

Stock Code: 1419



Shinkong Textile Co., Ltd.  
Annual Shareholders' Meeting of  
2023

# 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 26, 2023  
8/F, No. 15, Section 2, Jianguo North Road, Taipei  
City  
(Shinkong Insurance Tower)

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# Shinkong Textile Co., Ltd.

## Procedure for 2023 Annual Shareholders' Meeting

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

# Shinkong Textile Co., Ltd.

## Agenda of 2023 Annual Shareholders' Meeting

Time: 9:00 a.m. on May 26, 2023 (Friday)

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

Method: Shareholders' Meeting on the Site

Report the number of shares represented at the meeting

I. Meeting Called to Order

II. Chairman's Remarks

III. Announcements

(I) 2022 Business Report

(II) Audit Committee's Review Report

(III) Report on the Distribution of Remuneration to Employees  
and Directors of 2022

(IV) Report on Distribution of Earnings in Cash Dividends of  
2022

IV. Election

Election of Directors across-the-board

V. Proposals and Discussions

(I) Ratification of 2022 Business Report and Financial  
Statements

(II) Ratification of 2022 Earnings Distribution

(III) Amendment to the Company's Articles of Incorporation

(IV) Amendment to the Company's Operating Procedures of  
Fund Lending

(V) Releasing New Directors from Non-competition  
Restrictions

VI. Extempore Motions

VII. Adjournment

## [Announcements]

### (I) 2022 Business Report

2022 Business Report (please refer to Attachment I, pp. 9-11)

### (II) Audit Committee's Review Report

Audit Committee's Review Report (please refer to Attachment II, pp.12-13)

### (III) Report on the Distribution of Remuneration to Employees and Directors of 2022

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\$21.8 million of remuneration to employees and Directors respectively for the year of 2022. Both were paid in cash.

### (IV) Report on Distribution of Earnings in Cash Dividends of 2022

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\$450,061,920 of dividends for shareholders from the accumulated distributable earnings of 2022, and pay NT\$1.50 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.

## [Election]

Proposed by the Board of Directors

Subject: Election of Directors across-the-board is hereby submitted for ratification.

- Description:
- I. The term of the current directors expires on June 18, 2023. It is proposed that 7 directors (including 3 independent directors) will be re-elected at annual general meeting.
  - II. In accordance with the Company's Articles of Incorporation and Article 192-1 of the Company Act, a candidate nomination system shall be adopted for this election of Director, and the list of the candidates of Independent Directors has been approved by the Company in a resolution of its Board of Directors on April 7, 2023. Please refer to Attachment III, pp.14-15 for the list of candidates of Independent Directors.
  - III. The term of office of the new directors shall be from May 26, 2023 to May 25, 2026, and the term of office of the original directors shall be until the completion of the annual general meeting.
  - IV. This election shall be conducted according to the Company's election rules for Directors.
  - V. The proposal is hereby submitted for election.

Election Results:

## [Proposals and Discussions]

Item I Proposed by the Board of Directors

Subject: 2022 Business Report and Financial Statements are hereby submitted for ratification.

Description: I. The Company's 2022 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.9-11 and Attachment IV, pp.16-32 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: 2022 Earnings Distribution is hereby submitted for ratification.

Description: I. Please refer to Attachment V, p.33 for 2022 Earnings Distribution Table.

II. The proposal is hereby submitted for ratification.

Description:

Resolution:



Item III Proposed by the Board of Directors

Subject: The Amendment of the Company's Articles of Incorporation is hereby submitted for discussion.

- Description:
- I. It is hereby proposed to amend some articles of the Company's Articles of Incorporation in support of the operation needs of the Company.
  - II. The comparison table on the Articles of Incorporation before and after amendment is provided in Attachment VI, pp.34-36.
  - III. The proposal is hereby submitted for discussion.

Resolution:

Item IV Proposed by the Board of Directors

Subject: The Amendment to the Company's Operating Procedures of Fund Lending is hereby submitted for discussion.

- Description:
- I. It is hereby proposed to amend some articles of the "Company's Operating Procedures of Fund Lending" and the operation needs of the Company.
  - II. Please refer to Attachment VII, pp.37-40 of the company's comparison table on "Operating Procedures of Fund Lending" before and after amendment.
  - III. The proposal is hereby submitted for discussion.

Resolution:

Item V Proposed by the Board of Directors

Subject: Releasing New Directors from Non-competition Restrictions is hereby submitted for discussion.

Description: I. According to Article 209 of the Company Act: "A director who does anything for himself or for another person that is within the scope of the company's business, shall explain to the Shareholders' Meeting the essential contents of such an act and secure its approval."

II. In order to draw on the Company Directors' expertise and relevant experience, it is proposed for the Shareholders' Meeting to approve on releasing the newly elected Directors from non-competition restrictions.

III. Please refer to Attachment VIII, p.41 for the details of releasing Directors from non-competition restrictions, and the releasing objects shall be the Directors actually elected.

IV. The proposal is hereby submitted for discussion.

Resolution:

[Extempore Motions]

[Adjournment]

## Attachment I

### Business Report

The Company's 2022 annual operating revenue was NT\$3,138,180 thousand, an increase of NT\$585,331 thousand as compared with the previous year, its gross profit was NT\$770,396 thousand, an increase of NT\$190,141 thousand as compared with the previous year, its profit from operations was NT\$203,420 thousand, an increase of NT\$84,176 thousand as compared with the previous year, its net profit after tax was NT\$2,070,986 thousand, an increase of NT\$1,620,099 thousand as compared with the previous year, and its EPS after tax was NT\$6.92.

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

- I. Production status: The Company produced 4,315,194 yds in current period, an increase of 532,695 yds as compared with 3,782,499 yds of the previous period; and processed 19,956,179 yds, an increase of 4,424,223 yds as compared with 15,531,956 yds of the previous period.
- II. Operating status: In the current period, the net operating revenue totaled NT\$3,138,180 thousand, an increase of NT\$585,331 thousand as compared to NT\$2,552,849 thousand in the previous period, representing 136.52% of the budget.

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

- (I) Marketing Department: Focused on export of finished fabrics. Its revenue of the current period was NT\$2,223,754 thousand, an increase of 26.07% as compared with the same period of last year, reached 155.11% of the budget. The

revenue growth came in the increase in online shopping demand of major brands, the increase in the frequency of sports at home, and the increase in consumers' demand for functional clothing, as well as the gradual recovery of the market due to the vaccination of other brands of COVID-19 in Europe and the United States, most customers in addition to purchasing orders for the new season are restocking.

- (II) Retail Department: Focused on retailing in the domestic apparel market. Its revenue of the current period was NT\$757,759 thousand, an increase of 19.23% as compared with the same period of last year, reached 106.55% of the budget. Stores had fewer people and shorter business hours in last year. As the epidemic prevention policy was gradually relaxed, the stores crowds back to drive buying, which led to an increase in sales compared.
- (III) Business Development Department: Its revenue of the current period was NT\$156,667 thousand, remained flat as compared with the same period of the previous year, reached 101.84% of the budget.

The consolidated operating revenue throughout 2022 was NT\$3,349,289 thousand, an increase of NT\$600,375 as compared with the same period of last year, reached 132.75% of the budget. Its net profit after tax owned by the Company's owner was NT\$2,070,986 thousand.

In 2023, due to the three factors of inflation caused by the strong US dollar, the Russia-Ukraine war and the increase of crude oil price, it is estimated that the recovery of brand orders will fall after the second quarter. In addition, the raw material

supplier is cut off due to the epidemic, and the price keeps rising to a record high. The problem of inflation is becoming more and more serious and will affect the gross profit. The Company will continue to pay close attention to the risks to global economic growth and adjust measures as appropriate. While finding new ways to adapt to changing markets, we will accelerate the development of sustainable products and practices. As consumers become more aware of the environmental and social impact of the products they buy, we are also investing more resources in exploring ways to reduce our carbon footprint in order to reduce our environmentally unfriendly impact. The Company will increase the efficiency and capacity and achieve a good operating performance and financial results meeting the expectation.

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

## Attachment II

### Audit Committee's Review Report for Shinkong Textile Co., Ltd.

The Board of Directors has submitted the Company's 2022 Business Report, Financial Statements, and other statements. The Financial Statements and Consolidated Financial Statements have been duly audited by the CPA Li-Huang Li and CPA Jui-Chuan Chih from Deloitte, and Audit Reports have been issued. 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 Ching

Mar. 15, 2023

## Audit Committee's Review Report for Shinkong Textile Co., Ltd.

The Board of Directors has submitted the Company's Earnings Distribution proposal of 2022, the Audit Committee of the Company. We have not found any inconsistencies with applicable laws in our review. 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 Ching

Apr. 7, 2023

### Attachment III Candidate List of Directors

Category	Name	Academic Background	Experiences	Current Position
Director	Chichen Co., Ltd. Representative: Hsing-En Wu	Master of Research Institute of Materials Science, University of California, Los Angeles	1. Chairman of Shinkong Textile Co., Ltd. 2. Chairman concurrently President of Shinkong Asset Management Co., Ltd.	1. Chairman of Shinkong Textile Co., Ltd. 2. Chairman concurrently President of Shinkong Asset Management Co., Ltd.
Director	Chichen Co., Ltd. Representative: Chin-Fa Chiu	MBA, National Taiwan University	1. Director of Shinkong Textile Co., Ltd. 2. Director of Chyang Sheng Dyeing & Finishing Co., Ltd. 3. Director of TAINET Communication System Corp. 4. President of Shinkong Textile Co., Ltd. 5. Executive Vice President of Ruentex Industries Co., Ltd.	1. Director of Shinkong Textile Co., Ltd. 2. Director of Chyang Sheng Dyeing & Finishing Co., Ltd.
Director	Haung En Co., Ltd. Representative: Hsin-Hung Wu	Master of The Wharton School of the University of Pennsylvania	1. Chairman of Shinkong Insurance Co., Ltd. 2. Chairman of Shinkong Textile Co., Ltd. 3. Chairman of Shin Kong Investment Trust Co., Ltd.	1. Chairman of Shinkong Insurance Co., Ltd.
Director	Haung En Co., Ltd. Representative: Shu-Ti Chang	Bachelor of Business Administration, SooChow University	1. Vice President of Shinkong Textile Co., Ltd. 2. Director of Shinkong Asset Management Co., Ltd.	1. Vice President of Shinkong Textile Co., Ltd. 2. Director of Shinkong Asset Management Co., Ltd.
Director	Shin Kong Wu Tung Ching Foundation Representative: Po-Han Lin	Master of Business Administration, Meiji Gakuin University	1. Director of Shin Kong Bank Co., Ltd. 2. Director of Shin Kong Life Insurance Co., Ltd. 3. Director of Shin Kong Financial Holding Co., Ltd. 4. Director of Shinkong Textile Co., Ltd. 5. Director of Shinkong Mitsukoshi Department Store Co., Ltd.	1. Chairman of Shin Kong Investment Trust Co., Ltd. 2. Chairman of Shinkong Lohas Enterprise Co., Ltd. 3. Juridical person Chairman of Teng-Shan Lin Social Welfare Foundation
Director	Shin Kong Wu Tung Ching Foundation Representative: Shih-I Cheng	Graduate from university	1. Vice President of Shin Kong Financial Holding Co., Ltd. 2. Director of MasterLink Securities Corporation	Chairman of Shin Kong Venture Capital International Co., Ltd.
Independent Director	David Ching	Bachelor of Management Science, University of California, San Diego	1. Founder concurrently President of Violet Lake Pavilion Hotel, Thousand Island Lake, China	1. President of Violet Lake Pavilion Hotel, Thousand Island Lake, China



Category	Name	Academic Background	Experiences	Current Position
			<ul style="list-style-type: none"> <li>2. Founder concurrently President of Ivy Lake View Hotel, Thousand Island Lake, China</li> <li>3. First Vice President of Corporate Banking Department, United Overseas Bank (China) Limited, Hangzhou Branch</li> <li>4. First Vice President of Corporate Banking Department, DBS Bank (China) Limited, Hangzhou Branch</li> <li>5. First Vice President of Corporate Banking Department, DBS Bank (China) Limited, Shanghai Branch</li> <li>6. Vice President of Research Department, ICBC Asia (Hong Kong)</li> </ul>	2. Founder and President of Ivy Lake View Hotel, Thousand Island Lake, China
Independent Director	Wei-Kan Chen	Master of Finance, University of Cambridge, UK Master of Design Studies (Real Estate), Harvard University, USA	<ul style="list-style-type: none"> <li>1. Los Angeles City College Foundation/Director</li> <li>2. Preferred Bank/First Vice President concurrently Customer Relations Manager of the Commercial Banking Department</li> <li>3. Yaoda Construction Co.,Ltd./Senior Advisor</li> <li>4. Executive Director of Harvard International Design Co., Ltd.</li> </ul>	Executive Director of Harvard International Design Co., Ltd.
Independent Director	Yu- Chia Hsu	Bachelor of Department of Industrial Management Science, National Cheng Kung University	Manager of Shinkong Insurance Co., Ltd.	None
Independent Director	Mao-Jung Wang	Department of accounting of Soochow University	<ul style="list-style-type: none"> <li>1. CFO of Zinwell Corporation</li> <li>2. CFO of COSMO Electronics Corporation</li> </ul>	<ul style="list-style-type: none"> <li>1. Independent Director of MasterLink Securities Corporation</li> <li>2. Independent Director of Shinkong Textile Co., Ltd.</li> <li>3. Independent Director of BASO Precision Optics, Ltd.</li> </ul>

## Attachment IV CPA's Audit Report and Financial Statements

### Independent Auditors' Report

To Shinkong Textile Co., Ltd.

#### **Audit opinion**

We have audited the parent company only balance sheets of Sinkong Textile Co., Ltd. (hereinafter referred to as the "Company") as of December 31, 2022 and 2021; 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, 2022 and 2021, 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, 2022 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 Sinkong Textile Co., Ltd. for the year ended December 31, 2022 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(XIV) 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 maintain 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, 2022. 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 15, 2023

Shinkong Textile Co., Ltd.  
Parent Company Only Balance Sheets  
December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 663,597	4	\$ 746,846	5
1110	Financial assets at fair value through profit or loss	559,120	4	172,462	1
1120	Financial assets at fair value through other comprehensive income - current	1,619,189	10	1,764,409	13
1150	Notes receivable	9,915	-	29,684	-
1170	Accounts receivable	290,228	2	355,770	3
1180	Accounts receivable - related parties, net	48,071	-	44,700	-
1200	Other receivables	15,799	-	19,164	-
1210	Other receivables - related parties	819	-	82,382	1
1220	Current tax assets	-	-	46	-
130X	Inventories	1,030,855	7	756,826	5
1410	Prepayments	57,754	-	157,941	1
1470	Other current assets	9	-	12	-
11XX	Total current assets	<u>4,295,356</u>	<u>27</u>	<u>4,130,242</u>	<u>29</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current	4,860,144	30	4,599,348	32
1535	Financial assets at amortized cost - non-current	1,800	-	1,800	-
1550	Investments accounted for using the equity method	3,768,277	24	2,375,309	17
1600	Property, plant and equipment	367,646	2	351,627	2
1755	Right-of-use assets	172,050	1	146,950	1
1760	Investment properties	2,614,101	16	2,643,787	19
1780	Other intangible assets	3,181	-	2,338	-
1840	Deferred tax asset	29,691	-	28,602	-
1990	Other non-current assets	24,817	-	36,712	-
15XX	Total non-current assets	<u>11,841,707</u>	<u>73</u>	<u>10,186,473</u>	<u>71</u>
1XXX	Total Assets	<u>\$ 16,137,063</u>	<u>100</u>	<u>\$ 14,316,715</u>	<u>100</u>
Code	Liabilities and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term borrowings	\$ 3,010,000	19	\$ 1,880,000	13
2110	Short-term notes payable	-	-	1,128,646	8
2130	Contract liabilities - current	29,641	-	25,960	-
2150	Notes payable)	222,899	2	257,405	2
2160	Notes payable - related parties	36,260	-	38,340	-
2170	Accounts payable)	103,099	1	97,338	1
2180	Accounts payable - related parties	6,612	-	7,653	-
2219	Other payables	163,174	1	116,620	1
2220	Other payables - related parties	1,705	-	1,166	-
2230	Current tax liabilities	45,164	-	16,594	-
2280	Lease liabilities - current	42,564	-	46,002	-
2399	Other current liabilities	23,475	-	23,684	-
21XX	Total current liabilities	<u>3,684,593</u>	<u>23</u>	<u>3,639,408</u>	<u>25</u>
	Non-current liabilities				
2570	Deferred tax liabilities	533,901	3	519,828	4
2580	Lease liabilities - non-current	134,581	1	105,094	1
2645	Guarantee deposits received	41,046	-	41,267	-
25XX	Total non-current liabilities	<u>709,528</u>	<u>4</u>	<u>666,189</u>	<u>5</u>
2XXX	Total liabilities	<u>4,394,121</u>	<u>27</u>	<u>4,305,597</u>	<u>30</u>
	Equity				
	Share capital				
3110	Common shares	<u>3,000,413</u>	<u>19</u>	<u>3,000,413</u>	<u>21</u>
3200	Capital surplus	<u>10,010</u>	<u>-</u>	<u>8,928</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	542,270	4	497,780	4
3320	Special reserve	1,006,548	6	1,006,548	7
3350	Unappropriated earnings	<u>2,777,974</u>	<u>17</u>	<u>1,058,957</u>	<u>7</u>
3300	Total retained earnings	<u>4,326,792</u>	<u>27</u>	<u>2,563,285</u>	<u>18</u>
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	( 1,261 )	-	( 6,638 )	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>4,420,162</u>	<u>27</u>	<u>4,458,304</u>	<u>31</u>
3400	Total other equity	<u>4,418,901</u>	<u>27</u>	<u>4,451,666</u>	<u>31</u>
3500	Treasury share	( 13,174 )	-	( 13,174 )	-
3XXX	Total equity	<u>11,742,942</u>	<u>73</u>	<u>10,011,118</u>	<u>70</u>
	Total Liabilities and Equity	<u>\$ 16,137,063</u>	<u>100</u>	<u>\$ 14,316,715</u>	<u>100</u>

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

Shinkong Textile Co., Ltd.  
Parent Company Only Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, provided that  
Earnings per share are in NT\$)

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue				
4100	Sales revenue	\$ 2,980,355	95	\$ 2,398,299	94
4300	Rental revenue	157,222	5	153,946	6
4800	Other operating revenue	<u>603</u>	<u>-</u>	<u>604</u>	<u>-</u>
4000	Total operating revenue	<u>3,138,180</u>	<u>100</u>	<u>2,552,849</u>	<u>100</u>
	Operating costs				
5110	Cost of goods sold	( 2,325,933 )	( 74 )	( 1,930,334 )	( 75 )
5300	Rental costs	( <u>41,851</u> )	( <u>1</u> )	( <u>42,260</u> )	( <u>2</u> )
5000	Total operating costs	( <u>2,367,784</u> )	( <u>75</u> )	( <u>1,972,594</u> )	( <u>77</u> )
5900	Gross profit	<u>770,396</u>	<u>25</u>	<u>580,255</u>	<u>23</u>
	Operating expenses				
6100	Selling and marketing	( 393,416 )	( 12 )	( 326,769 )	( 13 )
6200	General and administrative	( 145,508 )	( 5 )	( 107,804 )	( 4 )
6300	Research and development	( 29,688 )	( 1 )	( 25,941 )	( 1 )
6400	Expected credit losses	<u>1,294</u>	<u>-</u>	( <u>497</u> )	<u>-</u>
6000	Total operating expenses	( <u>567,318</u> )	( <u>18</u> )	( <u>461,011</u> )	( <u>18</u> )
6500	Other operating income and expenses, net	<u>342</u>	<u>-</u>	<u>-</u>	<u>-</u>
6900	Net operating income	<u>203,420</u>	<u>7</u>	<u>119,244</u>	<u>5</u>
	Non-operating income and expenses				
7100	Interest income	4,772	-	648	-
7010	Other income	361,974	11	281,555	11
7020	Other gains and losses	112,549	4	( 9,635 )	( 1 )

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Code		2022		2021	
		Amount	%	Amount	%
7050	Finance costs	( \$ 34,704 )	( 1 )	( \$ 21,407 )	( 1 )
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	<u>1,480,685</u>	<u>47</u>	<u>96,439</u>	<u>4</u>
7000	Total non-operating income and expenses	<u>1,925,276</u>	<u>61</u>	<u>347,600</u>	<u>13</u>
7900	Income before tax	2,128,696	68	466,844	18
7950	Income tax expense	( <u>57,710</u> )	( <u>2</u> )	( <u>15,957</u> )	-
8200	Net income	<u>2,070,986</u>	<u>66</u>	<u>450,887</u>	<u>18</u>
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	4,920	-	( 5,991 )	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	( 16,257 )	-	793,533	31
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	( 34,243 )	( 1 )	( 14,032 )	( 1 )

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Code		2022		2021	
		Amount	%	Amount	%
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	6,720	-	( 2,040 )	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 1,343 )	-	405	-
8300	Other comprehensive income/(loss) for the year, net of income tax	( 40,203 )	( 1 )	771,875	30
8500	Total comprehensive income	<u>\$ 2,030,783</u>	<u>65</u>	<u>\$ 1,222,762</u>	<u>48</u>
	From continuing operations				
9710	Basic	<u>\$ 6.92</u>		<u>\$ 1.51</u>	
9810	Diluted	<u>\$ 6.91</u>		<u>\$ 1.51</u>	

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

Shinkong Textile Co., Ltd.  
Parent Company Only Statements of Changes in Equity  
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code		Share capital		Capital surplus	Retained earnings			Other equity		Treasury share	Total Equity
		Number of Shares (In Thousand Shares)	Amount		Legal 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, 2021	300,041	\$ 3,000,413	\$ 7,911	\$ 459,911	\$ 1,006,548	\$ 951,961	( \$ 5,019 )	\$ 3,678,813	( \$ 13,174 )	\$ 9,087,364
	Appropriation and distribution of earnings for 2020										
B1	Legal reserve	-	-	-	37,869	-	( 37,869 )	-	-	-	-
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	-	-	213	-	-	-	-	-	-	213
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	10	-	( 10 )	-	-
D1	Net income in 2021	-	-	-	-	-	450,887	-	-	-	450,887
D3	Other comprehensive income in 2021, net of tax	-	-	-	-	-	( 5,991 )	( 1,619 )	779,501	-	771,891
D5	Total comprehensive income in 2021	-	-	-	-	-	444,896	( 1,619 )	779,501	-	1,222,778
Z1	Balance at December 31, 2021	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 earnings for 2021										
B1	Legal 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	<u>300,041</u>	<u>\$ 3,000,413</u>	<u>\$ 10,010</u>	<u>\$ 542,270</u>	<u>\$ 1,006,548</u>	<u>\$ 2,777,974</u>	( <u>\$ 1,261</u> )	<u>\$ 4,420,162</u>	( <u>\$ 13,174</u> )	<u>\$ 11,742,942</u>

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

Shinkong Textile Co., Ltd.  
Parent Company Only Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

		(In Thousands of New Taiwan Dollars)	
Code		2022	2021
	Cash flows from operating activities		
A10000	Income before income tax	\$ 2,128,696	\$ 466,844
A20010	Adjustments:		
A20100	Depreciation	135,534	113,354
A20200	Amortization	2,120	1,852
A20300	Expected credit (gain) loss	( 1,294)	497
A20400	Net gains on financial assets and liabilities at fair value through profit or loss	( 50,156)	( 12,012)
A20900	Finance costs	34,704	21,407
A21200	Interest income	( 4,772)	( 648)
A21300	Dividend income	( 360,509)	( 279,724)
A22400	Share of profit or loss of subsidiaries and associates accounted for using the equity method	( 1,480,685)	( 96,439)
A22500	(Gain)/loss on disposal of property, plant and equipment	( 14)	4,898
A23700	Write-downs of inventories	19,031	-
A23800	Gain from price recovery of inventory	-	( 21,024)
A24500	Dividends not collected before the designated date reclassified to capital surplus	278	213
A29900	Construction in progress transferred to miscellaneous purchases	29	-
A29900	Gains (losses) on lease modification	( 341)	-
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	19,769	( 22,532)
A31150	Accounts receivable	63,465	( 80,342)
A31180	Other receivables	85,921	9,367
A31200	Inventories	( 293,060)	( 289,265)
A31230	Prepayments	( 2,155)	( 1,606)
A31240	Other current assets	3	7,725
A32125	Contract liabilities	3,681	( 23,941)

A32130	Notes payable	( 36,586)	184,267
A32150	Accounts payable	4,720	45,722
A32180	Other payables	45,462	34,943
A32230	Other current liabilities	( 181)	21,507
A32240	Net defined benefit liabilities	( <u>771</u> )	( <u>879</u> )
A33000	Cash generated from operations	312,889	84,184

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Code		2022	2021
A33300	Interest paid	( \$ 31,699 )	( \$ 21,441 )
A33500	Income tax paid	( 17,506 )	( 26,195 )
AAAA	Net cash generated from operating activities	<u>263,684</u>	<u>36,548</u>
Cash flows from investing activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 32,159 )	( 130,494 )
B00020	Disposal of the financial assets at fair value through other comprehensive income	326	53
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	16,569
B00100	Acquisition of financial assets at fair value through profit or loss	( 417,301 )	( 71,182 )
B00200	Disposal of financial assets at fair value through profit or loss	80,779	98,986
B01800	Acquisition of long-term investment in shares accounted for using the equity method	( 8,772 )	( 9,665 )
B02000	Increase in prepayments for investments	-	( 100,000 )
B02700	Acquisition of property, plant, and equipment	( 46,419 )	( 107,557 )
B02800	Proceeds from disposal of property, plant, and equipment	20	1,548
B03700	Increase in refundable deposits	-	( 5,843 )
B03800	Decrease in refundable deposits	1,960	-
B04300	Other receivables - related parties	( 13 )	( 73,328 )
B04500	Acquisition of intangible assets	( 2,783 )	( 1,972 )
B05400	Acquisition of investment properties	( 627 )	-
B07100	Increase in prepayments for equipment	( 13,420 )	( 12,640 )
B07500	Interest received	4,772	648
B07600	Dividends received from subsidiaries/associates	68,843	47,797
B07600	Other dividends received	<u>360,509</u>	<u>279,724</u>
BBBB	Net cash used in investing activities	( <u>4,285</u> )	( <u>67,356</u> )
Cash flows from financing activities			
C00100	Increase in short-term borrowings	1,130,000	530,000
C00500	Increase in short-term bills payable	-	270,000
C00600	Decrease in short-term bills payable	( 1,130,000 )	-
C01700	Repayments of long-term borrowings	-	( 190,000 )

C03100	Refund of guarantee deposits received	( 221 )	( 1,214 )
C04020	Repayment of the principal portion of lease liabilities	( 42,386 )	( 37,426 )
C04500	Dividends paid	( <u>300,041</u> )	( <u>300,041</u> )
CCCC	Net cash provided by (used in) financing activities	( <u>342,648</u> )	<u>271,319</u>

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<u>Code</u>		<u>2022</u>	<u>2021</u>
EEEE	Net increase (decrease) in cash and cash equivalents	( \$ 83,249 )	\$ 240,511
E00100	Cash and cash equivalents at beginning of year	<u>746,846</u>	<u>506,335</u>
E00200	Cash and cash equivalents at end of year	<u>\$ 663,597</u>	<u>\$ 746,846</u>

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko



## **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, 2022 and 2021; and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to consolidated financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial status of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) 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 the Group 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 the Group for the year ended December 31, 2022 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 for the year ended December 31, 2022 are as follows:

### Authenticity of sales revenue from specific customers

The Group'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(XIV) of the notes to 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 also prepared parent company only financial statements for the years ended December 31, 2022 and 2021, which we had audited and issued an unqualified opinion.

## **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 as well as the IFRS, IAS, IFRIC, and SIC 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, 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 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 maintain professional skepticism throughout the audit. We also:

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern 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 the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient 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. 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 Group's consolidated financial statements for the year ended December 31, 2022. 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 15, 2023

Shinkong Textile Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 889,783	5	\$ 1,409,594	9
1110	Financial assets at fair value through profit or loss	568,830	4	172,462	1
1120	Financial assets at fair value through other comprehensive income - current	1,625,098	10	1,770,277	11
1136	Financial assets at amortized cost - current	500,000	3	-	-
1150	Notes receivable	9,915	-	29,684	-
1170	Accounts receivable	292,467	2	356,824	2
1180	Accounts receivable - related parties, net	46,685	-	43,253	-
1200	Other receivables	16,603	-	19,925	-
1210	Other receivables - related parties	-	-	4	-
1220	Current tax assets	-	-	139,795	1
130X	Inventories	1,058,167	6	778,609	5
1410	Prepayment	62,371	-	160,467	1
1460	Other non-current assets held for sale	-	-	118,922	1
1470	Other current assets	<u>2,973</u>	<u>-</u>	<u>3,073</u>	<u>-</u>
11XX	Total current assets	<u>5,072,892</u>	<u>30</u>	<u>5,002,889</u>	<u>31</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current)	4,907,353	29	4,649,708	29
1535	Financial assets at amortized cost - non-current	1,800	-	1,800	-
1550	Investments accounted for using the equity method	718,928	4	705,251	4
1600	Property, plant and equipment	630,474	4	417,013	3
1755	Right-of-use assets	179,693	1	150,762	1
1760	Investment properties	5,076,581	31	5,023,510	31
1780	Other intangible asset	3,270	-	2,457	-
1840	Deferred tax assets	29,691	-	28,931	-
1990	Other non-current assets	<u>77,965</u>	<u>1</u>	<u>152,804</u>	<u>1</u>
15XX	Total non-current assets	<u>11,625,755</u>	<u>70</u>	<u>11,132,236</u>	<u>69</u>
1XXX	Total Assets	<u>\$ 16,698,647</u>	<u>100</u>	<u>\$ 16,135,125</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings	\$ 3,070,000	19	\$ 2,480,000	16
2110	Short-term notes payable	-	-	1,178,598	7
2130	Contract liabilities - current	29,805	-	26,043	-
2150	Notes payable	222,899	1	257,405	2
2160	Notes payable - related parties	36,641	-	38,720	-
2170	Accounts payable	104,305	1	97,448	1
2180	Accounts payable - related parties	6,612	-	6,724	-
2200	Other payables	188,898	1	130,552	1
2220	Other payables - related parties	1,822	-	1,186	-
2230	Current tax liabilities	58,559	1	16,728	-
2280	Lease liabilities - curren	45,868	-	49,764	-
2399	Other current liabilities)	<u>23,912</u>	<u>-</u>	<u>839,876</u>	<u>5</u>
21XX	Total current liabilities	<u>3,789,321</u>	<u>23</u>	<u>5,123,044</u>	<u>32</u>
	Non-current liabilities				
2540	Long-term borrowings	159,082	1	-	-
2570	Deferred tax liabilities	761,682	4	767,723	5
2580	Lease liabilities – non-current	138,926	1	105,243	-
2600	Other non-current liabilities	<u>106,694</u>	<u>1</u>	<u>127,997</u>	<u>1</u>
25XX	Total non-current liabilities	<u>1,166,384</u>	<u>7</u>	<u>1,000,963</u>	<u>6</u>
2XXX	Total liabilities	<u>4,955,705</u>	<u>30</u>	<u>6,124,007</u>	<u>38</u>
	Equity attributable to owners of the Company				
	Share capital				
3110	Common shares	<u>3,000,413</u>	<u>18</u>	<u>3,000,413</u>	<u>19</u>
3200	Capital surplus	<u>10,010</u>	<u>-</u>	<u>8,928</u>	<u>-</u>
	Retained earnings				
3310	Legal reserve	542,270	3	497,780	3
3320	Special reserve	1,006,548	6	1,006,548	6
3350	Unappropriated earnings	<u>2,777,974</u>	<u>17</u>	<u>1,058,957</u>	<u>7</u>
3300	Total retained earnings	<u>4,326,792</u>	<u>26</u>	<u>2,563,285</u>	<u>16</u>
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	( 1,261 )	-	( 6,638 )	-
3420	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	<u>4,420,162</u>	<u>26</u>	<u>4,458,304</u>	<u>27</u>
3400	Total other equity	<u>4,418,901</u>	<u>26</u>	<u>4,451,666</u>	<u>27</u>
3500	Treasury share	( 13,174 )	-	( 13,174 )	-
31XX	Total equity attributable to owners of the Company	<u>11,742,942</u>	<u>70</u>	<u>10,011,118</u>	<u>62</u>
3XXX	Total equity	<u>11,742,942</u>	<u>70</u>	<u>10,011,118</u>	<u>62</u>
	Total Liabilities and Equity	<u>\$ 16,698,647</u>	<u>100</u>	<u>\$ 16,135,125</u>	<u>100</u>

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

Shinkong Textile Co., Ltd. and Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, provided that  
Earnings per share are in NT\$)

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue				
4110	Sales revenue	\$ 2,981,065	89	\$ 2,397,995	87
4300	Rental revenue	367,621	11	350,315	13
4800	Other operating revenue	<u>603</u>	<u>-</u>	<u>604</u>	<u>-</u>
4000	Total operating revenue	<u>3,349,289</u>	<u>100</u>	<u>2,748,914</u>	<u>100</u>
	Operating costs				
5110	Cost of goods sold	( 2,326,422 )	( 70 )	( 1,927,419 )	( 70 )
5300	Rental costs	( <u>104,829</u> )	( <u>3</u> )	( <u>92,600</u> )	( <u>4</u> )
5000	Total operating costs	( <u>2,431,251</u> )	( <u>73</u> )	( <u>2,020,019</u> )	( <u>74</u> )
5900	Gross profit	<u>918,038</u>	<u>27</u>	<u>728,895</u>	<u>26</u>
	Operating expenses				
6100	Selling and marketing	( 438,524 )	( 13 )	( 380,347 )	( 14 )
6200	General and administrative	( 151,271 )	( 4 )	( 121,886 )	( 4 )
6300	Research and development	( 29,687 )	( 1 )	( 25,941 )	( 1 )
6450	Expected credit gain	<u>1,294</u>	<u>-</u>	( <u>497</u> )	<u>-</u>
6000	Total operating expenses	( <u>618,188</u> )	( <u>18</u> )	( <u>528,671</u> )	( <u>19</u> )
6500	Other operating income and expenses, net	<u>405</u>	<u>-</u>	<u>-</u>	<u>-</u>
6900	Net operating income	<u>300,255</u>	<u>9</u>	<u>200,224</u>	<u>7</u>
	Non-operating income and expenses				
7100	Interest income	6,610	-	475	-
7010	Other income	365,057	11	286,643	10
7020	Other gains and losses	1,554,277	47	( 19,911 )	( 1 )
7050	Finance costs	( 36,438 )	( 1 )	( 28,371 )	( 1 )
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	<u>73,760</u>	<u>2</u>	<u>46,013</u>	<u>2</u>
7000	Total non-operating income and expenses	<u>1,963,266</u>	<u>59</u>	<u>284,849</u>	<u>10</u>

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Code		2022		2021	
		Amount	%	Amount	%
7900	Income before tax	\$ 2,263,521	68	\$ 485,073	17
7950	Income tax expense (Note XXVII)	( 192,535 )	( 6 )	( 34,190 )	( 1 )
8200	Net income	<u>2,070,986</u>	<u>62</u>	<u>450,883</u>	<u>16</u>
	Other comprehensive income				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	4,920	-	( 5,991 )	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	( 19,367 )	-	801,363	29
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	( 31,133 )	( 1 )	( 21,862 )	( 1 )
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	164	-	( 80 )	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	6,556	-	( 1,944 )	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	( 1,343 )	-	405	-
8300	Other comprehensive income or loss (net value after tax) in this period	( 40,203 )	( 1 )	771,891	28
8500	Total comprehensive income	<u>\$ 2,030,783</u>	<u>61</u>	<u>\$ 1,222,774</u>	<u>44</u>
	Net income attributable to:				
8610	Owners of the Company	\$ 2,070,986	62	\$ 450,887	16
8620	Non-controlling Interests	-	-	( 4 )	-
8600		<u>\$ 2,070,986</u>	<u>62</u>	<u>\$ 450,883</u>	<u>16</u>

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Code		2022		2021	
		Amount	%	Amount	%
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 2,030,783	61	\$ 1,222,778	44
8720	Non-controlling Interests	-	-	( 4 )	-
8700		<u>\$ 2,030,783</u>	<u>61</u>	<u>\$ 1,222,774</u>	<u>44</u>
	Earnings per share (Note XXVII)				
9710	Basic	<u>\$ 6.92</u>		<u>\$ 1.51</u>	
9810	Diluted	<u>\$ 6.91</u>		<u>\$ 1.51</u>	

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko



Shinkong Textile Co., Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company											
							Other equity						
		Share capital		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	Non-controlling Interests	Total Equity	
Code		Number of Shares (In Thousand Shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings						
A1	Balance at January 1, 2021	300,041	\$ 3,000,413	\$ 7,911	\$ 459,911	\$ 1,006,548	\$ 951,961	( \$ 5,019 )	\$ 3,678,813	( \$ 13,174 )	\$ 9,087,364	\$ 4	\$ 9,087,368
	Appropriation and distribution of earnings for 2020												
B1	Legal reserve	-	-	-	37,869	-	( 37,869 )	-	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 300,041 )	-	-	-	( 300,041 )	-	( 300,041 )
	Other changes in capital surplus:												
M1	Changes in capital surplus from dividends paid to subsidiaries	-	-	804	-	-	-	-	-	-	804	-	804
T1	Dividends not collected before the designated date	-	-	213	-	-	-	-	-	-	213	-	213
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	10	-	( 10 )	-	-	-	-
D1	Net income in 2021	-	-	-	-	-	450,887	-	-	-	450,887	( 4 )	450,883
D3	Other comprehensive income in 2021, net of tax	-	-	-	-	-	( 5,991 )	( 1,619 )	779,501	-	771,891	-	771,891
D5	Total comprehensive income in 2021	-	-	-	-	-	444,896	( 1,619 )	779,501	-	1,222,778	( 4 )	1,222,774
Z1	Balance at December 31, 2021	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	-	10,011,118
	Appropriation and distribution of earnings for 2021												
B1	Legal reserve	-	-	-	44,490	-	( 44,490 )	-	-	-	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	-	( 300,041 )	-	-	-	( 300,041 )	-	( 300,041 )
	Other changes in capital surplus:												
M1	Changes in capital surplus from dividends paid to subsidiaries	-	-	804	-	-	-	-	-	-	804	-	804
T1	Dividends not collected before the designated date	-	-	278	-	-	-	-	-	-	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	-	2,070,986
D3	Other comprehensive income in 2022, net of tax	-	-	-	-	-	4,920	5,377	( 50,500 )	-	( 40,203 )	-	( 40,203 )
D5	Total comprehensive income in 2022	-	-	-	-	-	2,075,906	5,377	( 50,500 )	-	2,030,783	-	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	\$ -	\$ 11,742,942

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

Shinkong Textile Co., Ltd. and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2022 and 2021

		(In Thousands of New Taiwan Dollars)	
Code		2022	2021
	Cash flows from operating activities		
A10000	Income before income tax	\$ 2,263,521	\$ 485,073
A20010	Adjustments:		
A20100	Depreciation	145,284	126,485
A20200	Amortization	2,150	1,883
A20300	Expected credit (gain) loss	( 1,294 )	497
A20400	Net gains on financial assets at fair value through profit or loss	( 49,866 )	( 12,012 )
A20900	Finance costs	36,438	28,371
A21200	Interest income	( 6,610 )	( 475 )
A21300	Dividend income	( 362,884 )	( 281,990 )
A22300	Share of profit or loss of associates accounted for using the equity method	( 73,760 )	( 46,013 )
A22500	Loss on disposal of property, plant and equipment	669	4,898
A23000	Gains on disposal of other non-current assets held for sale	( 1,511,741 )	-
A23700	Write-downs of inventories	19,031	-
A23800	Gain from price recovery of inventory	-	( 21,024 )
A24500	Dividends not collected before the designated date reclassified to capital surplus	278	213
A29900	Construction in progress transferred to miscellaneous purchases	29	-
A29900	Construction in progress transferred to miscellaneous expenses	59,315	-
A29900	Gains (losses) on lease modification	( 442 )	( 2 )
A30000	Changes in operating assets and liabilities, net		
A31130	Notes receivable	19,769	( 22,489 )
A31150	Accounts receivable	62,219	( 79,277 )
A31180	Other receivables	3,326	( 10,269 )
A31200	Inventories	( 298,589 )	( 305,492 )
A31230	Prepayments	( 4,246 )	( 38 )
A31240	Other current assets	( 3 )	9,258
A31990	Other non-current assets	1,210	( 5,110 )
A32125	Contract liabilities	3,762	( 23,944 )
A32130	Notes payable	( 36,585 )	184,456
A32150	Accounts payable	6,745	44,876
A32180	Other payables	57,491	36,532
A32230	Other current liabilities	( 553 )	21,859

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Code		2022	2021
A32240	Net defined benefit assets	( \$ 772 )	( \$ 879 )
A32990	Other non-current liabilities	( 3 )	17
A33000	Cash generated from operations	333,889	135,404
A33300	Interest paid	( 33,525 )	( 28,249 )
A33500	Income tax paid	( 18,126 )	( 169,265 )
AAAA	Net cash inflow (outflow) from operating activities	<u>282,238</u>	( <u>62,110</u> )
Cash flows from investing activities			
B00010	Acquisition of financial assets at fair value through other comprehensive income	( 32,158 )	( 130,494 )
B00020	Disposal of the financial assets at fair value through other comprehensive income	326	53
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	16,569
B00040	Acquisition of financial assets at amortized cost	( 500,000 )	-
B00100	Acquisition of financial assets at fair value through profit or loss	( 427,301 )	( 71,182 )
B00200	Proceeds from financial assets at fair value through profit or loss	80,779	98,986
B01800	Acquisition of long-term investment in shares accounted for using the equity method	( 8,772 )	( 9,665 )
B02000	Increase in prepayments for investments	-	( 100,000 )
B02600	Proceeds from disposal of other non-current assets held for sale	815,383	-
B02700	Acquisition of property, plant, and equipment	( 281,503 )	( 124,573 )
B02800	Proceeds from disposal of property, plant, and equipment	20	1,548
B02800	Received prepayments for land	-	815,382
B03800	Decrease in refundable deposits	( 46,802 )	( 5,847 )
B04500	Acquisition of intangible assets	( 2,783 )	( 1,972 )
B05400	Acquisition of investment properties	( 627 )	( 75,893 )
B07100	Increase in prepayments for equipment	( 13,420 )	( 12,640 )
B07300	Prepayments for land	-	376
B07500	Interest received	6,610	475
B07600	Dividends received	362,884	281,990
B09900	Dividends received from associates	<u>43,352</u>	<u>22,307</u>
BBBB	Net cash inflow (outflow) from investing activities	( <u>4,012</u> )	<u>705,420</u>
Cash flows from financing activities			
C00100	Increase in short-term borrowings	590,000	476,500
C00500	Increase in short-term bills payable	-	230,000
C00600	Decrease in short-term bills payable	( 1,180,000 )	-

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Code		2022	2021
C01600	Proceeds from long-term borrowings	\$ 159,082	\$ -
C01700	Repayments of long-term borrowings	-	( 190,000 )
C03100	Refund of guarantee deposits received	( 21,300 )	( 1,124 )
C04020	Repayment of the principal portion of lease liabilities	( 46,745 )	( 44,573 )
C04500	Dividends paid to owners of the Company	( 299,237 )	( 299,237 )
CCCC	Net cash inflow (outflow) from financing activities	( 798,200 )	171,566
DDDD	Effects of exchange rate changes on cash and cash equivalents	163	( 80 )
EEEE	Net increase (decrease) in cash and cash equivalents	( 519,811 )	814,796
E00100	Cash and cash equivalents at beginning of year	1,409,594	594,798
E00200	Cash and cash equivalents at end of year	\$ 889,783	\$ 1,409,594

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

## Attachment V

Shinkong Textile Co., Ltd.  
Earnings Distribution Table  
2022

Unit: NT\$

Item	Amount
Opening unappropriated earnings	714,425,580
Current net profit	2,070,986,346
Disposal of the financial assets at fair value through other comprehensive income	(12,357,751)
Retained earnings recognized from re-measurement of defined benefit plans	4,919,528
Current net profit and adjusted amount	2,063,548,123
Accrual of legal surplus reserve (10%)	(206,354,812)
Current earnings available for distribution	2,571,618,891
Distribution items	
Dividends to shareholders - Cash dividends (at NT\$1.50 per share)	(450,061,920)
Ending unappropriated earnings	2,121,556,971

Chairman: Hsing-En Wu

President: Jui-Nan Chang

Accounting Manager: Su-Chuan Ko

## Attachment VI

### Shinkong Textile Co., Ltd. Comparison Table on "Articles of Incorporation" before and after Amendment

Articles	Provision before amendment	Current provision	Statement on Amendment
Article 27-1	<p>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).</p> <p>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</p>	<p>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).</p> <p>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 pervious periods" are not accrued in full, the Company shall, before 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</p>	Meet the actual operation needs.

Articles	Provision before amendment	Current provision	Statement on Amendment
	<p>undistributed earnings, which are the after-tax net profit in the current period plus the other items in the current period.</p> <p>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.</p> <p>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. <u>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</u> 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.</p>	<p>of the undistributed earnings, which are the after-tax net profit in the current period plus the other items in the current period.</p> <p>Where the earnings are distributed in the form of cash dividends, it shall be resolved by over 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.</p> <p>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. Earnings shall be distributed in cash and/or by issuing shares, with the cash dividends no less than ten percent of the total dividends.</p>	
Article 30	These Articles of	These Articles of	Add the amendment

Articles	Provision before amendment	Current provision	Statement on Amendment
	Incorporation were formulated on April 15, 1955, ... and the thirty-ninth amendment was made on June 22, 2015. The 40th amendment was made on June 13, 2016. The 41st amendment was made on May 26, 2017. The 42nd amendment was made on June 14, 2019. The 43rd amendment was made on June 19, 2020. The 44th amendment was made on June 10, 2022. <u>The 45th amendment was made on May 26, 2023.</u>	Incorporation were formulated on April 15, 1955, ... and the thirty-ninth amendment was made on June 22, 2015. The 40th amendment was made on June 13, 2016. The 41st amendment was made on May 26, 2017. The 42nd amendment was made on June 14, 2019. The 43rd amendment was made on June 19, 2020. The 44th amendment was made on June 10, 2022.	date



## Attachment VII

### Shinkong Textile Co., Ltd Comparison Table on “Operating Procedures of Fund Lending” before and after Amendment”

Amended Article	Current Articles	Amendment Reason
<p>Article 4 (The object of the financing provided)</p> <p>The object of the financing provided of the company shall not be lent to shareholders or any other except in the following articles:</p> <p>I. Companies or firms with which the Company conducts business.</p> <p>II. It is necessary for the Company to have short-term financing with companied or firms. The amount of financing shall not exceed 40% of the net value of the financing provided enterprise.</p> <p>The short term mentioned in above articles means one year. However, if the operating cycle of the company is more than one year, it shall refer to the operating cycle.</p> <p>The financing amount mentioned in Subparagraph 2 of Paragraph 1 refers to the accumulative balance of the company's short-term financing funds to which the financing are lent.</p> <p>Financing between foreign companies with 100% of the voting shares directly or indirectly held by the Company, or Financing to the Company from foreign companies with 100% of the voting shares directly or indirectly held by the Company, are not subject to the restrictions in Subparagraph 2 of</p>	<p>Article 4 (The object of the financing provided)</p> <p>The object of the financing provided of the company shall not be lent to shareholders or any other except in the following articles:</p> <p>I. Companies or firms with which the Company conducts business.</p> <p>II. It is necessary for the Company to have short-term financing with companied or firms. The amount of financing shall not exceed 40% of the net value of the financing provided enterprise.</p> <p>The short term mentioned in above articles means one year. However, if the operating cycle of the company is more than one year, it shall refer to the operating cycle.</p> <p>The financing amount mentioned in Subparagraph 2 of Paragraph 1 refers to the accumulative balance of the company's short-term financing funds to which the financing are lent.</p> <p>Financing between foreign companies with 100% of the voting shares directly or indirectly held by the Company, or Financing to the Company from foreign companies with 100% of the voting shares directly or indirectly held by the Company, are not subject to the restrictions in Subparagraph 2 of</p>	<p>According to the provisions of Paragraph 4 of Article 3 of the Guidelines for the treatment of financing provided and endorsement guarantees of publicly issued companies, financing between foreign companies with 100% of the voting shares directly or indirectly held by the Company, or Financing to the Company from foreign companies with 100% of the voting shares directly or indirectly held by the Company are exempt from the restriction of one year or operating cycle. To meet the company's operating needs, amend the Paragraph 3, extend its financing provided period for three years. And the methods for</p>

Amended Article	Current Articles	Amendment Reason
<p>Paragraph 1, but the total amount of financing provided shall not exceed 10% of the net value of the Company. The term of the financing provided <u>shall not exceed three years from the date of the loan or the operating cycle, whichever is longer,</u> and the interest shall be calculated in accordance with the provisions of Article 6.</p> <p>The paid-in capital of the Company is more than NT \$1 billion, the Company has joined the Leasing Business Association and declared that it follows the Self-Regulatory Standards; and the Company has strengthened the risk assessment and formulated financing limits for unsecured goods, the same industry and the same related enterprises or the group enterprises respectively, and has handled in accordance with the operation procedures. In all cases described above, the Company is engaging in short-term financing, which is not subject to the limit of the financing amount in Subparagraph 2 of Paragraph 1. But the amount of financing provided shall not exceed 100% of the net value of the Company.</p> <p>If the person in charge of the company violates the provision of Paragraph 1 and 5, he shall be jointly and severally liable for the return with the borrower; If the company suffers any damages, he shall also be liable for damages.</p>	<p>Paragraph 1, but the total amount of financing provided shall not exceed 10% of the net value of the Company. The term of the financing provided <u>and</u> the interest shall be calculated in accordance with the provisions of Article 6.</p> <p>The paid-in capital of the Company is more than NT \$1 billion, the Company has joined the Leasing Business Association and declared that it follows the Self-Regulatory Standards; and the Company has strengthened the risk assessment and formulated financing limits for unsecured goods, the same industry and the same related enterprises or the group enterprises respectively, and has handled in accordance with the operation procedures. In all cases described above, the Company is engaging in short-term financing, which is not subject to the limit of the financing amount in Subparagraph 2 of Paragraph 1. But the amount of financing provided shall not exceed 100% of the net value of the Company.</p> <p>If the person in charge of the company violates the provision of Paragraph 1 and 5, he shall be jointly and severally liable for the return with the borrower; If the company suffers any damages, he shall also be liable for damages.</p>	<p>calculating interest is not changed.</p>
Article 9 (Following control	Article 9 (Following control	1. Text amendment

Amended Article	Current Articles	Amendment Reason
<p>measures of financing provided amounts, overdue creditor's rights treatment procedures)</p> <p>The Company shall pay close attention to the financial condition and operating results of the <u>objects</u> to the financing provided. If anyone provided the security, the Company shall pay attention to whether there is any change in the value of the guarantee. In case of any major change, the company shall immediately notify the chairman of the board of directors and conduct appropriate treatment according to the instructions.</p> <p><u>For financing between foreign companies with 100% of the voting shares directly or indirectly held by the Company, or Financing to the Company from foreign companies with 100% of the voting shares directly or indirectly held by the Company, the short-term financing provided can be extended. But, the borrower should apply to the financing provided enterprises in advance, and the credit investigation unit of financing provided enterprises should treat the credit investigation again and evaluate in accordance with Article 7 of this operation procedure, and submit the application to the board of directors of the financing provided enterprises.</u></p> <p>If the board of directors of <u>financing provided enterprises</u> decide to extend the term, <u>each time</u> is limited to one</p>	<p>measures of financing provided amounts, overdue creditor's rights treatment procedures)</p> <p>The Company shall pay close attention to the financial condition and operating results of the <u>company</u> to the financing provided. If anyone provided the security, the Company shall pay attention to whether there is any change in the value of the guarantee. In case of any major change, the company shall immediately notify the chairman of the board of directors and conduct appropriate treatment according to the instructions.</p> <p><u>If the loan is to be extended when it is due, the borrower shall apply in advance, and the credit investigation unit of the company shall re-conduct the credit investigation and re-evaluate the provisions of Article 7 of the operation procedure, and then submit the application to the board of directors.</u></p> <p>If the period is extended by the board of directors resolution, it shall be limited to one period. If the extension</p>	<p>of Paragraph 1</p> <p>2. Amendment of Paragraph 2 and 3 According to the questions and answers of the Guidelines for the treatment of financing provided and endorsement guarantees of publicly issued companies, for financing between foreign companies with 100% of the voting shares directly or indirectly held by the Company, or Financing to the Company from foreign companies with 100% of the voting shares directly or indirectly held by the Company, the financing provided can be extended, but the extension times and duration shall be defined.</p> <p>3. To apply for extension, the borrower shall submit the</p>

Amended Article	Current Articles	Amendment Reason
<p>period, <u>and the number of extension is limited to one time</u>. If the extension is not approved by the board of directors of the financing provided enterprises, the borrower shall pay the principal and interest immediately, and the <u>financing provided enterprises</u> shall pursue overdue repayment according to law and submit to the board of directors.</p>	<p>is not approved by the board of directors, the borrower shall pay the principal and interest immediately, and the overdue repayment shall be recovered according to law and submitted to the board of directors.</p>	<p>resolution of the board of directors of the financing provided enterprise. Financing provided enterprises refers to the enterprise that financing are lent.</p> <p>4. The sub-to-subsidiary extension procedure does not need to be reported to the board of directors of the parent company, but, as this operating procedure is the framework of the subsidiary's funds lending procedures, it is still subscribed for the subsidiary to follow.</p>

## Attachment VIII

### Details of Releasing Directors from Non-competition Restrictions

Title	Name or Account Name	Name of Company	Hold a Position
Director	Chichen Co., Ltd. Representative: Chin-Fa Chiu	Chyang Sheng Dyeing & Finishing Co., Ltd.	Director
Director	Haung En Co., Ltd. Representative: Hsin-Hung Wu	Shinkong Insurance Co., Ltd.	Chairman
Independent Director	David Ching	1. Violet Lake Pavilion Hotel, China 2. Ivy Lake View Hotel, China	President President
Independent Director	Wei-Kan Chen	Harvard International Design Co., Ltd.	Executive Director

## 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 Knit fabric mills.
- II. C305010 Printing, dyeing, and finishing mills.
- III. C306010 Apparel industry.
- IV. C399990 Other textile and product manufacturing mills.
- V. F102030 Cigarette and wine wholesale.
- VI. F104110 Wholesale of cloths, clothes, shoes, hat, umbrella and apparel, as well as clothing accessories.
- VII. F106020 Wholesale of daily necessities.
- VIII. F108040 Wholesale of cosmetics.
- IX. F109070 Wholesale of educational, cultural, musical and entertainment products.
- X. F203020 Retail of cigarettes and wine.
- XI. F204110 Retail of cloths, clothes, shoes, hat, umbrella and apparel, as well as clothing accessories.
- XI. F206020 Retail of daily necessities.
- XIII. F208040 Retail of cosmetics.
- XIV. F209060 Retail of educational, cultural, musical and entertainment products.
- XV. F301010 Department stores.
- XVI. F399040 Detail business without shops.
- XVII. F401010 International trade.
- XVIII. F401021 Import of restrained telecom radio frequency equipment and materials

- XIX. G202010 Parking garage business
- XX. H701010 Residence and buildings development, leasing, and sale
- XXI. H701020 Industrial factory buildings development, leasing, and sale
- XXII. H703090 Real estate trading business.
- XXIII. H703100 Real estate leasing business.
- XXIV. I301010 Information software services.
- XXV. I501010 Product design industry.
- XXVI. J202010 Industrial development.
- XXVII. JB01010 Conference and exhibition services.
- XXVIII. ZZ99999 Businesses that are not prohibited or restricted by law, except those which 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 pervious periods" are not accrued in full, the Company shall, before 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 over 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. 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. 20, 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.

## 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

### Shinkong Textile Co., Ltd. Rules for Election of Directors

Amendment Date: Jun. 13, 2016

Article 1: The Company's Directors shall be duly elected in accordance with the provisions specified herein.

Article 2: The Company's Directors shall be duly elected by means of registered cumulative voting. Each share is entitled to the election right equivalent to the numbers of Directors to be elected. One Director may be elected, or the number of Directors to be elected may be designated.

The names of the voters may be replaced with their attendance certificate numbers printed in the voting notes.

Article 3: When the election starts, the chairperson shall appoint several persons supervising the voting and counting the votes. The person(s) supervising the voting shall be a shareholder.

For the election of Directors, the Company shall set up a voting box, which shall be examined in public by the persons supervising the voting, before voting.

Article 4: For election of the Company's Directors, the Shareholders' Meeting shall select and elect Directors from the list of Directors candidates, and those who have won the votes representing more voting rights shall be elected sequentially based on the number specified in the Company's Articles of Incorporation. If two or more persons won the same number of votes, thus exceeding the specified number, they shall draw lots to determine the winner, with the chairperson drawing lots on behalf of any person not attend the meeting.

Article 5: Votes shall be numbered based on attendance certificate numbers. The Company shall prepare the votes in a number equaling to the Directors to be elected, and fill in their weights, and then distributed to the shareholders present at the Shareholders' Meeting.

- Article 6: If a candidate is a shareholder, the voters must fill in the "elected person" column on the vote the elected person's account name and shareholder account number. If the candidate is not a shareholder, the elected person's name and ID number shall be filled in. Only a corporate shareholder is elected, the corporate name shall be filled in the "elected person's account name" column on the vote, and the corporate name and its representative's name also shall be filled in. If there are multiple representatives, the names of the representatives shall be filled in respectively.
- Article 7: A note will be deemed as void if any of the following circumstances occurs:
- (I) The votes specified in Article 5 are not used.
  - (II) There are two or more elected persons filled in each vote.
  - (III) There is no other context, except for the elected person's name and his/her shareholder account number or ID number.
  - (IV) The writing on any vote is illegible or altered.
  - (V) Where the elected person entered in the vote is a shareholder, such elected person's account name and shareholder account number filled in the vote is inconsistent with that specified in the shareholders register. Where the elected person entered in the vote is not a shareholder, such elected person's name or ID number is incorrect as verified.
  - (VI) The elected person's name entered in the vote is as the same as other shareholder's name, without filling in the shareholder account number or ID number for identification.
- Article 8: Votes shall be counted on site upon completion of voting, and the elected candidates shall be announced by the chairperson based on the voting result.
- Article 9: The Company shall issue a "notice of election" to the elected Directors respectively.
- Article 10: The matters not specified in these Rules shall be governed by the Company Act and relevant laws and regulations.

Article 11: These Rules and any amendments thereto shall be implemented after they are approved at the Shareholders' Meeting.

## Appendix IV

### 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. 28, 2023

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	6.54
Director	Representative of Shin Kong Wu Tung Ching Foundation: Po-Han Lin	51,660	0.01
Independent Director	David Ching	0	0
Independent Director	Mao-Jung Wang	0	0
Independent Director	Wei-Kan Chen	0	0
Total		19,701,660	6.55