- notes receivable	49,832	-	45,196	-
1150	Notes receivable	498,455	1	837,840	2
1180	Accounts receivable - related parties	192,139	1	261,275	1
1200	Other receivables	11,566	-	48,085	-
1220	Current income tax assets	1,668	-	1,942	-
130X	Inventory	978,518	3	1,269,151	3
1410	Prepaid	672,047	2	1,732,185	3
1470	Other current assets	137,413	-	147,148	1
11XX	Total current assets	<u>3,425,207</u>	<u>9</u>	<u>5,508,933</u>	<u>14</u>
	Non-Current assets				
1517	Financial assets at fair value through other comprehensive income - non-current	2,265,506	6	2,588,158	6
1550	Investments accounted for using the equity method	20,943,694	55	19,188,614	49
1600	Property, plant and equipment - net	7,479,610	20	8,725,528	22
1750	Right-of-use assets	1,556	-	7,389	-
1760	Investment property - net	2,912,770	8	2,772,783	7
1780	Intangible assets - net	-	-	-	-
1840	Deferred income tax assets - net	654,790	2	451,865	2
1900	Other current non-assets	198,461	-	87,746	-
15XX	Total non-current assets	<u>34,456,329</u>	<u>91</u>	<u>38,002,083</u>	<u>86</u>
1XXX	Total assets	<u>\$ 37,879,626</u>	<u>100</u>	<u>\$ 39,511,016</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings	\$ 8,874,167	23	\$ 7,567,593	19
2110	Short-term bills payable	847,097	2	847,840	2
2150	Payable notes	1,280	-	927	-
2170	Accounts payable	406,249	1	533,735	1
2180	Accounts payable - related parties	-	-	281,658	1
2219	Other payables	219,810	1	227,587	-
2280	Lease liabilities - current	1,595	-	5,879	-
2320	Long-term liabilities due in one year or one business cycle	334,700	1	1,047,528	3
2399	Other current liabilities	43,993	-	35,248	-
21XX	Total current liabilities	<u>10,728,891</u>	<u>28</u>	<u>10,547,987</u>	<u>26</u>
	Non-current liabilities				
2540	Long-term borrowings	5,112,800	14	5,935,000	15
2550	Liability reserve	215,544	1	202,778	1
2570	Deferred tax liabilities	866,019	2	866,019	2
2580	Lease liabilities - non-current	-	-	1,595	-
2670	Other liabilities	1,824	-	1,864	-
25XX	Total non-current liability	<u>6,196,267</u>	<u>17</u>	<u>7,007,256</u>	<u>18</u>
2XXX	Total liabilities	<u>16,925,098</u>	<u>45</u>	<u>17,555,243</u>	<u>44</u>
	Equity				
3110	Common stock capital	16,859,057	44	16,862,097	43
3200	Capital surplus	1,712,778	4	1,715,804	4
	Retained earnings				
	Legal reserve	949,064	3	949,064	3
3320	Special reserve	1,937,346	5	1,934,645	5
3350	Undistributed earnings	(411,573)	(1)	910,638	2
	Other equity				
3410	Exchange differences from the translation of financial statements of foreign operations	(108,195)	-	(96,538)	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	1,153,089	3	816,865	2
3500	Treasury stock	(1,135,056)	(3)	(1,136,802)	(3)
3XXX	Total equity	<u>20,956,528</u>	<u>55</u>	<u>21,955,773</u>	<u>56</u>
	Total Liabilities and Equity	<u>\$ 37,879,626</u>	<u>100</u>	<u>\$ 39,511,016</u>	<u>100</u>

Chairman: Kuei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wei Huang

CHINA MAN-MADE FIBER CORPORATION
Individual Income Statement
For the years ended December 31, 2023 and 2022

Unit: NTD thousands, except for (losses) earnings per share (NTD)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue	\$ 5,843,746	100	\$ 8,311,419	100
5000	Operating cost	(7,766,133)	(133)	(10,556,636)	(127)
5900	Gross losses	(1,922,387)	(33)	(2,225,217)	(27)
5910	Unrealized losses on the subsidiaries, affiliates and joint ventures	(17,268)	-	-	-
5920	Realized gain on the subsidiary, affiliated company and joint ventures	27	-	27	-
5950	Realized gross losses	(1,939,628)	(33)	(2,225,190)	(27)
	Operating expenses				
6100	Marketing expenses	(222,969)	(4)	(409,815)	(5)
6200	Administrative and general affairs expenses	(117,949)	(2)	(141,041)	(1)
6450	Expected credit reversal benefit	21,081	-	22,681	-
6000	Total operating expenses	(318,937)	(6)	(528,175)	(6)
6900	Operating losses	(2,258,565)	(39)	(2,753,165)	(33)
	Non-operating revenues and expenses				
7070	Amounts of profit and/or loss of subsidization recognized in equity method, associates and the share of the profit or loss of joint ventures	1,560,252	27	1,371,093	16
7100	Interest revenue	15,253	-	9,919	-
7130	Dividend income	52,154	1	65,842	1
-	Other gains and losses	-	-	-	-
7190		35,294	1	41,583	-
7215	Gain on disposal of investment property	-	-	70,820	1
7230	Foreign exchange gain - net	7,372	-	149,084	2
7235	Gains (losses) on financial assets at fair value through profit or loss	37,108	1	(73,650)	(1)
7610	Losses from disposal of property or equipment	(9,338)	-	(91)	-
7673	Impairment loss	(727,079)	(13)	(28,272)	-
7510	Financial cost	(399,412)	(7)	(195,062)	(2)
7000	Total non-operating revenues and expenses	671,604	12	1,410,206	17
7900	Net loss before tax from continuing operations	(1,586,961)	(27)	(1,343,099)	(16)
7950	Income tax expenses	(190)	-	(9,154)	-
8200	Net loss for the year	(1,587,151)	(27)	(1,352,253)	(16)
	Other comprehensive profit or loss				
	The items that are not re-classified as profit or loss				
8311	Determined Benefit Plan Revaluation	(14,623)	-	(4,110)	-
8316	Unrealized valuation of the capital gain/loss from equity instrument at fair value through comprehensive income statement as other comprehensive income	17,458	-	211,250	3
8330	The proportion of other comprehensive incomes from subsidiaries, associates, and equity joint-ventures accounted for under the equity method - not reclassified as profit and loss	358,036	6	34,016	-
8348	Income tax related to taxes without reclassification	2,925	-	832	-
8310		363,780	6	241,978	3
	Items that may be re-classified subsequently under profit or loss				
8361	Exchange differences from the translation of financial statements of foreign operations	(11,657)	-	15,682	-
8380	The proportion of other comprehensive income of subsidiaries, associates, and equity joint ventures accounted for under the equity method - may be reclassified as profit and loss	240,099	4	(316,814)	(4)
8360		278,442	4	(323,132)	(4)
8300	Other comprehensive income of the current year (net amount after taxation)	392,228	10	(70,154)	(1)
8500	Total amount of comprehensive income of the current year	(\$ 1,194,923)	(21)	(\$ 1,431,407)	(17)
	Loss per share				
9750	Basic loss per share	(\$ 1.18)		(\$ 1.01)	

Chairman: Kwei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Che-Wei Huang

CHINA MAN-MADE FIBER CORPORATION
 Individual Statements of Changes to Shareholders' Equity
 For the years ended December 31, 2023 and 2022

Unit: RMB thousand

Code	Balance as January 1, 2023	Share capital	Capital surplus	Legal reserve	Retained earnings		Undistributed earnings	Exchange differences from financial statements of foreign subsidiaries	Other equity		Total equity
					Special reserve	Special reserve			Reserve for differences from financial statements of foreign subsidiaries	Reserve for differences from financial statements of foreign subsidiaries	
A1	\$ 16,892,249	\$ 1,326,443	\$ 946,448	\$ 1,314,645	\$ 2,258,247	\$ 2,258,247	\$ 112,226	\$ 818,883	\$ 1,316,882	\$ 23,137,664	
B1	-	-	2,616	-	(7,819)	-	-	-	-	-	
C1	-	-	-	-	(101)	-	-	3,512	-	3,227	
D1	-	-	-	-	(1,352,253)	-	-	-	-	(1,352,253)	
D6	-	-	-	-	20,645	-	-	(113,483)	-	(92,838)	
D8	-	-	-	-	(1,131,688)	-	-	(113,483)	-	(1,245,171)	
M7	-	46,115	-	-	(7,248)	-	-	-	-	38,867	
Q1	-	-	-	-	(9,818)	-	-	8,018	-	-	
Z1	\$ 6,862,687	\$ 1,713,804	\$ 940,064	\$ 1,314,645	\$ 899,838	\$ 899,838	\$ 96,318	\$ 818,883	\$ 1,316,882	\$ 21,051,775	
B1	-	-	-	-	(7,273)	-	-	-	-	-	
B3	-	-	-	2,721	-	-	-	-	-	2,721	
E3	3,048	1,294	-	-	-	-	-	-	1,786	6,138	
D1	-	-	-	-	(1,482,131)	-	-	-	-	(1,482,131)	
D5	-	-	-	-	21,226	-	-	(11,607)	-	9,619	
D6	-	-	-	-	(1,654,218)	-	-	(11,607)	-	(1,665,825)	
M7	-	(4,323)	-	-	-	-	-	-	-	(4,323)	
Q1	-	-	-	-	(26,428)	-	-	(25,428)	-	(51,856)	
Z1	\$ 38,535,623	\$ 1,316,278	\$ 543,084	\$ 1,314,645	\$ 411,521	\$ 411,521	\$ 108,425	\$ 1,133,083	\$ 1,133,083	\$ 42,055,528	

Chairman: Eric-Hsueh Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wen Huang

CHINA MAN-MADE FIBER CORPORATION
Individual Statement of Cash Flow
For the years ended December 31, 2023 and 2022

Code		2023	2022
			Unit: NTD thousands
			2022
	Cash flow from operating activities		
A10000	Net loss before tax for the year	(\$ 1,586,961)	(\$ 1,343,099)
	Profits and loss		
A20100	Depreciation expenses	578,068	570,325
A20300	Expected credit reversal gain	(21,981)	(22,681)
A23900	Unrealized sales losses with subsidiaries, affiliates and joint ventures	17,268	-
A24000	Realized sales gains with subsidiaries, affiliates and joint ventures	(27)	(27)
A20400	Net (gain) loss of financial assets and liabilities at fair value through profit or loss	(37,108)	73,650
A20900	Financial costs	299,412	196,062
A21200	Interest revenue	(15,253)	(9,919)
A21300	Dividend income	(52,154)	(65,842)
A22400	Share of profit of subsidiaries, affiliates and joint ventures accounted for using the equity method	(1,560,252)	(1,371,093)
A22500	Losses from disposal of property or equipment	9,338	91
A22700	Capital gain from disposition of investment property	-	(70,829)
A23700	Loss in impairment of non-financial assets	649,298	120,159
	Net change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	159,208	23,462
A31180	Accounts receivable	476,290	830,261
A31200	Inventory	368,414	(132,623)
A31230	Prepayments	560,138	(618,467)
A31240	Other current assets	7,253	(2,756)
A32180	Payables	(418,475)	(315,957)
A32200	Liability reserve	-	(10,992)
A32230	Other current liabilities	8,745	(21,684)
A32240	Net determined benefit liability	(3,837)	(5,269)
A33000	Cash outflow from operating activities	(562,616)	(2,177,221)
A33100	Interest received	15,388	11,089
A33200	Dividends received	422,231	352,208
A33300	Interest paid	(297,505)	(193,301)
A33500	Income tax paid	(816)	(9,113)
AAAA	Net cash outflow from operating activities	(423,318)	(2,016,540)
	Cash flow from investing activities		
H00010	Acquisition of financial assets at fair value through other comprehensive profit or loss	(802)	(88,413)
H00020	Disposal of financial assets at fair value through other comprehensive profit or loss	340,248	2,014
H00030	De-capitalization refunded monies of financial assets at fair value through other comprehensive profit or loss (decrease)	664	1,211
B01800	Acquisition of investment under the equity method	-	(479,411)
B01900	Disposal of long-term equity investments accounted for using the equity method	-	10,711
B05000	Cash outflow due to merger	-	(761,912)
B02400	Return of share payments due to the capital reduction of an investee accounted for using the equity method	-	1,010,000
B02700	Acquisition of property, plant and equipment	(112,906)	(116,482)
B02800	Disposal of property, plant and equipment	-	46
B03700	Decrease in Refundable deposits	20,368	85,362
B05400	Acquisition of investment property	(89,815)	(82,062)
B05500	Disposition of investment property	-	140,161
B06800	Decrease (increase) in other assets	(151,025)	85,593
B09000	Decrease (increase) in restricted assets	2,482	(7,704)
B8B8	Net cash inflow (outflow) from investing activities	9,214	(200,886)
	Cash flow from financing activities		
C00200	Increase of short-term loans	1,308,582	1,019,338
C00500	Decrease in short-term notes payable	(743)	(591)
C01600	Proceeds from long-term loan	3,085,000	3,691,540
C01700	Re-payments of long-term borrowings	(4,620,028)	(4,400,240)
C03100	Decrease in guarantee deposits	(40)	(500)
C04020	Payment of principal element of lease liabilities	(5,879)	(4,581)
CCCC	Net cash (outflow) inflow from financing activities	(235,108)	(2,304,966)
EEEE	Net increase (decrease) in cash and cash equivalents	(649,212)	87,540
E00100	Cash and cash equivalents balance - beginning of year	3,521,494	1,433,954
E00200	Cash and cash equivalents balance - end of year	\$ 872,282	\$ 1,521,494

Chairman: Kuei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wei Huang

China Man-Made Fiber Independent Auditor's Report

To CHINA MAN-MADE FIBER CORPORATION:

Auditor's opinions

The consolidated balance sheets of China Man-Made Fibers Co., Ltd. and its subsidiaries as of December 31, 2012 and 2011, as well as the consolidated comprehensive income statements and consolidated equity from January 1 to December 31, 2011. The statement of changes, the consolidated cash flow statement and the notes to the consolidated financial statements (including a summary of significant accounting policies) have been reviewed by our accountants.

In the opinion of this accountant, based on the audit results of this accountant and the audit reports of other accountants (please refer to the other matters paragraph), the consolidated financial statements of the Shanghai Open Bank are prepared in all material aspects in accordance with the Financial Reporting Standards for Securities Issuers and Financial Reports of Publicly Offered Banks. The preparation standards, the preparation standards for securities firms' financial reports and the preparation of international financial reporting standards, international accounting standards, interpretations and interpretation announcements approved and issued by the Financial Supervisory Commission are sufficient to properly express China Man-made Fibers Co., Ltd. and its subsidiaries Republic of China 112 The consolidated financial position as of December 31, 2020 and 2011, as well as the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2012 and 2011.

The basis for opinions

This accountant performs the audit work in accordance with the rules and auditing standards for auditing financial statements entrusted by accountants. The accountant's responsibilities under these standards are further described in the section on the accountant's responsibilities for the audit of consolidated financial statements. The personnel of the accounting firm affiliated to the accounting firm who are subject to independence regulations have maintained detachment from China Man-Made Fibers Co., Ltd. and its subsidiaries in accordance with the professional ethics for accountants, and have performed other responsibilities under the regulations. Based on the audit results of the accountant and the audit reports of other accountants, the accountant believes that sufficient and appropriate audit evidence has been obtained as the basis for expressing the audit opinion.

Key audit matter

The key audit matters refer to the most important matters in the audit of the consolidated financial statements of China Man-Made Fibers Co., Ltd. and its subsidiaries for the year 2012 based on the professional judgment of this accountant. These matters have been addressed in the process of reviewing the consolidated financial statements as a whole and forming an audit opinion. The accountant does not express an independent opinion on these matters.

The key audit matters of the consolidated financial statements of China Man-Made Fibers Co., Ltd. and its subsidiaries for the year 2012 are described as follows:

Authenticity of specific sales revenue

Description of key inspection items

The sales revenue of China Man-Made Fibers Co., Ltd. and its subsidiaries is recognized after the customer obtains control of the goods and assumes the risk of the goods. Our accountants conducted an analysis of the sales revenue in 2012, taking into account factors such as sales amount and gross profit margin to identify specific sales customers, and listed the authenticity of their sales revenue as a key verification item.

For accounting policies related to the recognition of sales revenue, please refer to Note 4(17) of the consolidated financial statements.

Corresponding verification procedures

1. Understand the design and implementation of the internal control system related to the recognition of sales revenue of China Man-Made Fibers Co., Ltd. and its subsidiaries.
2. Obtain the sales revenue account details of specific customers from China Man-Made Fibers Co., Ltd. and its subsidiaries in 2012, select samples, and review the relevant shipping forms and documents to test the authenticity of the sales.

Assessment of the expected credit loss from discounting and advances.

Notes to key audit matters

As stated in Notes 14 and 33(6) of the consolidated financial statements, the net discounts and loans of China Manmade Fibers Co., Ltd. and its subsidiaries at the end of 2012 and the amount of expected credit losses provided in 2012 were respectively 541,844,103 thousand yuan and 1,361,659 thousand yuan, accounting for 60% of total assets and 24% of total comprehensive profits and losses respectively, which are significant to the overall consolidated financial statements. In addition, when China Man-Made Fibers Co., Ltd. and its subsidiaries comprehensively consider the expected credit losses, they involve significant estimates and judgments by the management, including the probability of default and loss given default, and must comply with the relevant laws and regulations of the competent authorities. Whichever is higher will be promoted. Therefore, our accountants determine the expected credit losses of discounts and loans as key audit matters.

Please refer to Notes 4(14), 5, 14 and 33(6) to the consolidated financial statements for accounting policies, accounting estimates and assumptions related to uncertainties in estimated expected credit losses on discounts and lending, as well as relevant disclosure information.

Corresponding verification procedures

1. Understand the internal controls related to the assessment of expected credit losses on discounts and lending of China Manmade Fibers Co., Ltd. and its subsidiaries, and test whether discounting and lending are classified in accordance with relevant laws and orders of the competent authority.
2. For China Man-Made Fibers Co., Ltd. and its subsidiaries' discounts and loans, we adopt an overall assessment of expected credit losses, and understand and re-check the important parameters (probability of default and loss given default rate) used in the impairment model to assess expected credit losses. The reasonableness of the proposed amount shall also be reviewed to see whether it complies with the requirements of relevant laws and orders from the competent authority.

Other information

The financial statements of the investee companies that are included in the consolidated financial statements of China Man-Made Fibers Co., Ltd. and its subsidiaries and are evaluated using the equity method have not been reviewed by this accountant, but have been reviewed by other accountants. Therefore, the accountant has not reviewed the consolidated financial statements. The opinions expressed regarding part of the investment using the equity method and the share of subsidiaries, affiliated enterprises and joint venture interests recognized using the equity method and other comprehensive profits and losses are based on the audit reports of other accountants. Investments using the equity method in 2012 and 2011 based on other accountants' audit reports were 940,250 thousand yuan and 1,076,723 thousand yuan respectively in 2012 and 2011; subsidiaries recognized using the equity method in 2012 and 2011 based on other accountants' audit reports, The shares of interests of related enterprises and joint ventures and other comprehensive profits and losses were (136,473) thousand yuan and (51,348) thousand yuan respectively. In addition, part of the information related to reinvested enterprises disclosed in Note 51 of the consolidated financial statements is also based on other accountants' audit reports.

China Man-Made Fibers Co., Ltd. has prepared individual financial statements for the 112 and 111 years of the Republic of China, and the accountants have issued audit reports with unqualified opinions and other matters on record for reference.

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

The responsibility of the management is to comply with the financial reporting standards for securities issuers, the financial reporting standards for public banks, the financial reporting standards for securities firms, and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations approved and issued by the Financial Supervisory Commission. The Interpretation Announcement prepares consolidated financial statements that fairly express themselves, and maintains necessary internal controls related to the preparation of consolidated

financial statements to ensure that there are no material misrepresentations in the consolidated financial statements resulting from fraud or error.

In preparing the consolidated financial statements, management's responsibilities also include assessing the ability of China Manmade Fibers Co., Ltd. and its subsidiaries to continue as a going concern, the disclosure of relevant matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate China Manmade Fibers. A joint stock company and its subsidiaries may cease operations, or there may be no practical alternative to liquidation or suspension of operations.

The governance units (including the audit committee) of China Man-Made Fibers Co., Ltd. and its subsidiaries are responsible for supervising the financial reporting process.

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

The purpose of the accountant's audit of the consolidated financial statements is to obtain reasonable confidence as to whether there are any material misrepresentations resulting from fraud or error in the consolidated financial statements as a whole, and to issue an audit report. Reasonable certainty means a high degree of confidence, but there is no guarantee that the audit performed in accordance with auditing standards will detect material misrepresentations in the consolidated financial statements. Misrepresentation may result from fraud or error. Misrepresentations of individual amounts or aggregate amounts are considered material if they can reasonably be expected to affect the economic decisions of users of the consolidated financial statements.

The accountant shall use professional judgment and professional skepticism when conducting audits in accordance with auditing standards. The accountant also performs the following tasks:

1. Identify and assess the risk of material misrepresentation of the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as the basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls, the risk of not detecting a material misrepresentation resulting from fraud is higher than that resulting from error.
2. Obtain the necessary understanding of the internal controls related to the audit in order to design appropriate audit procedures under the circumstances, but the purpose is not to express an opinion on the effectiveness of the internal controls of China Man-Made Fibers Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures made.
4. Based on the audit evidence obtained, whether there are any major uncertainties regarding the appropriateness of the management's adoption of the going concern accounting basis and the events or circumstances that may cast significant doubt on the ability of China Manmade Fibers Co., Ltd. and its subsidiaries to continue operating. If the accountant believes that there are significant uncertainties in such events or circumstances, the auditor must remind users of the consolidated financial statements to pay attention to the relevant disclosures in the consolidated financial statements in the audit report, or revise the audit opinion when such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause China Man-Made Fibers Co., Ltd. and its subsidiaries to no longer be able to continue operating.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately represent relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of China Man-Made Fibers Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and execution of audit cases, and is responsible for forming audit opinions of China Man-Made Fibers Co., Ltd. and its subsidiaries.

The matters that the accountant communicates with the governance unit include the planned scope and time of the audit, as well as significant audit findings (including significant deficiencies in internal control identified during the audit process).

The accountant also provides the governance unit with a statement that the personnel of the firm to which the accountant is affiliated who are subject to independence regulations have complied with the independence-related statements in the professional ethics for accountants, and communicates with the governance unit all relationships and other matters that may be considered to affect the accountant's independence. matters (including relevant protective measures).

Based on the matters communicated with the governance unit, the accountant decided on the key audit matters for the audit of the consolidated financial statements of China Man-Made Fibers Co., Ltd. and its subsidiaries in 2012. The accountant will describe these matters in the audit report, unless the public disclosure of specific matters is prohibited by law, or in extremely rare circumstances, the accountant decides not to communicate specific matters in the audit report because the negative consequences of such communication can be reasonably expected. The impact outweighs the public interest it enhances.

Deloitte and Touche
CPA: Su-Huan You

CPA: Owen-P Wang

Securities and Futures Commission Approval No. Tai-Cai-Zheng (6) No. 0920123784 To Financial Supervisory Commission Approval No. Ching-Kuan-Cheng-Shen-Tze No. 1100356048

March 4, 2024

China Men-Made Fiber Corporation and subsidiary
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 28,087,601	3	\$ 28,216,965	3
1110	Due from the Central Bank and call loans to banks	45,956,642	5	44,921,600	5
1120	Financial assets through profit and/or loss with measuring for the fair value-current	31,352,728	4	29,219,088	4
1180	Receivables and securities sold under repurchase agreements	10,696,795	1	11,843,340	1
1201	Notes receivable	8,284,475	1	5,822,212	1
1202	Accounts receivable	12,659,286	2	8,690,645	1
1205	Other receivables	2,605,237	-	1,657,393	-
1280	Current income tax assets	12,834	-	6,966	-
1270	Inventory	1,649,599	-	1,824,464	-
1280	Prepayments	1,124,999	-	1,512,572	-
1720	Other current assets	325,743	-	717,064	-
1730	Notes discounted and loans - net	561,844,101	66	514,112,820	62
17XX	Total current assets	685,297,033	78	644,185,133	77
Non-current assets					
1415	Financial assets at fair value through other comprehensive income - non-current	68,231,683	8	49,607,665	6
1435	Financial assets at amortized cost - non-current	11,014,806	12	104,757,866	13
1470	Investments accounted for using the equity method	946,981	-	1,084,378	-
1500	Property, plant and equipment - net	27,729,113	3	27,815,984	3
1595	Right-of-use assets	1,279,226	-	1,038,971	-
1600	Investment property - net	4,233,573	1	3,483,978	1
1700	Intangible assets - net	280,232	-	266,812	-
1800	Deferred income tax assets - net	1,466,583	-	1,344,012	-
1900	Other assets	2,823,730	-	2,717,369	-
14XX	Total non-current assets	218,897,808	24	181,716,628	22
1XXX	Total assets	\$ 904,194,841	100	\$ 825,901,761	100
Liabilities and equity					
Current liabilities					
2110	Short-term borrowings	\$ 23,688,929	3	\$ 19,657,710	2
2120	Short-term bills payable	5,946,977	1	4,871,405	1
2130	Bills and bonds sold under repurchase agreements	5,756,555	1	-	-
2140	Financial liabilities through profit and/or loss with measuring for the fair value-current	2,971,490	-	1,030,985	-
2190	Due to Central Bank and other banks	11,615,468	1	8,703,740	1
2201	Payable notes	10,447	-	8,571	-
2202	Trade payables	835,577	-	1,251,895	-
2204	Other accounts payable	11,411,436	1	8,734,804	1
2310	Current income tax liabilities	844,512	-	579,622	-
2320	Long-term liabilities due in one year or non-business cycle	752,400	-	1,445,599	-
2335	Lease liabilities - current	285,079	-	398,587	-
2350	Other current liabilities	723,023	-	694,364	-
2360	Deposits and remittances	728,581,664	81	682,831,823	82
23XX	Total current liabilities	795,474,493	88	711,647,063	87
Non-current liabilities					
2540	Bonds payable	14,990,000	2	14,990,000	2
2550	Long-term borrowings	6,200,175	1	4,772,264	1
2600	Liability reserve	1,535,013	-	1,461,472	-
2625	Lease liabilities - non-current	898,237	-	780,813	-
2630	Deferred tax liabilities	1,020,032	-	1,020,032	-
2660	Other liabilities	4,638,878	-	4,697,821	-
26XX	Total non-current liability	29,282,335	3	29,695,382	4
2XXX	Total liabilities	824,756,828	91	741,342,445	91
Equity of the parent company					
3110	Common stock capital	16,859,057	2	16,862,007	2
3210	Capital surplus	1,712,778	-	1,715,804	-
	Retained earnings	-	-	-	-
3310	Legal reserve	949,064	-	949,064	-
3320	Special reserve	1,937,366	-	1,934,645	-
3330	Undistributed earnings	(411,573)	-	910,638	-
	Other equity	-	-	-	-
3410	Exchange differences from the translation of financial statements of foreign operations	(108,185)	-	(96,539)	-
3425	Unrealized gain on financial assets at fair value through other comprehensive profit or loss	1,153,089	-	816,805	-
3500	Treasury stock	(1,135,056)	-	(1,138,892)	-
35XX	Total equity of the parent company	20,936,523	2	21,935,773	3
12XX	Non-controlling interest	38,528,547	7	53,097,021	6
3XXX	Total equity	79,465,073	9	74,862,794	9
4XXX	Total liabilities and equity	\$ 904,194,841	100	\$ 825,901,761	100

Chairman: Kuo-Hsun Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Ch. Wei Huang

China Man-Made Fiber Corporation and subsidiary
Consolidated Income Statement
For the years ended December 31, 2023 and 2022

Unit: NTD thousand, except for loss per share (NTD)

Code		2023		2022	
		Amount	%	Amount	%
	Revenue (Note 4)				
4010	Interest revenue	\$ 21,274,483	55	\$ 15,593,383	46
4050	Income from handling fees	4,373,020	11	3,596,797	10
4090	Gains on financial assets and liabilities at fair value through profit or loss	1,091,891	3	882,737	3
4105	Realized gain on financial assets at fair value through other comprehensive profit or loss	105,146	-	-	-
4160	Net sales revenue	10,517,622	27	13,402,140	39
4255	ECL reversal gains	15,888	-	18,956	-
4260	Exchange gain	789,249	2	-	-
4270	Other income	603,011	2	635,167	2
4XX	Total revenue	<u>38,770,310</u>	<u>100</u>	<u>34,129,180</u>	<u>100</u>
	Expenses				
5010	Interest expenses	10,264,771	27	5,021,216	15
5040	Service charges	436,407	1	279,988	1
5080	Loss of affiliated companies and joint ventures under the equity method	138,154	-	37,914	-
5090	Bad debt expense, commitment and guaranty reserve	1,667,977	4	1,252,430	4
5125	Realized losses of financial assets at fair value through other comprehensive income	\$ -	-	\$ 5,126	-
5190	Cost of goods sold	11,512,195	30	14,491,218	42
5230	Operating expenses	8,924,447	23	8,731,934	26
5280	Impairment loss	727,079	2	28,272	-
5285	Impairment loss of financial assets	535	-	11,032	-
5290	Exchange loss	-	-	128,305	-
5320	Other expenses	49,524	-	15,040	-
5XX	Total expenses	<u>33,721,087</u>	<u>87</u>	<u>30,022,715</u>	<u>88</u>
X					
6100	Net profit before taxation	3,049,223	13	4,106,465	12
6200	Income tax expenses	1,433,367	3	1,309,639	4
6500	Net income	<u>3,615,856</u>	<u>10</u>	<u>2,796,826</u>	<u>8</u>
	Other comprehensive profit or loss				
	The items that are not re-classified as profit or loss				
6611	Remeasurement of defined benefit plans	(92,235)	-	86,243	-
6617	Evaluation of the capital gain from equity instrument at fair value through comprehensive income statement as other comprehensive income	1,126,788	3	99,192	1
6625	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss	730	-	2,507	-
6649	Income tax related to titles without reclassification	\$ 2,734	-	(\$ 17,016)	-
6610	Items that may be re-classified subsequently under profit or loss	1,038,057	3	170,926	1
6651	Exchange differences from the translation of financial statements of foreign operations	7,020	-	106,524	-
6659	(Losses) gains on debt instruments at fair value through other comprehensive income	997,051	3	(1,389,473)	(4)
6650		1,004,071	3	(1,282,949)	(4)
6600	Other comprehensive income of the current year (net amount after taxation)	2,042,128	5	(1,112,022)	(3)
6700	Total amount of comprehensive income of the current year	\$ 3,657,984	15	\$ 1,684,803	5
	Profit attributable to:				
6810	Owners of parent	(\$ 1,587,151)	(4)	(\$ 1,352,253)	(4)
6820	Non-controlling interest	5,203,007	13	4,149,079	12
6800		\$ 3,615,856	9	\$ 2,796,826	8
	The total comprehensive income belongs to				
6910	Owners of parent	(\$ 944,023)	(2)	(\$ 1,431,407)	(4)
6920	Non-controlling interest	6,652,907	17	3,116,210	9
6900		\$ 5,657,984	15	\$ 1,684,803	5
	Loss per share:				
7000	Basic loss per share	(\$ 1.18)		(\$ 1.01)	

Chairman: Kuei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wei Huang

China Iron & Steel (Group) Corporation and subsidiary
Consolidated Statements of Changes in Shareholders' Equity
For the years ended December 31, 2022 and 2021

(Unit: USD thousand)

Code	Balance at January 1, 2022	Profit of the enterprise					Total	Shareholding by Accounting Supervisor (in %)	Total equity
		Capital reserve	Residual income	Individual special reserves	Exchange difference for the disposal of the value of foreign currencies and/or loss	Unrealized gains or losses on financial assets at fair value			
	\$ 1,816,087	\$ 484,248	\$ 1,514,650	\$ 2,726,427	\$ 2,619	\$ 3,138,481	\$ 18,647,044	\$ 11,796,828	
81	The 2022 appropriation and loss items of the equity reserve appropriation	2,618	-	-	-	-	-	-	
87	Change of the minority and joint ventures acquired under the equity method	-	-	-	-	1,612	-	1,612	
88	Net (loss) income in 2022	-	-	(1,972,119)	-	-	(1,972,119)	(1,972,119)	
89	Other comprehensive income in 2022	-	-	33,682	13,582	-	47,264	47,264	
89	Total comprehensive income in 2022	-	-	(1,938,437)	13,582	-	(1,924,855)	(1,924,855)	
M7	Change in ownership interests in subsidiaries	59,117	-	-	13,056	-	72,173	72,173	
86	Transfer of shares in noncontrolling interests	-	-	-	-	-	-	-	
86	Equity accounted for the value through other comprehensive income decrease	-	-	-	-	-	-	-	
87	Balance as of December 31, 2021	1,717,484	943,064	1,854,640	939,638	(1,78,482)	21,915,771	13,862,794	
88	The 2022 appropriation and loss items of the equity reserve appropriation	-	-	2,720	-	-	-	2,720	
88	Net (loss) income in 2022	-	-	-	-	-	-	-	
89	Other comprehensive income in 2022	-	-	(1,872,119)	-	-	(1,872,119)	(1,872,119)	
89	Total comprehensive income in 2022	-	-	(1,869,437)	(11,627)	-	(1,881,064)	(1,881,064)	
M7	Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	
L3	Cancellation of treasury shares	4,322	-	-	-	-	4,322	4,322	
86	Transfer of shares in noncontrolling interests	1,294	-	-	-	-	1,294	1,294	
86	Equity accounted for the value through other comprehensive income decrease	-	-	-	-	-	-	-	
87	Balance as of December 31, 2021	1,721,726	943,064	1,857,360	939,638	(1,78,482)	21,915,771	13,862,794	
87	Share transferred at the value through other comprehensive income decrease	-	-	(41,127)	-	-	(41,127)	(41,127)	
87	Balance as of December 31, 2022	1,721,726	943,064	1,816,233	939,638	(1,78,482)	21,915,771	13,862,794	

China Iron & Steel (Group) Corporation

Accounting Supervisor (in %)

China Man-Made Fiber Corporation and subsidiary
Consolidated Statement of Cash Flows
For the years ended December 31, 2023 and 2022

Code		2023	Unit: NTD thousand 2022
	Cash flow from operating activities		
A00010	Income before tax from continuing operations	\$ 5,049,223	\$ 4,106,465
	Profits and loss		
A20100	Depreciation expenses	1,136,085	1,091,990
A20200	Amortization expenses	84,521	72,486
A20300	Expected credit impairment loss	1,652,089	1,233,494
A20400	Gain (loss) on financial assets and liabilities at fair value through profit and loss	(1,091,891)	(882,737)
A20900	Interest expenses	10,264,771	5,021,216
A21200	Interest revenue	(21,274,483)	(15,593,383)
A21300	Dividend income	(354,916)	(335,068)
A21830	Financial assets impairment loss	535	11,032
A22300	Loss of affiliated companies and joint ventures under the equity method	138,154	57,914
A22500	Loss (gain) on disposal and scrapping of property, plant and equipment	6,254	(761)
A22700	Capital gain from disposition of investment property	-	(70,820)
A23100	(Gains) losses on disposal of debt instruments measured at fair value through other comprehensive income	(105,146)	5,126
A23200	Losses on disposal of subsidiaries	3,117	788
A23700	Loss in impairment of non-financial assets	727,079	28,272
A24100	Unrealized foreign currency exchange losses (gains)	235,782	(1,521,835)
A29900	Other items	(24,895)	(3,153)
	Net change in operating assets and liabilities		
A91110	Due from Central Bank and lend to Banks	(1,012,772)	(2,378,335)
A91120	Financial assets at fair value through profit and loss	571,306	7,923,247
A91190	Accounts receivable	(6,734,042)	1,176,595
A91250	Inventory	374,865	(92,017)
A91260	Prepayments	387,569	(509,512)
A91280	Other current assets	28,005	(26,897)
A91290	Discounts and loans	(29,105,592)	(35,356,530)
A91320	Other financial assets	79,770	150,956
A92110	Bills and bonds sold under repurchase agreements	5,756,555	(1,205,559)
A92120	Financial liabilities at fair value through profit and loss	(272,542)	(1,101,999)
A92150	Due to Central Bank and other banks	2,911,728	4,750,040
A92160	Payables	811,838	(1,560,688)
A92280	Other liabilities	59,922	(596,741)
A92290	Customer deposits and remittances	45,749,981	24,007,794
A92330	Other financial liabilities	(149,538)	3,404,995
A92310	Employee benefit liabilities reserve	(73,658)	(123,452)
A33000	Cash inflow (outflow) from operating activities	15,829,674	(8,317,077)
A33100	Interest received	20,495,649	15,091,792
A33200	Dividends received	354,916	335,068
A33300	Interest paid	(9,848,623)	(4,684,807)
A33500	Income tax paid	(1,311,612)	(1,003,686)
AAAA	Net cash inflow from operating activities	<u>25,520,004</u>	<u>1,421,290</u>
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive profit or loss	(36,285,263)	(2,852,064)
B00020	Disposal of financial assets at fair value through other comprehensive profit or loss	19,846,818	4,659,467
B00040	Financial assets acquired on the basis of cost after amortization	(640,667,263)	(783,723,829)
B00060	Held-to-maturity financial assets based on cost after amortization	633,435,455	789,824,504
B02200	Net cash inflow from acquisition of subsidiaries	3,782	-
B02300	Net cash inflow (outflow) from disposal of subsidiaries	76,489	(6,148)

(To be Continued)

(Continued)

B02700	Acquisition of property, plant and equipment	(2,433,825)	(3,033,814)
B02800	Disposal of property, plant and equipment	11,200	4,545
B03700	Increase in refundable deposits	(113,975)	(255,618)
B04500	Acquisition of intangible assets	(95,723)	(86,158)
B05400	Acquisition of investment property	(764,980)	(987,383)
B05500	Disposition of investment property	-	140,161
B06800	Decrease (increase) in other assets	(64,543)	720,330
B09900	Decrease (increase) in restricted assets	<u>363,316</u>	<u>(142,922)</u>
BBBB	Net cash (outflow) inflow from investing activities	<u>(26,688,512)</u>	<u>4,261,071</u>
	Net cash flow from financing activities		
C00100	Increase of short-term loans	4,629,219	-
C00200	Decrease in short-term loans	-	(55,408)
C00500	Increase in short-term notes payable	1,075,570	580,563
C01600	Proceeds from long-term loan	3,646,000	6,048,540
C01700	Re-payments of long-term borrowings	(4,991,428)	(5,353,265)
C03000	Increase in guarantee deposits received	60,110	-
C03100	Decrease in guarantee deposits	-	(22,227)
C04020	Payment of principal element of lease liabilities	(196,886)	(168,929)
C05800	Change in non-controlling interest	<u>(1,134,702)</u>	<u>1,498,236</u>
CCCC	Net cash inflow from financing activities	<u>3,087,882</u>	<u>2,528,010</u>
DDDD	Impact of changes in exchange rate on cash and cash equivalents	<u>(79,011)</u>	<u>70,577</u>
EEEE	Increase in cash and cash equivalents during the period	1,840,361	8,280,948
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>58,353,259</u>	<u>50,072,311</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 60,193,620</u>	<u>\$ 58,353,259</u>
Reconciliation of cash and cash equivalents at the end of the period			
<u>Code</u>		<u>December 31, 2023</u>	<u>December 31, 2022</u>
E00210	Cash and cash equivalents on the balance sheet	\$ 28,987,601	\$ 28,216,965
E00220	The "Due from the Central Bank and call loans" in compliance with the definition of cash and cash equivalents under IAS 7	20,509,224	18,492,954
E00230	The "bonds and securities sold under repurchase agreements" that meet the definitions of cash and cash equivalents under IAS 7	<u>10,696,795</u>	<u>11,643,340</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 60,193,620</u>	<u>\$ 58,353,259</u>

Chairman: Kuei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wei Huang

CHINA MAN-MADE FIBER CORPORATION

Table of Deficit Compensation

2023

Unit: NTD

Item	Amount
Opening undistributed earnings	907,916,390
Adoption of TIFRS adjustments	<u>0</u>
Adjusted unappropriated earnings - beginning	907,916,390
Retained earnings adjusted due to investments accounted for using equity method	162,850,138
The defined benefit plan re-measured amount is recognized in the "retained earnings" account	(11,698,480)
Disposal of equity instruments at fair value through other comprehensive profit and loss, the accumulated profit and loss are directly transferred to retained earnings.	<u>116,509,844</u>
Unappropriated adjusted earnings	1,175,577,892
Net income or loss for current period	(1,587,151,087)
Legal reserve appropriated (10%)	0
Special reserve appropriated according to the law	<u>0</u>
Losses to be compensated	(411,573,195)
Items used for compensation	
Legal reserve	<u>411,573,195</u>
Losses to be compensated at the end of the period	<u><u>0</u></u>

Remark: The net loss for the period was NT\$1,587,151,087, and the accumulated losses at the end of the period were NT\$411,573,195. It is intended to make up for with legal reserve. The Company intends to make up by using the legal reserve.

Chairman: Kuei-Hsien Wang

Manager: Chieh-Yi Wang

Accounting Supervisor: Chi-Wei Huang

Directors' Shareholdings

I. All directors minimum shareholding and the shareholdings listed in the registry of shareholders:

Title	Shareholdings	Shareholdings registered in the registry of shareholders	Remark
Director	40,469,034	96,323,167	

Note: The book closure date is April 14, 2024

II. All Directors shareholding list:

Title	Name	Quantity of Shares	Shareholding ratio
Chairman	Pan Asia Investment Co., Ltd. Representative: Kuei-Shiang Wang	52,393,736	3.11%
Vice Chairman	Chung Chien Investment Co., Ltd. Representative: Ming-Shang Chuang	43,929,431	2.61%
Managing Director (Independent director)	Te-Wei Li	0	0
Independent director	Li-Yeh Hsu	0	0
Independent director	Chih-Ming Shih	0	0
Director	Pan Asia Investment Co., Ltd. Representative: Ya-Chi Lin	52,393,736	3.11%
Director	Pan Asia Investment Co., Ltd. Representative: Ming-Hsiung Huang	52,393,736	3.11%
Director	Chung Chien Investment Co., Ltd. Representative: Chieh-Yi Wang	43,929,431	2.61%
Director	Chung Chien Investment Co., Ltd. Representative: Hung-Yang Wu	43,929,431	2.61%

“Articles of Incorporation” of China Man-Made Fiber Co., Ltd.

Chapter 1 General Provisions

- I. The Company is organized as China Man-Made Fiber Corporation in accordance with the provisions of the Company Act.
- II. The Company’s scope of business is shown on the left:
 1. Manufacturing, processing and buying and selling of man-made fiber, cellophane, polyamine fiber, polyester fiber, chemicals and the raw materials.
 2. Development, manufacturing and buying and selling of machinery used for the above products.
 3. Manufacturing and buying and selling of ethylene glycol, ethylene oxide, nonylphenol, ethylene, liquefied petroleum gas and the related petrochemical industry products.
 4. Commission construction firms to build residential and commercial buildings to be rented or for sale.
 5. Distribution, sorting and storage of various products.
 6. Operate supermarkets which sell fresh food, vegetables, fish, meat, cooking garnishes and spices and seasonings.
 7. Manufacturing and sales of steam and industrial and commercial electricity by cogeneration (electricity shall not be sold to energy users).
 8. Agency, distribution and contract bidding for installation of cogeneration and pollution control equipment.
 9. Manufacturing and sales of oxygen, liquid oxygen, nitrogen, liquid nitrogen, air argon, liquid argon, carbon dioxide and compressed air.
 10. F212011 Gas station.
 11. D201021 Gas station.
 12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
- III. The head office and the factory of the Company are located in Dashe District of Kaohsiung City, and the Company may establish branches or other factories in other parts of the country upon the board’s approval depending on the actual needs.
- IV. (Deleted)

Chapter 2 Shares

- V. The Company has total capital amounting to NTD 21 billion, divided into 2.1 billion shares at NT\$10 par value, The Board of Directors is authorized with full powers to issue the unissued shares in due time.
- VI. Exactly in accordance with the Company Act, the Company, upon issuing new shares, may issue new shares in a disembodied (book entry) manner.
- VII. The company's share administration practices shall comply with "Printing Specifications for the Certificates of Publicly Traded Shares".
- VIII. (Deleted)
- IX. (Deleted)
- X. (Deleted)
- XI. (Deleted)
- XII. (Deleted)
- XIII. The Company shall not handle any requests for transfers of shares within 60 days prior to the shareholders general meeting and 30 days prior to the extraordinary general meeting or within 5 days before the record date for the distribution of dividends, bonuses or other interests.

Chapter 3 Shareholders' Meeting

- XIV. The Company holds general meetings and extraordinary general meetings.
 - A. General meetings are convened by the board within six months after the end of each fiscal year.

B. Extraordinary general meetings are convened in the event that the Company has important matters to present upon resolution by the board or when the audit committee deems it necessary, or if shareholders who have more than 3% of the total issued shares for more than one year request the board in writing to convene the meetings.

The Company may hold shareholders' meetings by video conference or in other manners as announced by the central competent authority.

- XV. Shareholders shall be notified of the convening of the shareholders general meetings at least 30 days before the meetings and shall be notified of the convening of the extraordinary general meetings at least 15 day before the meetings, and the notifications shall be publicly announced.
- XVI. Except otherwise regulated by the Company Act, a shareholders' meeting resolution is passed when more than half of all outstanding shares are represented in the meeting and is approved by more than half of all voting rights represented during the meeting.
- XVII. When the number of the attending shareholders does not constitute the quorum prescribed in the preceding article but represents one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those in attendance. A notice of such tentative resolution shall be given to each of the shareholders, and a shareholders meeting reconvened within one month. In the abovementioned meeting of shareholders, if the tentative resolution is again adopted by a majority of those in attendance who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.
- XVIII. Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Article 179 Paragraph 2 of the Company Law.
- XIX. A shareholder may appoint a proxy to attend a shareholders meeting on his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. In addition to the provisions of the Company Act, the appointment shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the authority.
- XX. The Chairperson of the board shall chair the shareholders meeting. If the Chairman is absent, the vice Chairman will be appointed to chair the meeting on behalf of the Chairman. If the Chairman and the vice Chairman are absent at the same time, a managing director shall be appointed to chair the meeting, and the meeting shall be handled in accordance with the Company's Rules of Procedure for Shareholders Meetings.
- XXI. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and, together with the attendance record and power of attorney of proxy, kept by the board at the Company office and distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be distributed in the form of public announcement.

Chapter 4 Directors and the Board of Directors

- XXII. The Company's board has seven to nine directors who determine the number of directors of the board. The directors are elected by the shareholders meeting, from those who have disposing capacity. Candidates who receive the same number of votes will be determined by lot. Among the total number of director seats mentioned in the preceding paragraph, the number of independent directors shall not be less than the minimum of three. Starting from Fiscal Year 2022, the Company shall elect directors (including independent directors) by means of candidates' nomination system. The shareholders shall duly elect among the candidates enumerated in the candidate list exactly in accordance with Article 192-1 of the Company Act. The remuneration of the independent directors is determined by the authorized board, depending on the extent of their participation in the Company's operations and contribution, and the pay standard in the same industry.
- XXIII. Directors serve a term of three years and may continue to serve if re-elected. If the number of

directors has a shortfall and a by-election is not held to fill the vacancies, those who also receive the majority of votes in the prior election may serve on the board if necessary.

XXIV. The Board of Directors exercises the following authorities:

1. Preparation of business plan
2. Review and approval of important articles and contracts.
3. Appointment and dismissal of high-ranking personnel.
4. Establishment and abolition of branches.
5. Preparation of budget and final accounts.
6. The proposed earnings distribution
7. The proposed capital increase or decrease
8. Decision to issue new shares.
9. Preparation of investments in other businesses.
10. Resolutions reached on the other important matters

XXIV-I. The Company's board may establish a compensation committee or other functional committees for the needs of business operations.

XXV. The Company may have three managing directors, elected from a board meeting which has more than two-thirds of the directors in attendance and upon the approval of more than half of those in attendance. By adopting the same practice, one of the managing directors is elected as the chairman and another is elected as the vice chairman.

Among the managing directors elected by the board, there shall not be less than one independent director.

XXVI. The Chairman, vice chairman and managing director preside over the general affairs of the Company, and the Chairman is the representative of the Company.

XXVII. The board meeting is convened by the Chairman who also chairs the meeting. When the Chairman is absent, the vice chairman will be appointed to chair the meeting. When both the Chairman and vice chairman are absent, they will be represented by the managing director. The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the scheduled meeting. Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.

XXVIII. The resolutions of the board meeting, unless otherwise required by the Company Act, shall be subject to the approval by more than half of the directors in attendance of the meeting of which more than half of the directors attend.

Directors may appoint other directors to vote for resolutions if they cannot attend the meeting in person.

XXIX. During the adjournment of a meeting, the Chairman may convene a managing directors meeting at any time to carry out the Company's business operations.

XXX. The board of directors of the Company has one secretary to handle matters related to the board.

Chapter 5 Audit Committee

XXXI. The Company shall form an audit committee consisting of all independent directors in accordance with Article 14-4 of the Securities and Exchange Act. The term of the members shall be the same as the independent directors and the number of members shall not be less than three people, and at least one of the members shall have accounting or financial expertise.

Members of the Audit Committee, the exercise of powers, and other compliance matters should be handled in accordance with the relevant laws and regulations or the Company Corporate Charter (Articles of Incorporation). The organizational rules are to be prescribed by the Board separately.

XXXII. (Deleted)

XXXIII. (Deleted)

XXXIV. (Deleted)

Chapter 6 Employees

XXXV. The Company has one general manager and a few assistant general managers, department directors, managers and plant supervisor. Their appointment shall be subject to the approval by more than half of the directors in attendance of the meetings of which more than half of the directors attend.

XXXVI. The general manager shall handle all the Company's matters in accordance with the orders of the board and the Chairman, and the general manager may be assisted by a number of assistant general managers and other department managers depending on the needs of the Company's business. The managers' authority, unless otherwise specified by regulations, allows them to manage the Company's affairs and provide signature within the scope of authorization.

XXXVII. (Deleted)

XXXVIII. The appointment of other professional staff of the Company will be subject to the approval by the general manager.

Chapter 7 Accounting

XXXIX The fiscal year of the Company is from January 1 to December 31. After the year-end settlement, the board provides reports to the audit committee for review and then submits them to the shareholders meeting for recognition.

XL. If the Company is profitable in the fiscal year, it shall allocate 1% to 5% of the profit as the remuneration of employees in the form of stocks or cash as resolved by the board. Employees of subsidiaries are also entitled to receive remuneration, provided that they meet the criteria specified by the board of directors. Up to 0.3% (inclusive) of the aforementioned profit may be distributed as director remuneration at the discretion of the board of directors. The proposal for distributing the remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting. However, if the Company still has accumulated losses, the amount shall be retained for compensation, and then appropriated as remuneration to employees, directors and supervisors based on the percentages mentioned above.

XL-I. If there is profit, the Company pays taxes and makes up for the accumulated losses in accordance with the law before allocating 10% as an earnings reserve. However, the legal reserve shall not be allocated once it reaches the amount of the Company's paid-in capital. The rest will be recognized or reversed as special earnings reserve. The reversed special earnings reserve is consolidated into undistributed surplus before being distributed. If there is a balance, it is consolidated into the accumulated undistributed earnings in the previous year. The board may propose a profit distribution proposal, depending on the actual situation, and request the shareholders meeting to determine the distribution of dividends to shareholders. The Company's dividend policy is in line with the current and future development plans and considers the investment environment, long-term financial planning and shareholders' equity. The annual dividends distribution is mainly in the form of cash and it may be distributed in the form of stocks. However, the proportion of stock dividends is not higher than 95% of the total dividends.

Chapter 8 Supplementary Provisions

XXI. The investments by Taiwan's expatriates overseas and foreigners in the Company are subject to the relevant laws and regulations.

XLII. The internal organization and the specific work procedures are determined by the board.

XLIII. The Company pay provide mutual guarantee to business partners. The total amount committed to investees is not limited to 40% of the paid-in capital.

XLIV. Any outstanding matters of these Articles of Incorporation shall be administrated according to the Company Act.

XLV. These Articles of Incorporation were established at the originator meeting in accordance with the law on March 10, 1955; The 1st amendment was made on August 29, 1957; The 2nd amendment was made on July 2, 1958; The 3rd amendment was made on November 27, 1961;

The 4th amendment was made on April 13, 1962; The 5th amendment was made on April 23, 1963; The 6th amendment was made on November 29, 1963; The 7th amendment was made on December 4, 1964; The 8th amendment was made on February 17, 1965; The 9th amendment was made on December 30, 1965; The 10th amendment was made on May 23, 1967; The 11th amendment was made on October 23, 1967; The 12th amendment was made on December 26, 1967; The 13th amendment was made on May 20, 1969; The 14th amendment was made on June 2, 1971; The 15th amendment was made on March 23, 1973; The 16th amendment was made on March 19, 1974; The 17th amendment was made on May 9, 1975; The 18th amendment was made on September 24, 1976; The 19th amendment was made on April 15, 1977; The 20th amendment was made on April 17, 1978; The 21st amendment was made on April 20, 1979; The 22nd amendment was made on April 23, 1980; The 23rd amendment was made on April 21, 1981; The 24th amendment was made on January 15, 1983; The 25th amendment was made on June 18, 1983; The 26th amendment was made on June 21, 1986; The 27th amendment was made on June 24, 1988; The 28th amendment was made on June 24, 1989; The 29th amendment was made on June 15, 1991; The 30th amendment was made on June 13, 1992; The 31st amendment was made on June 18, 1994; The 32nd amendment was made on June 24, 1995; The 33rd amendment was made on June 15, 1996; The 34th amendment was made on June 20, 1998; The 35th amendment was made on June 23, 2000; The 36th amendment was made on June 21, 2002; The 37th amendment was made on June 25, 2004; The 38th amendment was made on June 28, 2005; The 39th amendment was made on June 19, 2009; The 40th amendment was made on June 13, 2012; The 41st amendment was made on June 19, 2013; The 42nd amendment was made on June 9, 2015; The 43rd amendment was made on June 8, 2016; The 44th amendment was made on June 8, 2017; The 45th amendment was made on July 29, 2021; The 46th amendment was made on June 9, 2023.

China Man-Made Fiber Rules of Procedure for Shareholders Meetings

The amendment was resolved at the shareholder's meeting on June 9, 2023

- Article 1 The rules for compliance are stipulated in accordance with Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" for establishing the Company's excellent meeting of shareholders governance system, substantiating supervisory function, and enhancing management functions.
- Article 2 The Rules of Procedure for Shareholder Meetings is processed in accordance with the Rules, unless otherwise provided by law or Company Corporate Charter (Articles of Incorporation).
- Article 3 Unless otherwise provided by law, shareholders' meetings of the Company shall be convened by the board of directors.

Changes to the method of convening a shareholders' meeting of the Company shall be subject to a resolution of the board of directors, and it shall be no later than the dispatch of the notice of the shareholders' meeting.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the originals of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS). The manual for the shareholders meeting and other supplementary information shall be made into electronic version and uploaded to the Market Observation Post System before the specified deadline. The manual for the shareholders meeting and other supplementary information shall be prepared before the specified deadline, and they shall be made available to the shareholders at any time, and displayed at the Company.

The handbook and supplementary materials referred to in the preceding paragraph shall be made available to the shareholders for reference by the Company on the day of the shareholders' meeting in the following manners:

1. When a physical shareholders' meeting is convened, they shall be distributed at the site of the shareholders' meeting.
2. When a video-assisted shareholders' meeting is convened, they shall be distributed at the site of the shareholders' meeting, and the electronic files shall be transmitted to the video conference platform.
3. When a shareholder meeting is convened via video conference, the electronic files shall be transmitted to the video conference platform.

The reasons for convening the meeting should be stated in the notice and announcement.

The notice with the consent of the counterparty can be issued electronically.

Such act(s) as to elect or discharge a director, amend the Articles of Incorporation, reduce capital, apply for discontinuity from public offering, from permit for director prohibition of business strife, turn earnings into capital increase, turn the reserve into capital increase, dissolve the Company, merger or demerger or any affairs set forth under all subparagraphs of Paragraph 1, Article 185 of the Company Act, affairs set forth under Article 26-1, Article 43-6 of Securities and Exchange Act, Article 56-1 and Article 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall have the major contents duly enumerated and explained in the convening agenda and shall not be proposed by means of an extemporaneous (unscheduled) motion.

The reason for the convening of the shareholders' meeting is indicated as a full re-election of directors, and the date of assuming office is specified. After the re-election in the shareholders' meeting is completed, the date of assuming office shall not be changed via an extraordinary motion or other means at the same meeting.

Shareholders holding more than 1% of the total number of issued shares may propose to the

Company up to one proposal, and any proposal other than the first proposal will not be included in the agenda. In addition, the Board may have the proposals of shareholders that fall under the circumstances stated in Article 172.1 Paragraph 4 of the Company Act excluded from meeting discussions. A shareholder (s) is(are) entitled to submit a proposal to urge the Company to promote public interests or to fulfill corporate social responsibility (CSR). In procedures, such a proposal should be limited to one item in accordance with Article 172-1 of the Company Act. The item(s) in excess of one item in the proposal shall not be covered into the proposal.

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

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

The Company shall have the proposing shareholder notified about the proposal results before the date of the meeting notice and must have the proposals in compliance with this provision included in the meeting notice. The Board shall state the reasons for not including the proposal of shareholders in the meeting agenda.

Article 4 Shareholders may use the power of attorney prepared by the Company to appoint a proxy to attend each session of the Shareholders Assembly by specifying the scope of authorization.

It is limited to one proxy per shareholder and one proxy only that should be served to the Company five days prior to the meeting of shareholders. When the proxy is issued in duplicate, whichever is served first shall prevail. The proxy referred to above that was announced to be revoked is not subject to this restriction.

After serving the proxy to the Company, the shareholders who wish to attend the meeting of the shareholders in person or to vote in writing or by electronic means shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

After serving the proxy to the Company, the shareholders who wish to attend the meeting via a video call shall notify the Company in writing to revoke the proxy two days prior to the meeting of the shareholders. If the proxy is not revoked before the deadline, the vote by proxy shall prevail.

Article 5 The place of the shareholders' meeting should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00. Independent Directors' opinions shall be fully considered regarding the venue an time.

The restriction on the venue in the paragraph shall not apply if the Company convenes a shareholders' meeting via video conference.

Article 6 The Company shall specify in the meeting notice the time for shareholders, solicitors, and proxies (the "shareholders") to sign in, the sign-in location and other matters. The sign-in time shall be at least 30 minutes before the commencement of the meeting. The sign-in location shall be clearly marked, and sufficient qualified personnel shall be assigned to handle the registration. For a shareholders' meeting via video conference, the video conference platform of the shareholders' meeting shall accept the sign-in of shareholders 30 minutes before the meeting. Shareholders who signed in shall be deemed to have attended the meeting in person.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should

have identity documents with them for examination.

The company will provide an attendance log to record shareholders' attendance; alternatively, shareholders may present their attendance cards to signify their presence.

The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.

Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.

When the government or juridical person is a shareholder, the shareholder attending the meeting by proxy is not limited to one representative. The juridical person that has attended the meeting of shareholder by proxy can authorize only one representative to attend the meeting.

If a shareholders' meeting is convened by way of video conference, shareholders who wish to attend by way of a video call shall register with the Company two days before the shareholders' meeting.

If a shareholders' meeting is convened by way of video conference, the Company shall upload the handbook, annual report and other relevant materials to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting, and shall continue to disclose such materials until the end of the meeting.

Article 6-1 When the Company convenes a shareholders' meeting via video conference, the following shall be specified in the shareholders' meeting notice:

1. Methods for shareholders to participate in video conferences and exercise their rights.
2. Handling methods of obstacles related to the video conference platform or participation via a video call due to natural disasters, accidents, or other force majeure shall at least include the following matters:
 - (1) The time when the preceding obstacles continue and cannot be eliminated and it is necessary to postpone or continue the meeting, and the date if it is necessary to postpone or continue the meeting.
 - (2) Shareholders who did not register for participation in the initial shareholders' meeting via a video call cannot participate in the postponed or continued meeting.
 - (3) When convening a video-assisted shareholders' meeting, if the video conference cannot be continued, the shareholders' meeting shall continue if the total number of attending shares meets the quota after deducting the number of shares participated in the shareholders' meeting via a video call. The number of attending shares of shareholders who participated via a video call shall be included in the total number of shares of attending shareholders; however, such shareholders shall be deemed abstained from all proposals of the shareholders' meeting.
 - (4) The manner in which the results of all proposals have been announced with no question or motion.
3. When convening a shareholders' meeting by way of video conference, the appropriate alternatives for shareholders who have difficulty in participating in the shareholders' meeting via a video call shall be specified.

Article 7 The Chairman of the Board of Directors shall chair the shareholders' meeting when the Board of Directors convenes it. If the Chairman is on leave or unable to exercise powers, the meeting is to be chaired by the Vice Chairman. If there is no Vice Chairman appointed, the Vice Chairman is also on leave, or unable to exercise powers, the Chairman is to have one general director designated to exercise powers. If there is not a general director appointed, one director shall be designated to chair for the meeting. If the Chairman does not have a representative designated to exercise power, the representative is to be elected

among the general directors or directors.

If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting Chairperson. If there are two or more conveners, they shall appoint one among themselves to chair the meeting.

The Company may assign the appointed attorney, CPA, or responsible personnel to attend the meeting of the shareholders.

Article 8 The Company shall make an uninterrupted audio and video recording of the sign-in procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures starting from the acceptance of shareholders' sign-in.

The recorded materials of the preceding paragraph shall be retained for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.

If a shareholders' meeting is convened by way of video conference, the Company shall keep records of shareholders' enrollment, registration, sign-in, questioning, voting, and the Company's vote counting results and make an uninterrupted audio and video recording.

The data and the recorded materials of the preceding paragraph shall be properly throughout the duration of the Company, and the recorded materials shall be provided to the entrusted company handling the video conference affairs for preservation.

If the shareholders' meeting is convened by way of video conference, the Company shall make an audio and video recording of the back-end operation interface of the video conference platform.

Article 9 The attendance to the session of the Shareholders' Meeting shall be based on the quantity of outstanding shares being represented. The shareholding attendance is based on the attendance registry or the signature cards submitted and the number of shares signed in on the video conference platform, plus the votes exercised in writing or by electronic means.

The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned. If the shareholders' meeting is convened via video conference, the Company shall otherwise announce the meeting adjourned on the video conference platform of the shareholders' meeting.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one-third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month. If the shareholders' meeting is convened via video conference, shareholders who wish to attend the meeting via a video call shall register again with the Company according to Article 6.

If the shareholdings of the attending shareholders are more than one half of the total number of shares issued before the end of the meeting, the Chairperson may have the pseudo-resolution presented again in the next meeting of the shareholders for resolution in accordance with Article 174 of the Company Act.

Article 10 If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and all relevant proposals (including motions and original proposal amendments) shall be voted. The meeting shall be conducted in accordance with the scheduled agenda, which shall not be changed without the resolution

of the shareholders' meeting.

If the meeting of shareholders is convened by an authorized person other than the Board, the provision referred to above is applicable.

The Chairperson may not have the meeting adjourned at his discretion before the proposals (including motions) resolved in the two agendas referred to above. If the Chairperson has the meeting adjourned in violation of the Rules of Procedure for Shareholder Meetings, the other Board members shall promptly assist the attending shareholders in accordance with the legal procedures to have one shareholder elected as the Chairperson with the majority votes of the attending shareholders to continuously chair the meeting.

The chairman shall give an opportunity for a full explanation and discussion of the motions and the amendments or extraordinary motions proposed by the shareholders. When the chairman thinks that the voting can be carried out, he may declare a stop to the discussion and start the voting, and arrange sufficient time for voting.

- Article 11 Shareholders who wish to speak during the meeting must produce a Speak Request Form detailing the topics and the shareholder's name and account number (or the attendance ID serial). The order of shareholders' comments will be determined by the meeting Chairperson. Attending shareholders who have speech slips submitted but not speak shall be deemed as silent shareholders. If there is a discrepancy found between the text of the speech and the speech slip submitted, the contents of the speech shall prevail.
- Each shareholder may not speak more than twice on the same motion for 5 minutes each time without the consent of the Chairperson. However, the Chairperson may have the speaking shareholders who violate the rules or speak beyond the scope of those issues silenced. Attending shareholders may not interfere with the speaking shareholders without the consent of the Chairman and the speaking shareholders. The Chairman will have the violating shareholders stopped.
- If the juridical person shareholder has more than two representatives assigned to attend the meeting of shareholders, only one of the two representatives may speak on the same proposal. The Chairman may reply to the speaking shareholders personally or by the designated personnel. If a shareholders' meeting is convened by way of video conference, shareholders participating via a video call may ask questions through text on the video conference platform of the shareholders' meeting after the chairperson declares the meeting to order and before the announcement of the adjournment. Questions raised for each proposal shall not exceed two times, and each time shall be limited to 200 words; requirements under paragraph 1 to paragraph 5 shall not apply.
- If the question raised in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it shall be disclosed on the video conference platform of the shareholders' meeting for acknowledgment.

- Article 12 Votes in shareholders' meetings shall be calculated based on the number of shares. For the resolutions in the meeting of shareholders, the shares of the shareholders without votes are not included in the calculation of outstanding shares. Shareholders who have a conflict of interest with the proposals that are detrimental to the Company's interests shall not vote, and cannot vote by proxy on behalf of the other shareholders. The shares without votes referred to above are not included in the calculation of the attending shareholders' votes. Except for Trust agencies or stock agencies approved by the securities regulatory authorities, the votes of the representative delegated by two or more shareholders shall not exceed 3% of the total votes representing the total number of shares issued; also, the votes exceeding the threshold shall not be counted.

- Article 13 Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.

When this Corporation holds a shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. Shareholders who have their votes cast in writing or by electronic means are deemed as attending the meeting in person. However, in respect of the motion and the amendment of the original proposal in the shareholders' meeting it is deemed as a waiver; therefore, the Company is advised to avoid proposing motion or the amendment of the original proposal.

For the votes exercised in writing or by electronic means referred to above, the intention should be delivered to the Company two days prior to the meeting of shareholders. For the intention expressed in duplicate, whichever is delivered first shall prevail. The intention referred to above that was announced to be revoked is not subject to this restriction.

Shareholders, after exercising their voting rights in writing or by electronic means, who wish to attend the meeting of shareholders in person or via a video call shall have the intention of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. If the vote is exercised in writing or by electronic means and a representative is to attend the meeting of shareholders by proxy, the votes exercised by the representative in person shall prevail. For the resolution of proposals, unless otherwise provided in the Company Act and the Company Corporate Charter (Articles of Incorporation), the consent of a majority vote of the attending shareholders shall prevail. The motion resolved by the Chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting.

When there is an amendment or alternative for the same motion, the Chairperson shall have the order of vote, including the original proposal, determined accordingly. If one of the motions has been passed, the other motions shall be deemed as rejected without the need for further resolution.

Chairperson is to appoint the scrutineers and counting officers who must be shareholders. The vote counting process of the shareholder's balloting or election should be held openly at the meeting venue. The balloting result should be announced immediately at the meeting, including statistical weights, and it should be documented for record.

If the Company convenes a shareholders' meeting via video conference, shareholders attending the shareholders' meeting via a video call shall vote on various proposals and election proposals through the video conference platform after the chairperson has called the meeting to order, and shall complete voting before the chairperson announces the voting is closed; any overdue votes are deemed as abstention.

If the shareholders' meeting is convened by way of video conference, the votes shall be counted in one lump sum and the voting and election results shall be announced after the chairperson announces the voting is closed.

When the Company convenes a video-assisted shareholders' meeting, if shareholders who have registered to attend the shareholders' meeting via a video call in accordance with Article 6 wish to attend the physical shareholders' meeting in person, they shall cancel the registration in the same manner as for the registration two days before the meeting. For overdue cancellation, the shareholders may only attend the shareholders' meeting via a video call.

A shareholder who exercises its voting rights in writing or through electronic means without canceling its declaration of intent and participates in the shareholders' meeting via a video call shall not exercise its voting rights on the initial proposals, propose any amendment to the initial proposals, or exercise voting rights on an amendment to the initial proposals, except for questions and motions.

- Article 14 When electing directors at a shareholders' meeting, the election shall be duly conducted in consonance with the relevant election rules enacted by the Company. The election outcome shall be announced on the spot, including the list of elected directors, the number of votes for them, and the list of non-elected directors, and the number of votes for them. Electoral ballots referred to above shall be sealed and signed by the scrutineers and reserved for at least one year. However, for the litigation filed by the shareholders in accordance with Article 189 of the Company Act, it should be reserved until the end of the proceedings.
- Article 15 Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the Chairperson of the meeting and distributed to each shareholder within 20 days from the meeting. The preparation and distribution of the minutes of shareholders' meeting can be processed electronically. The Company's minutes of shareholders' meeting referred to above can be distributed by posting it on the MOPS. The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. It shall be retained for the duration of the existence of the Company. If a shareholders' meeting is convened by way of video conference, the minutes of the meeting shall record, in addition to the matters required by the preceding paragraph, the beginning and ending time of the shareholders' meeting, the method of convening the meeting, the name of the chairperson and minutes taker, handling methods of obstacles related to the video conference platform or participation via a video call due to natural disasters, accidents, or other force majeure, and handling status. The Company shall comply with the preceding paragraph when convening a shareholder meeting via video conference and specify in the minutes of the meeting the alternative measures offered to shareholders who are in difficulty participating in the shareholders' meeting via a video call.
- Article 16 The Company shall, on the day of the shareholders' meeting, prepare a statistical chart in accordance with the prescribed format that sets out the number of shares solicited by solicitors, the number of shares represented by proxies, and the number of shares of shareholders who attended the meeting in writing or via electronic means and disclose it at a significant place at the venue of the shareholders' meeting. If a shareholders' meeting is convened by way of video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes prior to the meeting and shall continue to disclose such information until the end of the meeting. When the Company convenes a shareholders' meeting via video conference, the total number of shares represented by the attending shareholders shall be disclosed on the video conference platform when calling the meeting to order. The same shall apply to the statistics on the total number of shares and the number of voting rights of the shareholders present at the meeting during the meeting. For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.
- Article 17 The staff responsible for organizing the meeting of shareholders shall wear identification badges or armbands. The Chairperson may direct disciplinary personnel or security personnel to help keep the meeting place in order. The disciplinary personnel or security personnel that help keep the meeting place in order should wear an armband with "Marshal" affixed or an identification card.

When the meeting place is equipped with amplifying equipment, the Chairperson may stop shareholders who do not use the speaking device provided by the Company from speaking. The Chairperson may instruct the disciplinary personnel or security personnel to have shareholders who violate the Rules of Procedure for Shareholder Meetings, disobey the instructions of the Chairperson, intervene in the meeting proceedings and fail to comply with the disciplinary act escrowed to leave the meeting place.

Article 18 The Chairperson may announce breaks during the meeting. In case of any event of force majeure, the Chairperson may rule to suspend the meeting and announce the time at which to continue the meeting depending on the situation.

If the meeting place cannot be used continuously before the proposals (including motions) resolved in the agendas scheduled, it can be resolved to be continued in the meeting of shareholders to find another venue for the meeting.

The meeting of shareholders may, in accordance with Article 182 of the Company Act, resolve to have the meeting postponed or resumed in five days.

Article 19 If a shareholders' meeting is convened by way of video conference, the Company shall immediately disclose the voting results of each proposal and the election results on the video conference platform of the shareholders' meeting in accordance with the requirements, and shall continue to disclose such information after the chairperson has announced the adjournment for at least 15 minutes.

Article 20 When the Company convenes a shareholders' meeting via video conference, the chairperson and the minutes taker shall be at the same place in Taiwan. The chairperson shall announce the address of such place when calling the meeting to order.

Article 21 If a shareholders' meeting is convened by way of video conference, the Company may provide a simple connection test to the shareholders before the meeting, and provide relevant real-time services before and during the meeting to assist in solving communication technical problems.

If a shareholders' meeting is convened by way of video conference, the chairperson shall, when calling the meeting to order, otherwise announce the date for the postponed or continued meeting within five days due to obstacles related to the video conference platform or participation via a video call due to natural disasters, accidents, or other force majeure that continue for 30 minutes or above, other than circumstances not required for a postponed or continued meeting specified in paragraph 4, Article 44 of the Regulations Governing the Administration of Shareholder Services of Public Companies before the chairperson announces the meeting adjourned, and requirements under Article 182 shall not apply.

When the postponed or continued meeting in the preceding paragraph occurs, shareholders who did not register for participation in the initial shareholders' meeting via a video call cannot participate in the postponed or continued meeting.

For the postponed or continued meeting in paragraph 2, if a shareholder who registered to participate in the initial shareholders' meeting via a video call and signed in fails to participate in the postponed or continued meeting, the number attending shares and the exercised voting rights and election rights for the initial shareholders' meeting shall be included in the total number of shares, voting rights, and election rights of attending shareholders for the postponed or continued meeting.

When a shareholders' meeting is adjourned or resumed in accordance with the provisions of paragraph 2, it is not necessary to re-discuss or resolve a proposal for which the voting has been completed and votes counted, and the voting results have been announced or for a proposal on a list of elected directors or supervisors.

If a video conference is convened by the Company, and the video conference cannot be held under the circumstance specified in the second paragraph, the shareholders meeting shall continue if the total number of shares represented by the shareholders still reaches the legal limit after deducting the number of shares attending the video conference without the need for

the postponement or continuation of the meeting in accordance with the second paragraph. If a continued meeting in the preceding paragraph occurs, the number of attending shares of shareholders who participated via a video call shall be included in the total number of shares of attending shareholders; however, such shareholders shall be deemed to abstain from all proposals of the shareholders' meeting.

When the Company holds the postponed or continued meeting according to paragraph 2, it shall prepare relevant preparatory works based on the date of the initial shareholder's meeting according to the requirements under paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies and the requirements of the Article.

Based on the period stated in the latter paragraph of Article 12 and paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, paragraph 2, Article 44-5, Article 44-15, and paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall make arrangements according to the requirements under paragraph 2 or based on the date of the postponed or continued meeting of a shareholders' meeting.

Article 22 When the Company convenes a shareholders' meeting by way of video conference, it shall provide appropriate alternatives for shareholders who have difficulty in participating in the shareholders' meeting via a video call.

Article 23 The Rules shall take effect once approved during a shareholders' meeting. The same applies to all subsequent revisions.