

Stock Code: 1419



Shinkong Textile Co., Ltd.
Annual Shareholders' Meeting of
2024

Meeting Handbook

(This translated document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

May 28, 2024
8/F, No. 15, Section 2, Jianguo North Road,
Taipei City
(Shinkong Insurance Tower)

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Shinkong Textile Co., Ltd.

Procedure for 2024 Annual Shareholders' Meeting

- I. Meeting Called to Order
- II. Chairman's Remarks
- III. Announcements
- IV. Proposals
- V. Extempore Motions
- VI. Adjournment

Shinkong Textile Co., Ltd.

Agenda of 2024 Annual Shareholders' Meeting

Time: 9:00 a.m. on May 28, 2024 (Tuesday)

Venue: 8/F, No. 15, Section 2, Jianguo North Road, Taipei City
(Shinkong Insurance Tower)

Method: Physical shareholders' meeting

Report the number of shares represented at the meeting

I. Meeting Called to Order

II. Chairman's Remarks

III. Announcements

(I) 2023 Business Report

(II) Audit Committee's Review Report

(III) Report on the Distribution of Remuneration to Employees
and Directors of 2023

(IV) Report on Distribution of Earnings in Cash Dividends of
2023

(V) Merger of One Full Co., Ltd.

IV. Proposals

(I) Ratification of 2023 Business Report and Financial
Statements

(II) Ratification of 2023 Earnings Distribution

V. Extempore Motions

VI. Adjournment

[Announcements]

(I) 2023 Business Report

2023 Business Report (please refer to Attachment I, pp. 7-9)

(II) Audit Committee's Review Report

Audit Committee's Review Report (please refer to Attachment II, pp.10)

(III) Report on the Distribution of Remuneration to Employees and Directors of 2023

1. Pursuant to Article 27 of the Articles of Incorporation, the Company shall allocate no less than one percent as the remuneration for employees and no more than five percent as the remuneration for Directors, if there's profits.
2. The Company distributed NT\$15,600,000 of remuneration to employees and directors respectively for the year of 2023. Both were paid in cash.

(IV) Report on Distribution of Earnings in Cash Dividends of 2023

1. Pursuant to Article 27-1 of the Articles of Incorporation, the earnings shall be distributed in the form of cash dividends, and the Board of the Directors is authorized to make a resolution and report to the Shareholders' Meeting.

2. It is proposed to allocate NT\$360,049,536 of dividends for shareholders from the accumulated distributable earnings of 2023, and pay NT\$1.20 for each share, and authorize the Chairman to determine dividend base date, payment date, and other related matters.
3. For the distribution of cash dividends this time, if the distribution ratio needs to be revised due to the change to the distribution ratio caused by the changes in the number of the Company's outstanding shares, the Company authorizes the Chairman to handle it.
4. For the cash dividends to the shareholders, the Company will adopt the calculation method of "unconditionally removing the amount below NT\$1" and adjust the total change below NT\$1 based on the decimal places from big to small and the account number from front to back to make it consistent with the total cash dividend distribution.

(V) Merger of One Full Co., Ltd.

1. In order to streamline the investment structure, accelerate organizational adjustments, and enhance overall operational efficiency, the Company, through resolutions passed by the Audit Committee and the Board of Directors on March 8, 2024, has approved the merger of its wholly-owned subsidiary, One Full Co., Ltd. (hereinafter referred to as "One Full"). Following the merger, the Company will continue to exist while One Full will be dissolved. The merger of the subsidiary company by the parent company will not affect shareholders' equity and will have no impact on net asset value per share or earnings per share.
2. The merger will be completed using cash, without the issuance of new shares. The merger price will be determined based on the net asset value per share of One Full as of April 30, 2024, which is the day before the merger reference date of May 1, 2024. As the total consideration paid to the dissolved company does not exceed 20% of the net worth of the Company, this merger will be carried out in accordance with the special resolution of the Company's Board of Directors, as stipulated in Article 18, Paragraph 7 of the Business Mergers and Acquisitions Act.

[Proposals]

Item I Proposed by the Board of Directors

Subject: 2023 Business Report and Financial Statements are hereby submitted for ratification.

Description: I. The Company's 2023 Business Report as well as Financial Statements and Consolidated Financial Statements reviewed by CPAs have been submitted to Audit Committee for audit and Review Reports have been issued.

II. Please refer to Attachment I, pp.7-9 and Attachment III, pp.11-33 for the Business Report, CPAs' Reviewed Reports and various Financial Statements.

III. The proposal is hereby submitted for ratification.

Resolution:

Item II Proposed by the Board of Directors

Subject: 2023 Earnings Distribution is hereby submitted for ratification.

Description: I. Please refer to Attachment IV, p.34 for 2023 Earnings Distribution Table.

II. The proposal is hereby submitted for ratification.

Resolution:

[Extempore Motions]

[Adjournment]

Attachment I

Business Report

The Company's 2023 annual operating revenue was NT\$3,161,190 thousand, an increase of NT\$23,010 thousand as compared with the previous year, its gross profit was NT\$830,148 thousand, an increase of NT\$59,752 thousand as compared with the previous year, its profit from operations was NT\$252,086 thousand, an increase of NT\$48,666 thousand as compared with the previous year, its net profit after tax was NT\$648,948 thousand, a decrease of NT\$1,422,038 thousand as compared with the previous year, and its EPS after tax was NT\$2.17.

The production and sales status of the Company are described as follows:

- (I) Production status: The Company produced 3,964,361 yds in current period, a decrease of 350,833 yds as compared with 4,315,194 yds of the previous period; and processed 17,911,070 yds, a decrease of 2,045,109 yds as compared with 19,956,179 yds of the previous period.
- (II) Operating status: In the current period, the net operating revenue totaled NT\$3,161,190 thousand, an increase of NT\$23,010 thousand as compared to NT\$3,138,180 thousand in the previous period, representing 108.98% of the budget.

Overview of the business operations of business departments is as follows:

1. Sales Department: With exports of finished fabrics as the

main focus, the current period's revenue totaled NT\$2,228,224 thousand, remaining unchanged from the same period of last year, to 115.98% of the budget. Meanwhile, the industry as a whole experienced a decline in performance ranging from 10% to 20%. The main reasons for this achievement can be attributed to successful expansion with new customers and product diversification. It is indeed commendable that our performance has remained steady due to these two factors.

2. Retail Department: With a focus on domestic retail sales in the apparel market, the current period's revenue totaled NT\$775,992 thousand, an increase of 2.41% compared to the same period last year. However, it represented 94.32% of the budget. Due to the gradual relaxation of epidemic prevention policies and the relaxation of overseas travel restrictions for Taiwanese citizens, domestic market consumption has slightly declined, resulting in the inability to effectively improve performance.
3. The Business Development Department: Its revenue of the current period was NT\$156,974 thousand, remained unchanged from the same period of last year, to 100.14% of budget.

The operating revenue of 2023 was NT\$3,382,945 thousand, an increase of NT\$33,656 compared to the same period of last year, accounting for 108.71% of the budget. Net income after tax attributable to the owner of the company was NT\$648,948 thousand.

The year 2023 was characterized by unpredictability and

change, facing numerous unprecedented situations:

- (I) Global inflation has risen, accompanied by an increase in interest rates.
- (II) The Russia-Ukraine war persists without any indication of peace.
- (III) The outbreak of Israel-Palestine Conflict erupted in the Middle East.
- (IV) Major real estate companies in mainland China have encountered financial issues, leading to a downturn in the domestic market demand across China.

These various factors have led to a contraction in the global market, resulting in a widespread decline of around 10% to 20% across various industries.

The Company's primarily export-oriented Sales Department is also facing similar challenges. Fortunately, due to the appropriate diversification of customers and products, our revenue has maintained a stable, slight growth. However, in the domestic retail market, the slight decline is attributed to the relaxation of overseas travel restrictions for Taiwanese citizens. Hence, taking into account both the domestic and international markets, the annual revenue remains relatively stable compared to the previous year.

Chairman: Hsing-En Wu

President: Chin-Fa Chiu

Accounting Manager: Su-Chuan Ko

Jui-Nan Chang

Attachment II

Audit Report of Auditing Committee, Shinkong Textile Co., Ltd.

The Board of Directors prepare and submit the Company's business report, financial statements and earnings distribution plan for the year of 2023, including the financial statements and consolidated financial statements, which are jointly audited by CPA Li-Huang Li and CPA Jui-Chuan Chih from Deloitte & Touche and issued the audit report. The above-mentioned statements have been reviewed by us, the Audit Committee of the Company. Therefore, we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Shinkong Textile Co., Ltd.

Convener of the Audit
Committee: David Chin

March 8, 2024

Attachment III CPA's Audit Report and Financial Statements

Independent Auditors' Report

To Shinkong Textile Co., Ltd

For general information:

Audit opinion

We have audited the parent company only balance sheets of Shinkong Textile Co., Ltd.(hereinafter referred to as the "Company") as of December 31, 2023 and 2022; and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to parent company only financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the parent company only financial status of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are ones that were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2023 based on our professional judgment. These matters have been covered during the audit of the overall parent company only financial statements and in forming the audit opinion. We will not express a separate opinion on these matters.

Key audit matters of the parent company only financial statements of Shinkong Textile Co., Ltd. for the year ended December 31, 2023 are as follows:

Authenticity of sales revenue from specific customers

The Company's principal source of income is the sale of various types of fabrics and finished clothing, apparel agency and property leasing. Significant risk is presumed in revenue recognition in view of significance and auditing standards. In our opinion, the authenticity on revenue from customers with specific trading terms has significant impact on the financial statements. Thus, we identified the authenticity of sales revenue from specific customers as a key audit matter. For the accounting policies related to revenue recognition, please refer to Note IV (XIII) of the notes to parent company only financial statements.

Our corresponding audit procedures were as follows:

1. We understood and tested the design and implementation of internal controls in relation to the recognition of sales revenue from specific customers.
2. From the sales details of specific customers above, we selected proper samples to inspect the relevant supporting documents and tested the collection conditions to confirm the authenticity of sales transactions.

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

The responsibilities of management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and maintain necessary internal controls associated with the preparation in order to ensure the parent company only financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2023. We describe these matters in our independent auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter shall not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touché
CPA Li-Huang Li

CPA Jui-Chuan Chih

Securities and Futures Commission
Approval No.
Tai-Cai-Zheng-6-0930128050

Financial Supervisory Commission Approval
No.
Jin-Guan-Zheng-Shen-1060023872
March8, 2024

Shinkong Textile Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 951,439	6	\$ 663,597	4
1110	Financial assets at fair value through profit or loss	451,193	3	559,120	4
1120	Financial assets at fair value through other comprehensive income - current	1,054,662	6	1,619,189	10
1150	Notes receivable	11,024	-	9,907	-
1160	Notes receivable - related parties, net	7	-	8	-
1170	Notes receivable	359,151	2	290,228	2
1180	Accounts receivable - related parties, net	63,275	-	48,071	-
1200	Other receivables	14,409	-	15,799	-
1210	Other receivables - related parties	11,590	-	819	-
130X	Inventories	982,039	6	1,030,855	7
1410	Prepayments	86,796	-	57,754	-
1470	Other current assets	<u>52</u>	<u>-</u>	<u>9</u>	<u>-</u>
11XX	Total current assets	<u>3,985,637</u>	<u>23</u>	<u>4,295,356</u>	<u>27</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current	6,089,744	35	4,860,144	30
1535	Financial assets at amortized cost - non-current	12,700	-	1,800	-
1550	Investments accounted for using the equity method	3,931,883	23	3,768,277	24
1600	Property, plant and equipment	349,399	2	367,646	2
1755	Right-of-use assets	147,636	1	172,050	1
1760	Investment properties	2,593,314	15	2,614,101	16
1780	Other intangible assets	4,886	-	3,181	-
1840	Deferred tax assets	36,755	-	29,691	-
1990	Other non-current assets	<u>77,394</u>	<u>1</u>	<u>24,817</u>	<u>-</u>
15XX	Total non-current assets	<u>13,243,711</u>	<u>77</u>	<u>11,841,707</u>	<u>73</u>
1XXX	Total Assets	<u>\$ 17,229,348</u>	<u>100</u>	<u>\$ 16,137,063</u>	<u>100</u>
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings	\$ 2,600,000	15	\$ 3,010,000	19
2110	Short-term bills payable	99,931	1	-	-
2130	Contract liabilities - current	22,057	-	29,641	-
2150	Notes payable	165,424	1	222,899	2
2160	Notes payable - related parties	39,160	-	36,260	-
2170	Accounts payable	125,570	1	103,099	1
2180	Accounts payable - related parties	10,383	-	6,612	-
2219	Other payables	157,791	1	163,174	1
2220	Other payables - related parties	2,286	-	1,705	-
2230	Current tax liabilities	131,492	1	45,164	-
2280	Lease liabilities - current	44,618	-	42,564	-
2399	Other current liabilities	<u>3,166</u>	<u>-</u>	<u>23,475</u>	<u>-</u>
21XX	Total current liabilities	<u>3,401,878</u>	<u>20</u>	<u>3,684,593</u>	<u>23</u>
	Non-current liabilities				
2570	Deferred tax liabilities	531,543	3	533,901	3
2580	Lease liabilities - non-current	107,889	1	134,581	1
2645	Guarantee deposits received	<u>40,977</u>	<u>-</u>	<u>41,046</u>	<u>-</u>
25XX	Total non-current liabilities	<u>680,409</u>	<u>4</u>	<u>709,528</u>	<u>4</u>
2XXX	Total liabilities	<u>4,082,287</u>	<u>24</u>	<u>4,394,121</u>	<u>27</u>
	Equity				
	Share capital				
3110	Common shares	<u>3,000,413</u>	<u>17</u>	<u>3,000,413</u>	<u>19</u>
3200	Capital surplus	<u>13,385</u>	<u>-</u>	<u>10,010</u>	<u>-</u>
	Retained earnings				
3310	Legal surplus reserve	748,625	4	542,270	4
3320	Special reserve	1,006,356	6	1,006,548	6
3350	Unappropriated earnings	<u>2,864,193</u>	<u>17</u>	<u>2,777,974</u>	<u>17</u>
3300	Total retained earnings	<u>4,619,174</u>	<u>27</u>	<u>4,326,792</u>	<u>27</u>
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	(2,773)	-	(1,261)	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>5,530,036</u>	<u>32</u>	<u>4,420,162</u>	<u>27</u>
3400	Total other equity	<u>5,527,263</u>	<u>32</u>	<u>4,418,901</u>	<u>27</u>
3500	Treasury share	(<u>13,174</u>)	<u>-</u>	(<u>13,174</u>)	<u>-</u>
3XXX	Total equity	<u>13,147,061</u>	<u>76</u>	<u>11,742,942</u>	<u>73</u>
	Total Liabilities and Equity	<u>\$ 17,229,348</u>	<u>100</u>	<u>\$ 16,137,063</u>	<u>100</u>

Shinkong Textile Co., Ltd.

Parent Company Only Statements of Comprehensive Income

From January 1st to December 31st, 2023, and from January 1st to December 31st, 2022.

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue				
4100	Sales revenue	\$ 3,002,924	95	\$ 2,980,355	95
4300	Rental revenue	157,518	5	157,222	5
4800	Other operating income	<u>748</u>	<u>-</u>	<u>603</u>	<u>-</u>
4000	Total operating revenue	<u>3,161,190</u>	<u>100</u>	<u>3,138,180</u>	<u>100</u>
	Operating costs				
5110	Cost of goods sold	(2,290,417)	(73)	(2,325,933)	(74)
5300	Rental costs	(<u>40,625</u>)	(<u>1</u>)	(<u>41,851</u>)	(<u>1</u>)
5000	Total operating costs	(<u>2,331,042</u>)	(<u>74</u>)	(<u>2,367,784</u>)	(<u>75</u>)
5900	Gross profit	<u>830,148</u>	<u>26</u>	<u>770,396</u>	<u>25</u>
	Operating expenses				
6100	Selling and marketing	(401,319)	(13)	(393,416)	(12)
6200	General and administrative	(141,799)	(4)	(145,508)	(5)
6300	Research and development	(34,949)	(1)	(29,688)	(1)
6400	Expected Credit Loss Benefit	<u>5</u>	<u>-</u>	<u>1,294</u>	<u>-</u>
6000	Total operating expenses	(<u>578,062</u>)	(<u>18</u>)	(<u>567,318</u>)	(<u>18</u>)
6500	Other income and expenses, net	<u>-</u>	<u>-</u>	<u>342</u>	<u>-</u>
6900	Net operating income	<u>252,086</u>	<u>8</u>	<u>203,420</u>	<u>7</u>
	Non-operating income and expenses				
7100	Interest income	14,608	1	4,772	-
7010	Other income	367,597	12	361,974	11
7020	Other gains and losses	(1,052)	-	112,549	4

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Code		2023		2022	
		Amount	%	Amount	%
7050	Finance costs	(\$ 50,464)	(2)	(\$ 34,704)	(1)
7060	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	<u>172,511</u>	<u>5</u>	<u>1,480,685</u>	<u>47</u>
7000	Total non-operating income and expenses	<u>503,200</u>	<u>16</u>	<u>1,925,276</u>	<u>61</u>
7900	Net income before tax	755,286	24	2,128,696	68
7950	Income tax expense	(<u>106,338</u>)	(<u>3</u>)	(<u>57,710</u>)	(<u>2</u>)
8200	Net income	<u>648,948</u>	<u>21</u>	<u>2,070,986</u>	<u>66</u>
8310	Other comprehensive income Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(314)	-	4,920	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,119,044	35	(16,257)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	84,640	3	(34,243)	(1)
8360	Items that may be reclassified subsequently to profit or loss:				
8370	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(1,890)	-	6,720	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>378</u>	<u>-</u>	(<u>1,343</u>)	<u>-</u>
8300	Total other comprehensive income, net of tax	<u>1,201,858</u>	<u>38</u>	(<u>40,203</u>)	(<u>1</u>)
8500	Total comprehensive income	<u>\$ 1,850,806</u>	<u>59</u>	<u>\$ 2,030,783</u>	<u>65</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Earnings per share				
	From continuing operations				
9710	Basic	<u>\$ 2.17</u>		<u>\$ 6.92</u>	
9810	Diluted	<u>\$ 2.17</u>		<u>\$ 6.91</u>	

Shinkong Textile Co., Ltd.
Parent Company Only Statements of Changes in Equity
From January 1st to December 31st, 2023, and from January 1st to December 31st, 2022.

Unit: In Thousands of New Taiwan Dollars

Code		Share capital		Capital surplus	Retained earnings			Other equity		Treasury share	Total Equity
		Number of Shares (in Thousands)	Amount		Legal surplus reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income		
A1	Balance at January 1, 2022	300,041	\$ 3,000,413	\$ 8,928	\$ 497,780	\$ 1,006,548	\$ 1,058,957	(\$ 6,638)	\$ 4,458,304	(\$ 13,174)	\$ 10,011,118
B1	Appropriation and distribution of surplus in 2021										
	Legal surplus reserve	-	-	-	44,490	-	(44,490)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(300,041)	-	-	-	(300,041)
M1	Other changes in capital surplus:										
	Changes in capital surplus from dividends paid to subsidiaries	-	-	804	-	-	-	-	-	-	804
T1	Dividends not collected by shareholders before the designated date	-	-	278	-	-	-	-	-	-	278
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(12,358)	-	12,358	-	-
D1	Net income in 2022	-	-	-	-	-	2,070,986	-	-	-	2,070,986
D3	Other comprehensive income in 2022, net of tax	-	-	-	-	-	4,920	5,377	(50,500)	-	(40,203)
D5	Total comprehensive income in 2022	-	-	-	-	-	2,075,906	5,377	(50,500)	-	2,030,783
Z1	Balance at December 31, 2022	300,041	3,000,413	10,010	542,270	1,006,548	2,777,974	(1,261)	4,420,162	(13,174)	11,742,942
B17	In compliance with the law, the initial implementation of the IFRS accounting standards pertains to special surplus reserves.	-	-	-	-	(192)	192	-	-	-	-
B1	Appropriation and distribution of surplus in 2022										
	Legal surplus reserve	-	-	-	206,355	-	(206,355)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(450,062)	-	-	-	(450,062)
M1	Other changes in capital surplus:										
	Changes in capital surplus from dividends paid to subsidiaries	-	-	1,205	-	-	-	-	-	-	1,205
T1	Dividends not collected by shareholders before the designated date	-	-	2,170	-	-	-	-	-	-	2,170
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	93,810	-	(93,810)	-	-
D1	Net income in 112	-	-	-	-	-	648,948	-	-	-	648,948
D3	Other comprehensive income in 2023, net of tax	-	-	-	-	-	(314)	(1,512)	1,203,684	-	1,201,858
D5	Total comprehensive income in 2023	-	-	-	-	-	648,634	(1,512)	1,203,684	-	1,850,806
Z1	Balance at December 31, 2023	300,041	\$ 3,000,413	\$ 13,385	\$ 748,625	\$ 1,006,356	\$ 2,864,193	(\$ 2,773)	\$ 5,530,036	(\$ 13,174)	\$ 13,147,061

Shinkong Textile Co., Ltd.

Parent Company Only Statements of Cash Flows

From January 1st to December 31st, 2023, and from January 1st to December 31st, 2022

Unit: In Thousands of New Taiwan Dollars

Code		2023	2022
	Cash flows from operating activities		
A10000	Income before income tax	\$ 755,286	\$ 2,128,696
A20010	Adjustments to reconcile profit (lose)		
A20100	Depreciation Expense	139,251	135,534
A20200	Amortization expense	2,071	2,120
A20300	Expected credit return gains	(5)	(1,294)
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	(23,093)	(50,156)
A20900	Finance costs	50,464	34,704
A21200	Interest income	(14,608)	(4,772)
A21300	Dividend income	(351,873)	(360,509)
A22300	Share of profit or loss of subsidiaries and associates accounted for using the equity method	(172,511)	(1,480,685)
A22500	(Loss) Gain on disposal of property, factory and equipment	25	(14)
A22700	Disposal of investment properties	(3,377)	-
A23700	Write-downs of inventories	22,659	19,031
A23800	Gain from price recovery of inventory	-	-
A24500	Capital surplus from dividends on stocks that have not been collected	2,170	278
A29900	Construction in progress transferred to miscellaneous purchases	-	29
A29900	Gains on lease modification	-	(341)
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	(1,116)	19,769
A31150	Accounts receivable	(84,122)	63,465
A31180	Other receivables	2,208	85,921
A31200	Inventories	25,723	(293,060)
A31230	Prepayments	(29,042)	(2,155)
A31240	Other current assets	(43)	3
A32125	Contract liabilities	(7,584)	3,681
A32130	Notes payable	(54,575)	(36,586)
A32150	Accounts payable	26,242	4,720
A32180	Other payables	792	45,462
A32230	Other current liabilities	(20,309)	(181)
A32240	Net defined benefit liabilities	<u>2,275</u>	<u>(771)</u>
A33000	Cash generated from operations	266,908	312,889

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Code		2023	2022
A33300	Interest paid	(\$ 54,689)	(\$ 31,699)
A33500	Income tax paid	(39,972)	(17,506)
AAAA	Net cash generated from operating activities	<u>172,247</u>	<u>263,684</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(108,410)	(32,159)
B00020	Disposal of the financial assets at fair value through other comprehensive income	27,685	326
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	(10,900)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(37,508)	(417,301)
B00200	Disposal of financial assets at fair value through profit or loss	167,090	80,779
B01800	Acquisition of long-term equity investments using equity method	(15,439)	(8,772)
B02700	Acquisition of property, plant, and equipment	(52,737)	(46,419)
B02800	Proceeds from disposal of property, plant and equipment	11	20
B03700	Increase in refundable deposits	(52,826)	-
B03800	Decrease in refundable deposits	-	1,960
B04300	Other receivables - related parties	(5)	(13)
B04500	Acquisition of intangible assets	(3,776)	(2,783)
B05400	Acquisition of investment properties	(2,561)	(627)
B05500	Disposal of investment properties	3,674	-
B07100	Increase in prepayments for equipment	(3,734)	(13,420)
B07500	Interest received	14,608	4,772
B07600	Dividends received from subsidiaries/associates	642,329	68,843
B07600	Other dividends received	<u>351,873</u>	<u>360,509</u>
BBBB	Net cash used in investing activities	<u>919,374</u>	<u>(4,285)</u>
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	1,130,000
C00200	Decrease in short-term borrowings	(410,000)	-
C00500	Increase in short-term bills payable	100,000	-
C00600	Decrease in short-term bills payable	-	(1,130,000)
C03100	Refund of guarantee deposits received	(69)	(221)
C04020	Repayment of the principal portion of lease liabilities	(43,648)	(42,386)
C04500	Dividends paid	(<u>450,062</u>)	(<u>300,041</u>)
CCCC	Net cash used in financing activities	(<u>803,779</u>)	(<u>342,648</u>)

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<u>Code</u>		<u>2023</u>	<u>2022</u>
EEEE	Net increase (decrease) in cash and cash equivalents	\$ 287,842	(\$ 83,249)
E00100	Cash and cash equivalents at beginning of year	<u>663,597</u>	<u>746,846</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 951,439</u>	<u>\$ 663,597</u>

Independent Auditors' Report

To Shinkong Textile Co., Ltd.

Audit opinion

We have audited the consolidated balance sheets of Shinkong Textile Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group") as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2023 and 2022, and notes to consolidated financial statements (including a summary on significant accounting policies).

Based on our opinions, the accompanying consolidated financial statements do present fairly, in all material respects, the consolidated financial position of Shinkong Textile Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, their interpretations and announcements endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Shinkong Textile Co., Ltd. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are ones that were of most significance in our audit of the consolidated financial statements of Shinkong Textile Co., Ltd. and subsidiaries for the year ended December 31, 2023 based on our professional judgment. These matters have been covered during the audit of the overall consolidated financial statements and in forming the audit opinion. We will not express a separate opinion on these matters.

Key audit matters of the consolidated financial statements of Shinkong Textile Co., Ltd. and subsidiaries for the year ended December 31, 2022 are as follows:

Authenticity of Sales Revenue from Specific Customers

Shinkong Textile Co., Ltd. and subsidiaries' principal source of income is the sale of various types of fabrics and finished clothing, apparel agency and property leasing. Significant risk is presumed in revenue recognition in view of significance and auditing standards. In our opinion, the authenticity on revenue from customers with specific trading terms has significant impact on the financial statements. Thus, we identified the authenticity of sales revenue from specific customers as a key audit matter. For the accounting policies related to revenue recognition, please refer to Note IV(XIII) of the notes to the consolidated financial statements.

Our corresponding audit procedures were as follows:

1. We understood and tested the design and implementation of internal controls in relation to the recognition of sales revenue from specific customers.
2. From the sales details of specific customers above, we selected proper samples to inspect the relevant supporting documents and tested the collection conditions to confirm the authenticity of sales transactions.

Other Matters

Shinkong Textile Co., Ltd. has prepared the parent company only financial statements for the years of 2023 and 2022. We have issued an audit report with an unqualified opinion, which is available for reference.

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

The responsibilities of management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, their interpretations and announcements endorsed and issued into effect by the Financial Supervisory Commission, and maintain necessary internal controls associated with the preparation in order to ensure the consolidated financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing Shinkong Textile Co., Ltd. and subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shinkong Textile Co., Ltd. and subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Shinkong Textile Co., Ltd. and subsidiaries' ability to continue as a going concern based on the audit evidence obtained. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.

However, future events or conditions may cause Shinkong Textile Co., Ltd. and subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit within the Group. We remain solely responsible for our audit opinion of the Group.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of Shinkong Textile Co., Ltd. and subsidiaries' consolidated financial statements for the year ended December 31, 2023. We describe these matters in our independent auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter shall not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touché
CPA Li-Huang Li

CPA Jui-Chuan Chih

Securities and Futures Commission
Approval No.
Tai-Cai-Zheng-6-0930128050

Financial Supervisory Commission Approval
No.
Jin-Guan-Zheng-Shen-1060023872
March 8, 2024

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 1,610,707	9	\$ 889,783	5
1110	Financial assets at fair value through profit or loss	451,193	2	568,830	4
1120	Financial assets at fair value through other comprehensive income - current	1,054,662	6	1,625,098	10
1136	Financial assets at amortized cost - non-current	-	-	500,000	3
1150	Notes receivable	11,024	-	9,907	-
1160	Notes receivable due from related parties	7	-	8	-
1170	Accounts receivable	360,350	2	292,467	2
1180	Accounts receivable - related parties	67,074	-	46,685	-
1200	Other receivables	15,168	-	16,603	-
1220	Current tax assets	2,100	-	-	-
130X	Inventories	1,007,469	5	1,058,167	6
1410	Prepayments	95,417	1	62,371	-
1470	Other current assets	<u>3,011</u>	<u>-</u>	<u>2,973</u>	<u>-</u>
11XX	Total current assets	<u>4,678,182</u>	<u>25</u>	<u>5,072,892</u>	<u>30</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current	6,141,485	33	4,907,353	29
1535	Financial assets at amortized cost - non-current	12,700	-	1,800	-
1550	Investments accounted for using the equity method	1,384,974	8	718,928	4
1600	Property, factory and facility	353,929	2	630,474	4
1755	Right-of-use assets	153,864	1	179,693	1
1760	Investment properties	5,585,247	30	5,076,581	31
1780	Other intangible assets	4,958	-	3,270	-
1840	Deferred tax assets	36,755	-	29,691	-
1990	Other non-current assets	<u>192,083</u>	<u>1</u>	<u>77,965</u>	<u>1</u>
15XX	Total non-current assets	<u>13,865,995</u>	<u>75</u>	<u>11,625,755</u>	<u>70</u>
1XXX	Total Assets	<u>\$ 18,544,177</u>	<u>100</u>	<u>\$ 16,698,647</u>	<u>100</u>
	Liabilities and equities				
	Current liabilities				
2100	Short-term borrowings	\$ 3,046,000	16	\$ 3,070,000	19
2110	Short-term notes payable	99,931	1	-	-
2130	Contract liabilities - current	22,346	-	29,805	-
2150	Notes payable	165,424	1	222,899	1
2160	Notes payable - related parties	39,540	-	36,641	-
2170	Accounts payable	125,717	1	104,305	1
2180	Accounts payable - related parties	10,339	-	6,612	-
2200	Other payables	185,964	1	188,898	1
2220	Other payables - related parties	2,302	-	1,822	-
2230	Current tax liabilities	131,975	1	58,559	1
2280	Lease liabilities - current	48,632	-	45,868	-
2399	Other current liabilities	<u>3,881</u>	<u>-</u>	<u>23,912</u>	<u>-</u>
21XX	Total current liabilities	<u>3,882,051</u>	<u>21</u>	<u>3,789,321</u>	<u>23</u>
	Non-current liabilities				
2540	Long-term borrowings	402,780	2	159,082	1
2570	Deferred tax liabilities	759,323	4	761,682	4
2580	Lease liabilities - non-current	110,156	1	138,926	1
2600	Other current liabilities	<u>242,806</u>	<u>1</u>	<u>106,694</u>	<u>1</u>
25XX	Total non-current liabilities	<u>1,515,065</u>	<u>8</u>	<u>1,166,384</u>	<u>7</u>
2XXX	Total liabilities	<u>5,397,116</u>	<u>29</u>	<u>4,955,705</u>	<u>30</u>
	Equity attributable to owners of the Company				
	Share capital				
3110	Common shares	<u>3,000,413</u>	<u>16</u>	<u>3,000,413</u>	<u>18</u>
3200	Additional Paid-In Capital	<u>13,385</u>	<u>-</u>	<u>10,010</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	748,625	4	542,270	3
3320	Special reserve	1,006,356	5	1,006,548	6
3350	Undistributed retained earnings	<u>2,864,193</u>	<u>16</u>	<u>2,777,974</u>	<u>17</u>
3300	Total retained earnings	<u>4,619,174</u>	<u>25</u>	<u>4,326,792</u>	<u>26</u>
	Other equity				
3410	Exchange differences in translating the financial statements of foreign operations	(2,773)	-	(1,261)	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive profit and loss	<u>5,530,036</u>	<u>30</u>	<u>4,420,162</u>	<u>26</u>
3400	Total other equity	<u>5,527,263</u>	<u>30</u>	<u>4,418,901</u>	<u>26</u>
3500	Treasury share	(13,174)	-	(13,174)	-
31XX	Total equity attributable to owners of the Company	<u>13,147,061</u>	<u>71</u>	<u>11,742,942</u>	<u>70</u>
3XXX	Total equity	<u>13,147,061</u>	<u>71</u>	<u>11,742,942</u>	<u>70</u>
	Total Liabilities and Equity	<u>\$ 18,544,177</u>	<u>100</u>	<u>\$ 16,698,647</u>	<u>100</u>

Shinkong Textile Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

From January 1 to December 31, 2023, and from January 1 to December 31, 2022.

Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue				
4110	Sales revenue	\$ 3,007,833	89	\$ 2,981,065	89
4300	Rental revenue	374,364	11	367,621	11
4800	Other operating income	<u>748</u>	<u>-</u>	<u>603</u>	<u>-</u>
4000	Total operating revenue	<u>3,382,945</u>	<u>100</u>	<u>3,349,289</u>	<u>100</u>
	Operating costs				
5110	Cost of goods sold	(2,297,353)	(68)	(2,326,422)	(70)
5300	Rental costs	(<u>92,318</u>)	(<u>2</u>)	(<u>104,829</u>)	(<u>3</u>)
5000	Total operating costs	(<u>2,389,671</u>)	(<u>70</u>)	(<u>2,431,251</u>)	(<u>73</u>)
5900	Gross profit	<u>993,274</u>	<u>30</u>	<u>918,038</u>	<u>27</u>
	Operating expenses				
6100	Selling and marketing	(452,404)	(14)	(438,524)	(13)
6200	General and administrative	(146,182)	(4)	(151,271)	(4)
6300	Research and development	(34,949)	(1)	(29,687)	(1)
6450	Expected Credit Loss and Gain	<u>5</u>	<u>-</u>	<u>1,294</u>	<u>-</u>
6000	Total operating expenses	(<u>633,530</u>)	(<u>19</u>)	(<u>618,188</u>)	(<u>18</u>)
6500	Net other income (expenses)	<u>-</u>	<u>-</u>	<u>405</u>	<u>-</u>
6900	Net operating income	<u>359,744</u>	<u>11</u>	<u>300,255</u>	<u>9</u>
	Non-operating income and expenses				
7100	Interest income	23,183	1	6,610	-
7010	Other income	370,408	11	365,057	11
7020	Other gains and losses	(5,238)	-	1,554,277	47
7050	Financial cost	(53,452)	(2)	(36,438)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using the equity method	<u>78,322</u>	<u>2</u>	<u>73,760</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>413,223</u>	<u>12</u>	<u>1,963,266</u>	<u>59</u>
7900	Net income before tax	\$ <u>772,967</u>	<u>23</u>	\$ <u>2,263,521</u>	<u>68</u>

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Code		2023		2022	
		Amount	%	Amount	%
7950	Income tax expense	(<u>124,019</u>)	(<u>4</u>)	(<u>192,535</u>)	(<u>6</u>)
8200	Net income in the period	<u>648,948</u>	<u>19</u>	<u>2,070,986</u>	<u>62</u>
8310	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(314)	-	4,920	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	1,120,905	33	(19,367)	-
8320	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	82,779	3	(31,133)	(1)
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(115)	-	164	-
8370	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(1,775)	-	6,556	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>378</u>	<u>-</u>	(<u>1,343</u>)	<u>-</u>
8300	Total other comprehensive income, net of tax	<u>1,201,858</u>	<u>36</u>	(<u>40,203</u>)	(<u>1</u>)
8500	Total comprehensive income	<u>\$ 1,850,806</u>	<u>55</u>	<u>\$ 2,030,783</u>	<u>61</u>
	Net income attributable to:				
8610	Owners of the Company	\$ 648,948	19	\$ 2,070,986	62
8620	Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8600		<u>\$ 648,948</u>	<u>19</u>	<u>\$ 2,070,986</u>	<u>62</u>

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Code		2023		2022	
		Amount	%	Amount	%
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 1,850,806	55	\$ 2,030,783	61
8720	Non-controlling Interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8700		<u>\$ 1,850,806</u>	<u>55</u>	<u>\$ 2,030,783</u>	<u>61</u>
	Earnings per share (Note 27)				
9710	Basic	<u>\$ 2.17</u>		<u>\$ 6.92</u>	
9810	Diluted	<u>\$ 2.17</u>		<u>\$ 6.91</u>	

Shinkong Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
From January 1st to December 31st, 2023, and from January 1st to December 31st, 2022

Unit: In Thousands of New Taiwan Dollars

								Other equity			
Code		Share capital		Capital surplus	Retained earnings			Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Treasury share	Total Equity
		Number of Shares (in Thousands)	Amount		Legal surplus reserve	Special reserve	Undistributed retained earnings				
A1	Balance at January 1, 2022	300,041	\$ 3,000,413	\$ 8,928	\$ 497,780	\$ 1,006,548	\$ 1,058,957	(\$ 6,638)	\$ 4,458,304	(\$ 13,174)	\$ 10,011,118
	Appropriation and distribution of surplus in 2021										
B1	Legal surplus reserve	-	-	-	44,490	-	(44,490)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(300,041)	-	-	-	(300,041)
	Other changes in capital surplus:										
M1	Changes in capital surplus from dividends paid to subsidiaries	-	-	804	-	-	-	-	-	-	804
T1	Dividends not collected before the designated date	-	-	278	-	-	-	-	-	-	278
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(12,358)	-	12,358	-	-
D1	Net income in 2022	-	-	-	-	-	2,070,986	-	-	-	2,070,986
D3	Other comprehensive income in 2022, net of tax	-	-	-	-	-	4,920	5,377	(50,500)	-	(40,203)
D5	Total comprehensive income in 2022	-	-	-	-	-	2,075,906	5,377	(50,500)	-	2,030,783
Z1	Balance at December 31, 2022	300,041	3,000,413	10,010	542,270	1,006,548	2,777,974	(1,261)	4,420,162	(13,174)	11,742,942
B17	In compliance with the law, the initial implementation of the IFRS accounting standards pertains to special surplus reserves.	-	-	-	-	(192)	192	-	-	-	-
	Appropriation and distribution of surplus in 2022										
B1	Legal surplus reserve	-	-	-	206,355	-	(206,355)	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	(450,062)	-	-	-	(450,062)
	Other changes in capital surplus:										
M1	Changes in capital surplus from dividends paid to subsidiaries	-	-	1,205	-	-	-	-	-	-	1,205
T1	Dividends not collected by shareholders before the designated date	-	-	2,170	-	-	-	-	-	-	2,170
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	93,810	-	(93,810)	-	-
D1	Net income in 2023	-	-	-	-	-	648,948	-	-	-	648,948
D3	Other comprehensive income in 2023, net of tax	-	-	-	-	-	(314)	(1,512)	1,203,684	-	1,201,858
D5	Total comprehensive income in 2023	-	-	-	-	-	648,634	(1,512)	1,203,684	-	1,850,806
Z1	Balance at December 31, 2023	300,041	\$ 3,000,413	\$ 13,385	\$ 748,625	\$ 1,006,356	\$ 2,864,193	(\$ 2,773)	\$ 5,530,036	(\$ 13,174)	\$ 13,147,061

Shinkong Textile Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
From January 1st to December 31st, 2023, and from January 1st to December 31st, 2022
Unit: In Thousands of New Taiwan Dollars

Code		2023	2022
	Cash flows from operating activities		
A10000	Income before income tax	\$ 772,967	\$ 2,263,521
A20010	Adjustments:		
A20100	Depreciation Expense	149,005	145,284
A20200	Amortization Expense	2,499	2,150
A20300	Expected credit return gains	(5)	(1,294)
A20400	Net gains on financial assets at fair value through profit or loss	(23,733)	(49,866)
A20900	Finance costs	53,452	36,438
A21200	Interest income	(23,183)	(6,610)
A21300	Dividend income	(354,184)	(362,884)
A22300	Share of profit or loss of associates accounted for using the equity method	(78,321)	(73,760)
A22500	Loss on disposal of property, plant and equipment	25	669
A22700	Disposal of investment properties	(3,377)	-
A22800	Disposal of Intangible Asset Loss	360	-
A23000	Gains on disposal of other non-current assets held for sale	-	(1,511,741)
A23700	Loss for market price decline and obsolete and slow-moving inventories	22,659	19,031
A24500	Capital surplus from dividends on stocks that have not been collected	2,170	278
A29900	Construction in progress transferred to miscellaneous purchases	-	29
A29900	Construction in progress transferred to miscellaneous disbursements	-	59,315
A29900	Gains on lease modification	-	(442)
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	(1,116)	19,769
A31150	Accounts receivable	(88,267)	62,219
A31180	Other receivables	1,435	3,326
A31200	Inventories	27,605	(298,589)
A31230	Prepayments	(33,046)	(4,246)
A31240	Other current assets	(38)	(3)
A31990	Other non-current assets	1,209	1,210
A32125	Contract liabilities	(7,459)	3,762
A32130	Notes payable	(54,576)	(36,585)
A32150	Accounts payable	25,139	6,745
A32180	Other payables	(8,778)	57,491

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Code		2023	2022
A32230	Other current liabilities	(\$ 20,031)	(\$ 553)
A32240	Net defined benefit assets	2,275	(772)
A32990	Other non-current liabilities	<u>-</u>	(<u>3</u>)
A33000	Cash generated from operations	364,686	333,889
A33300	Interest paid	(53,631)	(33,525)
A33500	Income tax paid	(<u>61,082</u>)	(<u>18,126</u>)
AAAA	Net cash generated from operating activities	<u>249,973</u>	<u>282,238</u>
Cash flows from investing activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	(108,410)	(32,158)
B00020	Disposal of the financial assets at fair value through other comprehensive income	27,685	326
B00040	Financial assets at amortized cost	-	(500,000)
B00050	Disposal of financial assets at amortized cost	489,100	-
B00100	Acquisition of financial assets at fair value through profit or loss	(37,508)	(427,301)
B00200	Proceeds from financial assets at fair value through profit or loss	177,440	80,779
B01800	Acquisition of long-term equity investments using equity method	(15,439)	(8,772)
B02600	Proceeds from disposal of other non-current assets held for sale	-	815,383
B02700	Acquisition of property, factory, and equipment	(56,811)	(281,503)
B02800	Proceeds from disposal of property, factory and equipment	11	20
B03700	Increase in refundable deposits	(9,599)	(46,802)
B04500	Acquisition of intangible assets	(4,547)	(2,783)
B05400	Acquisition of investment properties	(230,857)	(627)
B05500	Disposal of investment properties	3,674	-
B07100	Increase in prepayments for equipment	(3,734)	(13,420)
B07300	Increase in prepayments for land	(105,977)	-
B07500	Interest received	23,183	6,610
B07600	Dividends received	354,184	362,884
B09900	Dividends received from associates	<u>45,986</u>	<u>43,352</u>
BBBB	Net cash used in investing activities	<u>548,381</u>	(<u>4,012</u>)
Cash flows from financing activities			
C00100	Increase in short-term borrowings	-	590,000
C00200	Decrease in short-term borrowings	(24,000)	-
C00500	Increase in short-term bills payable	100,000	-
C00600	Decrease in short-term bills payable	-	(1,180,000)

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Code		2023	2022
C01600	Proceeds from long-term borrowings	\$ 243,698	\$ 159,082
C03000	Increase in guarantee deposits received	99,395	-
C03100	Refund of guarantee deposits received	-	(21,300)
C04020	Repayment of the principal portion of lease liabilities	(47,551)	(46,745)
C04500	Distribution of dividends to the shareholders of our company	(<u>448,857</u>)	(<u>299,237</u>)
CCCC	Net cash used in financing activities	(<u>77,315</u>)	(<u>798,200</u>)
DDDD	Effects of exchange rate changes on cash and cash equivalent	(<u>115</u>)	<u>163</u>
EEEE	Net increase (decrease) in cash and cash equivalents	720,924	(519,811)
E00100	Cash and cash equivalents at beginning of year	<u>889,783</u>	<u>1,409,594</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 1,610,707</u>	<u>\$ 889,783</u>

Attachment IV

Shinkong Textile Co., Ltd. Earnings Distribution Table 2023

Unit: NT\$

Item	Amount
Opening unappropriated earnings	2,121,556,971
Current net profit	648,947,914
Write-off due to the initial adoption of TIFRS to allocate the special surplus	192,771
Disposal of the financial assets at fair value through other comprehensive income	93,809,869
Retained earnings recognized from re-measurement of defined benefit plans	(314,538)
Current net profit and adjusted amount	742,636,016
Accrual of legal surplus reserve (10%)	(74,263,602)
Current earnings available for distribution	2,789,929,385
Distribution items	
Dividends to shareholders - Cash dividends (at NT\$1.20 per share)	(360,049,536)
Ending unappropriated earnings	2,429,879,849

Chairman: Hsing-En Wu

President: Chin-Fa Chiu
Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

Appendix I

Shinkong Textile Co., Ltd.

Articles of Incorporation

Chapter I General Principles

Article 1: The Company shall be incorporated in accordance with the provisions on the company limited by shares of the Company Act, and its name shall be "新光紡織股份有限公司." Its English name is SHINKONG TEXTILE CO., LTD.

Article 2: The businesses of the Company are as follows:

- I. C302010 Weaving of Textiles
- II. C305010 Printing, Dyeing, and Finishing
- III. C306010 Wearing Apparel
- IV. C399990 Other Textile and Products
Manufacturing
- V. F102030 Wholesale of Tobacco and Alcohol
- VI. F104110 Wholesale of Cloths, Garments, Shoes,
Hats, Umbrellas and Clothing
Accessories
- VII. F106020 Wholesale of Daily Commodities
- VIII. F108040 Wholesale of Cosmetics
- IX. F109070 Wholesale of Culture, Education,
Musical Instruments and Educational
Entertainment Supplies
- X. F203020 Retail Sale of Tobacco and Alcohol

XI.	F204110	Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
XII.	F206020	Retail Sale of daily commodities
XIII.	F208040	Retail Sale of Cosmetics
XIV.	F209060	Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
XV.	F301010	Department Stores
XVI.	F399040	Retail Sale No Storefront
XVII.	F401010	International Trade
XVIII.	F401021	Restrained Telecom Radio Frequency Equipments and Materials Import
XIX.	G202010	Parking area Operators
XX.	H701010	Housing and Building Development and Rental
XXI.	H701020	Industrial Factory Development and Rental
XXII.	H703090	Real Estate Business
XXIII.	H703100	Real Estate Leasing
XXIV.	I301010	Information Software Services
XXV.	I501010	Product Designing
XXVI.	J202010	Industry Innovation and Incubation Services
XXVII.	JB01010	Conference and Exhibition Services
XXVIII.	ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

- Article 3: The Company may act as a guarantor for an external party if such an act can be justified as business related.
- Article 4: The Company may act as a shareholder of limited liability for other companies with the Board of Directors' resolution, and its total investment amount, unless otherwise stipulated by the law, shall be exempt from the restrictions that the total investment amount shall not exceed forty percent of the Company's paid-in capital.
- Article 5: The Company shall have its head-office in Taipei City and, if necessary, may set up branches and plants in other proper locations.
- The set-up and cancellation shall be determined by the Board of Directors.

Chapter II: Shares

- Article 6: The total amount of the Company's capital stock is NT\$3.6 billion, which is divided into 360,000,000 shares. They are all ordinary shares, with NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in separate installments.
- Article 7: The Company's share certificates shall be name-bearing certificates, duly signed by or affixed with seals by the Director on behalf of the Company, and legally authenticated by the bank acting as a stock issuer before issuance.
- The Company may issue shares without certificates, and such shares shall be registered with a central securities depository.
- Article 8: The Company's shares shall be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" issued by the securities regulatory agency.

Article 9: No registration of transfer of shares shall be made within sixty days prior to an Annual Shareholders' Meeting, nor within thirty days prior to an Extraordinary Shareholders' Meeting, nor within five days prior to the day on which dividend, bonus, or other benefits is scheduled to be paid by the Company.

Chapter III Shareholders' Meetings

Article 10: The Shareholders' Meetings of the Company are divided into the Annual Shareholders' Meeting and Extraordinary Shareholders' Meeting. The former shall be convened annually within six months after the closing of each accounting year. The latter may be duly convened according to relevant laws whenever necessary.

Article 10-1: The Company shall hold the Shareholders' Meeting in the form of video conference or other manners announced by the central regulatory authority.

If the Shareholders' Meeting is convened via video conferencing, a shareholder who attends the meeting via video conferencing shall be deemed to attend in person.

When the Company holds the Shareholders' Meeting in the form of video conference or other manners announced by the central regulatory authority, the conditions that shall be satisfied, working procedures and other matters that shall be observed shall be subject to the provisions of the securities regulation authority.

Article 11: Unless otherwise stipulated by the law, one vote shall be offered for each share at the Shareholders' Meeting of the Company.

Article 12: Where a Shareholders' Meeting is convened by the Board of Directors, the chairperson shall be the Chairman. If the Chairman asks for leave or cannot perform the duty due to any reason, the Vice Chairman shall act in his place. If there's no

Vice Chairman or the Vice Chairman also asks for leave or cannot perform the duty due to any reason, the Chairman shall appoint a Director to act in his place; In the event that the Chairman does not appoint a Director, one Director shall be elected from among themselves to act in his place. If the meeting is convened by a person with the authority to convene other than the Board of Directors, such person shall act as the chairperson at that meeting; if there are more than one persons with the authority to convene, the chairperson for the meeting shall be appointed from among them.

Article 13: Except as otherwise provided by relevant law, the resolutions of Shareholders' Meeting shall be adopted upon the approval of over half of the voting shares of the shareholders present at the meeting attended by the holders of more than half of the total issued and outstanding shares of the Company or their proxies.

The Company's shareholders may exercise voting rights by electronic means, and relevant matters shall be handled in accordance with the laws and regulations.

Article 14: Resolutions made during the Shareholders' Meeting shall be made into a book of meeting minutes, and they shall be made, distributed, announced, and kept in accordance with laws and regulations.

Chapter IV Directors and Audit Committee

Article 15: The Company will have five to nine Directors. Each Director will serve an office term of three years and may be re-elected. All Directors shall comply with the rules of the securities regulatory authorities concerning their total shareholding ratio. There shall be no less than three Independent Directors among the number of Directors to be elected referred to in the preceding paragraph, and shall not be less than one-fifth of Directors. The election of the Company's Directors and

Independent Directors shall be organized under a nomination system and the shareholders shall make election and appointment from the list of candidates of Directors and Independent Directors. The election shall be processed in accordance with Article 192-1 of the Company Act.

The restrictions on professional qualifications, shareholding, and concurrent positions held, as well as the manner of nomination and election of Independent Directors, and other related compliance matters shall comply with the relevant regulations prescribed by the competent authority.

During the election of Directors, Independent and Non-Independent Directors are elected at the same time, but the elected ones will be counted separately. Those who have won the votes representing more voting rights will serve as Independent and Non-Independent Directors respectively.

Article 15-1: In accordance with Article 14-4 of the Securities and Exchange Act, the Company shall set up an Audit Committee composed of all Independent Directors, which shall be responsible for exercising the functions and powers of supervisors prescribed by the Company Act, Securities and Exchange Act, and other regulations.

Article 16: A Chairman and a Vice Chairman shall be elected among the Directors by the Board of Directors upon the approval of over half of the Directors present at a meeting attended by more than two-thirds of all Directors. The Chairman is the Company's representative.

Article 16-1: Remuneration shall be paid to the Company's Directors for the performance of their duties, regardless of profits or losses. The Board of Directors is authorized to determine upon the remunerations for Directors according to their participation in and the value of their contribution to the Company operation

and with reference to the common remuneration level in the industry.

Article 17: In case that the vacancies in the office of Directors reach one-third of the Board of Directors or if all Independent Directors have been dismissed, the Board of Directors shall convene an Extraordinary Shareholders' Meeting within sixty days to elect new Directors to hold office for the unexpired term of the former Directors.

Article 18: The powers of the Board of Directors are as follows:

- I. Determine business plans.
- II. Review important rules and contracts.
- III. Establish and cancel branches.
- IV. Approve budgets and final accounts.
- V. Submit proposals regarding capital increase or decrease, and direct and supervise businesses.
- VI. Appoint, dismiss, and determine the remuneration for Managerial Officers.
- VII. Appoint the directors and supervisors of wholly-owned subsidiaries.
- VIII. Deliberate the matters proposed by the Board of Directors of subsidiaries.
- IX. Make decisions on purchase and disposal of real estate.
- X. Make decisions on lending and borrowing funds to and from the external.
- XI. Other matters set forth by the Company Act or this Articles of Incorporation

Article 19: The Board of Directors' meeting shall be convened by the Chairman, but the first meeting of each Board of Directors shall

be convened in accordance with the provisions of the Company Act.

Upon convening a Board of Directors' Meeting, the reasons for convening the meeting shall be notified to each Director at least seven days in advance. However, in the event of an emergency, the meeting may be convened at any time. The notices of convening the Board of Directors' Meeting may be served in writing or by means of facsimile or e-mail, etc.

Article 20: Except as otherwise provided by the Company Act, resolutions of the Board of Directors shall be adopted upon the approval of over half of the Directors present at a meeting attended by more than half of the Directors.

Article 21: If a Director is unable to attend a Board of Directors' meeting for any cause, he/she shall appoint another Director to attend such meeting. However, if a Director attends the Board of Directors as a proxy, he/she shall be appointed as a proxy for one other Director only.

If a Board of Directors' meeting is convened via video conferencing, Directors who attend the meeting via video conferencing shall be deemed to have attended the meeting in person.

Article 22: (Delete)

Article 23: (Delete)

Chapter V Managerial Officer

Article 24: The Company has Managerial Officers to handle all the businesses of the Company based on the resolutions of the Board of Directors. The engagement, discharge and remuneration of the Managerial Officers shall be adopted upon the approval of more than half of the Directors present at a meeting attended by over half of the Directors.

Chapter VI Accounting

Article 25: The Company's accounting year begins from Jan. 1 and ends on Dec. 31.

Article 26: At the end of the Company's each accounting year, the Board of Directors shall submit and apply to the Shareholders' Meeting to ratify, according to legal procedures:

I. Business report.

II. Financial statements.

III. Proposals for earnings distribution or loss coverage.

Article 27: If profit is made by the Company in the year, no less than one percent of the said profit shall be allocated as the remuneration for employees. The Board of Directors shall adopt an extraordinary resolution on whether to issue the remuneration in shares or cash. The Company permits its Board of Directors to allocate no more than five percent of the amount of the aforementioned profit as the remuneration for Directors through an extraordinary resolution. The proposal for distribution of remuneration to employees and Directors shall be reported at the Shareholders' Meeting. However, in case of any cumulative losses, the Company shall keep a certain amount in advance to cover the losses, and then allocate a certain amount based on the said proportion as the remuneration for employees and Directors.

The Company offers employee treasury stocks, employee stock options, new shares subscription by employees, new restricted employee shares, and employee remuneration, etc., their payment objects may include such employees of the companies controlled by or affiliated to the Company as relating to the Company's businesses.

Article 27-1: If there are current net profits after tax in the Company's annual final accounts, 10 % of the balance, after deducting cumulative

losses (including adjustment to unappropriated earnings), shall be allocated as statutory surplus reserves, except when the cumulative statutory surplus has reached the paid-in capital of the Company. Special surplus reserves shall also be allocated or written off in accordance with laws and regulations; if there's any balance, the Board of Directors shall issue earnings distribution plan for such balance and the opening unappropriated earnings (including adjustment to unappropriated earnings).

If the "net increase in accumulated fair value of property held for investment in previous period" and the "net decrease in accumulated other equities in previous period" are not accrued in full, the Company shall, distributing the earnings, accrue the special surplus' reserve in the same amount out of the undistributed earnings in the current period, and if there is still any discrepancy, the Company shall accrue it out of the undistributed earnings, which are the after-tax net profit in the current period plus the other items in the current period.

Where the earnings are distributed in the form of cash dividends, it shall be resolved by half of the Directors present at a meeting attended by more than two-thirds of the Board of Directors, and shall be reported to the Shareholders' Meeting. Where they are distributed by issuing shares or paying dividends, it shall be resolved at the Shareholders' Meeting.

The Company adopts a remaining dividend policy, in order to make cooperation in long-term financial planning to seek sustainable and stable business development and to consider the demands for capital budget and working capital. The dividend of shareholders shall not be less than 10% of the amount after the net profit after tax of the current year deducts the cumulative losses (including adjustment to unappropriated earnings) and allocates the legal surplus reserve and earnings shall be

distributed in cash and/or by issuing shares, with the cash dividends no less than ten percent of the total dividends.

Chapter VII Bylaws

Article 28: The Company's Organization Rules and Detailed Measures shall be formulated separately.

Article 29: The matters not specified in these Articles of Incorporation shall be governed by the Company Act.

Article 30: This Articles of Incorporation was established on Apr. 15, 1955. The 1st amendment was made on Jul. 10, 1956. The 2nd amendment was made on Nov. 1, 1957. The 3rd amendment was made on Apr. 30, 1959. The 4th amendment was made on Feb. 1, 1962. The 5th amendment was made on Sep. 1, 1963. The 6th amendment was made on Mar. 6, 1965. The 7th amendment was made on Apr. 10, 1965. The 8th amendment was made on Sep. 7, 1966. The 9th amendment was made on Jun. 15, 1969. The 10th amendment was made on Aug. 29, 1972. The 11th amendment was made on May 17, 1973. The 12th amendment was made on May 30, 1974. The 13th amendment was made on May 23, 1975. The 14th amendment was made on Aug. 19, 1975. The 15th amendment was made on May 24, 1976. The 16th amendment was made on Apr. 26, 1977. The 17th amendment was made on Apr. 14, 1979. The 18th amendment was made on Apr. 24, 1980. The 19th amendment was made on Apr. 13, 1981. The 20th amendment was made on May 13, 1983. The 21st amendment was made on Jun. 8, 1985. The 22nd amendment was made on Oct. 1, 1985. The 23rd amendment was made on May 20, 1986. The 24th amendment was made on Jun. 28, 1988. The 25th amendment was made on Mar. 24, 1990. The 26th amendment was made on Jun. 22, 1991. The 27th amendment was made on Apr. 27, 1996. The 28th amendment was made on May 12, 2000. The 29th amendment was made on Jun. 26, 2002. The 30th amendment was made on Dec. 26,

2003. The 31st amendment was made on Jun. 14, 2005. The 32nd amendment was made on Jun. 23, 2006. The 33rd amendment was made on Jun. 13, 2007. The 34th amendment was made on Jun. 25, 2010. The 35th amendment was made on Jun. 22, 2011. The 36th amendment was made on Jun. 19, 2012. The 37th amendment was made on Jun. 13, 2013. The 38th amendment was made on Jun. 6, 2014. The 39th amendment was made on Jun. 22, 2015. The 40th amendment was made on Jun. 13, 2016. The 41st amendment was made on May 26, 2017. The 42nd amendment was made on Jun. 14, 2019. The 43rd amendment was made on Jun. 19, 2020. The 44th amendment was made on June 10, 2022. The 45th amendment was made on May 26, 2023.

Appendix II

Shinkong Textile Co., Ltd.

Rules of Procedure for Shareholders' Meetings

Article 1 The Shareholders' Meeting of the Company shall be conducted in accordance with these Rules.

Article 2 The "shareholders" as set forth in these Rules refer to the shareholders themselves and the proxies entrusted by them to attend a meeting. In the event that a juristic person is entrusted to attend a Shareholders' Meeting, that juristic person may appoint only one representative to attend the meeting. When shareholders (or their proxies) attend a meeting, they shall wear attendance certificates, and the Company shall provide an attendance register for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders and those shares whose voting rights are exercised in written or electronically.

The attending and voting by shareholders shall be duly calculated based on the number of shares they hold. The Company shall record the entire process of the Shareholders' Meeting by means of audio or video and keep it for at least one year.

Article 3 The Shareholders' Meeting of the Company shall be held in the place where the Company is located or in any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. and no later than 3:00 p.m.

Article 4 The Shareholders' Meeting shall be duly chaired by the Chairman if it is convened by the Board of Directors. If the Chairman asks for leave or cannot perform the duty due to any reason, the Vice Chairman shall act in his place. If there's no Vice Chairman or the Vice Chairman also asks for leave or cannot perform the duty due to any reason, the Chairman shall appoint a Director to act in his place.

In the event that the Chairman does not appoint a Director, one Director shall be elected from among themselves to act in his place.

If Shareholders' Meeting is convened by any other person with the authority to convene such meeting other than the Board of Directors, the meeting shall be duly chaired by such person. If there are two or more conveners, one of them shall be elected from among themselves to chair the meeting.

Article 5 The chairperson shall announce commencement of a meeting, if the meeting is attended by the shareholders representing over half of all the issued and outstanding shares. If the number of shares present does not meet statutory number and the meeting is delayed, the chairperson may announce postponement. The postponements shall be limited to two times, and the postponed time shall not exceed one hour in total. If, after two postponements, the number still does not reach statutory number of shares, but the meeting is attended by the shareholders representing more than one-third of the total issued and outstanding shares, tentative resolutions may be adopted, upon the resolution made by the shareholders present at the meeting representing over half of their voting rights, in accordance with Article 175 of the Company Act. Upon execution of the said tentative resolution, if the number of shares represented by the attending shareholders has reached statutory number of shares, the chairperson may announce commencement of the meeting at any time and put the tentative resolutions already passed at the meeting for ratification.

Article 6 The agenda for the Shareholders' Meeting shall be set by the Board of Directors if such meeting is convened by the Board of Directors. The meeting shall be carried out in accordance with the scheduled agenda, and no change may be made thereto without resolution made at the Shareholders' Meeting.

The preceding paragraph shall apply mutatis mutandis to meetings convened by any person, other than the Board of Directors, with the authority to convene such meeting.

The chairperson may not, absent a resolution, unilaterally announce the adjournment of the meeting before the scheduled agenda referred to in the preceding two paragraphs has been resolved. In the event that the chairperson announces adjournment of the meeting against the Rules of Procedure, one person may be elected, upon the approval of the shareholders present at the meeting representing over half of shareholders' voting rights, to act as the chairperson to proceed the meeting.

After the meeting is adjourned, the shareholders shall not elect another chairperson to resume such meeting at the same location or seek an alternative venue.

Article 7 An attending shareholder or proxy shall fill in a floor note before speaking, specifying the key points of his/her speaking, shareholder account number (or the code of the attending certificate) and name, so that the chairperson may fix the order of speaking.

An attending shareholder or proxy who submits a note but does not speak is deemed to have not spoken. In the event of any inconsistency between the contents of shareholder's speaking and those recorded on the note, the contents of shareholder's speaking shall prevail.

When an attending shareholder or proxy is speaking, no other shareholder may interrupt the speaking shareholder unless otherwise approved by the chairperson and such speaking shareholder or proxy; the chairperson shall stop any such violations.

In the event that a juristic person shareholder appoints two or more representatives to attend a shareholder meeting, only one representative may speak for the same issue.

Article 8 On the same issue, each shareholder shall not speak for more than two times and a shareholder shall not speak for more than five minutes for each round, unless agreed upon by the chairperson. The chairperson may stop the speaking of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.

Article 9 The Company may appoint the entrusted attorney(s), CPAs or relevant personnel to attend a Shareholders' Meeting as an observer.

After a shareholder speaks, the chairperson may make a reply in person or through related person designated by him/her.

Where the chairperson believes that an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote.

Article 10 Except as otherwise provided under the Company Act and/or the Company's Articles of Incorporation, a resolution shall be adopted upon the approval of the shareholders present at the meeting representing over half of their voting rights.

In the event that an amendment or a substitute comes out of the same issue, the chairperson shall fix the order of voting in consolidation with the original issue. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.

The person(s) supervising the voting and the person(s) counting the votes are designated by the chairperson, provided that the person(s) supervising the voting shall be a shareholder. The voting results shall be announced at the meeting and shall be recorded.

Article 11 During the process of the meeting, the chairperson may announce a recess at an appropriate time determined at his/her discretion.

Article 12 The clerks and the sergeant at arms or security personnel dealing with the affairs for the Shareholders' Meeting shall wear ID badges or arm badges.

The chairperson may direct sergeant at arms or security personnel to assist in maintaining the order of the meeting. Shareholders (or proxies) shall obey the direction of the chairperson, sergeant at arms or security personnel on maintaining the order. The chairperson or sergeant at arms or security personnel may escort those obstructing out of the Shareholders' Meeting.

- Article 13 The matters not specified in these Rules shall be governed by the Company Act, the Company's Articles of Incorporation, as well as relevant laws and regulations.
- Article 14 These Rules and any amendments thereto shall be implemented after they are approved at the Shareholders' Meeting.
- Articles 15 These Rules of Procedure were established on Jun. 6, 1955. The first amendment was made on Apr. 17, 1998, and the second amendment was made on Jun. 26, 2002. The third amendment was made on Jun. 13, 2016.

Appendix III

Shareholdings of All Directors

- I. The Company's total paid-in capital is NT\$3,000,412,800, which is 300,041,280 shares. The minimum shareholding of all Directors shall be 12,001,651 shares.
- II. As of the book closure date for the Shareholders' Meeting this time, all Directors' shareholdings recorded in the Company's shareholders register are as follows:

Book Closure Date: March. 30, 2024

Title	Name	Shareholding	Shareholding Ratio (%)
Chairman Director Director	Chichen Co., Ltd. Representative: Hsing-En Wu Representative: Hsin-Hung Wu Representative: Chin-Fa Chiu	19,650,000	6.549
Director	Haung En Co., Ltd. Representative: Hsin-Hung Wu	5,563,669	1.854
Director	Representative of Shin Kong Wu Tung Ching Foundation: Po-Han Lin	51,660	0.017
Independent Director	David Ching	0	0
Independent Director	Mao-Jung Wang	0	0
Independent Director	Wei-Kan Chen	0	0
Total		25,265,329	8.420