Stock Code: 1409

新光合成纖維股份有限公司
SHINKONG SYNTHETIC FIBERS CORPORATION

Handbook for the
2026 Annual General Meeting

Date: May 28, 2026

Venue: 9 F., No. 126, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City

Shinkong Synthetic Fibers Corp.
2026 Annual General Meeting Agenda

Meeting time: 9am, May 28, 2026 (Thursday)

Venue: 9 F., No. 126, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City

Convening method: physical shareholders' meeting

One. Announce the participating shareholders and total number of shares represented at the meeting.

Two. Call the meeting to order.

Three. Chairperson's remarks.

Four. Company reports:

Five. Matters for Recognition:

Six. Matters for Elections:

Seven. Discussion:

Eight. Extempore motions.

Nine. Adjournment.

Appendices:

Reports

I. 2025 Business Report

Shinkong Synthetic Fibers Corp.
Business Report

In 2025, the global economy and trade faced geopolitical tensions, rising trade protectionism, and policy uncertainty, putting pressure on investment and cross-border trade. Meanwhile, supply chains continued to restructure towards regionalization and localization. The ongoing trade conflict between the US and China, coupled with increased US tariffs leading to Chinese dumping worldwide, created a new and escalating storm in global manufacturing. ShinKong Synthetic Fiber Group demonstrated operational resilience and policy flexibility, continuing its proactive investment and diversified strategy towards sustainable development.

(I) Business Performance:

Shinkong continues to expand its circular economy production scale while broadening product applications and developing new materials. The revenue and operational results of its main divisions are as follows:

1. Polyester Division

The annual revenue：NTD 25,652,432 thousand (an decrease of NTD 5,730,166 thousand, or 18.26%, from 2024)

The pre-tax profit：NTD 247,942 thousand (an decrease of NTD 349,340 thousand, or 58.49%。

2. Optoelectronics Division

The annual revenue：NTD 6,362,597 thousand (an decrease of NTD 167,802 thousand, or 2.57%)

The pre-tax loss：NTD 436,444 thousand (an increase of NTD 886,642 thousand, or 196.94%)

3. Financial Services Division

The annual revenue：NTD 7,220,864 thousand (an increase of NTD 227,633 thousand, or 3.26%)

The pre-tax profit：NTD 2,196,768 thousand (an decrease of NTD 61,714 thousand, or 2.37%)

(II) Financial Performance and Profitability:

1. Financial Cash Flow

The net cash inflow from the consolidated operating activities in the year was NT$1,561,412 thousand, net cash outflow from investing activities was NT$1,514,380 thousand and net cash outflow from financing activities was NT$1,070,769 thousand. The cash and cash equivalents for this year decreased by NT$1,119,513 thousand. The year-end cash and cash equivalents amounted to NT$ 8,796,857 thousand.

2. Profitability

The consolidated sales of the year were NT$39,386,078 thousand, which was an decrease compared to 2024 by NT$6,763,087 thousand or about 14.65%. Total expenditures were NT$36,477,508 thousand, which was an decrease compared to 2024 by NT$6,549,398 thousand, or about 15.22%. Profit before-tax from continuing operations was NT$2,908,570 thousand, which was an decrease compared to 2024 by NT$213,689 thousand, or about 6.84%. Net income was NT$2,476,757 thousand, which was an increase compared to 2024 by NT$54,183 thousand, or about 2.24%. Earnings per share (EPS) was NT$1.19, representing an increase of NT$0.13 compared to FY2024, or a growth of approximately 12.26%.

(III) Research and Development status of Manufacturing Operations:

The Group's R&D department upholds the founding spirit that "maintaining the status quo is falling behind; only through research and development can we achieve progress." With this belief, we continue to invest in new product development and technological innovation to continuously strengthen its core competitiveness. At present, the Group's product portfolio spans a wide range of fields, including synthetic fibers, plastic ester pellets, polyester films, polyester sheets, engineering plastics, PET bottles, 3D printing materials, and various types of optical films. These products are widely applied not only in apparel, footwear materials, and packaging materials, but also in high-tech industries such as optoelectronics, automotive, unmanned aerial vehicles, and medical applications. At the same time, the Group is actively expanding into environmentally friendly and carbon-reducing materials, continuously launching innovative products that align with sustainability trends and creating long-term value for both industry and the environment.

Key research projects in recent years include:

1. New plastic products

Low melting point polyester pellets、Optical film-grade polyester pellets、High-performance bio/biodegradable polyester、Functional fiber materials、TPEE for footwear, textiles, and waterproof-breathable membranes、Transparent TPEE、Supercritical fluid physical foaming-grade TPEE, etc.

2. New fiber products

TPEE elastic fibers CD-TPEE elastic fibers、T/TPEE covered yarn products、Recycled polyester fibers from discarded fabrics、Chemically recycled polyester fibers from textile-to-textile (T2T)processes、Sigma series high-performance mechanically stretchable polyester fibers、BIO-TPEE elastic fibers、100% bio-based PEF fiber、environmentally friendly PBT fiber, etc.

3. New optronics products

Ultra-high brightness traditional brightness enhancement films for notebooks, tablets, and in-vehicle displays、Low-cadmium quantum dot films for full-size in-vehicle LCD displays、Cadmium-free quantum dot films for notebooks, tablets, and in-vehicle displays、Light diffusion films for full-size Mini-LED models、Wide-viewing-angle film for full-size in-vehicle, etc.

(IV) Diversified investment strategy:

The Group continues its diversified business strategy. In addition to producing and selling polyester fibers, plastic products, and optoelectronic products, it also invests in real estate, solar power generation, electronic-grade hydrogen peroxide for semiconductor wafer manufacturing, securities, banking, leasing, and department stores, all of which contribute to its annual operating profits. In 2025, the Group continued its real estate investment, participating in several urban renewal development projects and developing the Nangang Group headquarters and the Yangmei Shinkong Youth Industrial Park. The plan aims to expand into drone-related industries, support startups, warehousing and logistics, leisure and entertainment, and the catering industry. These investments are expected to contribute to the company's future operating profits.

(V) Environment, Social and Governance (ESG):

The Group believes that sustainable development and stable profitability are mutually reinforcing. Faced with global geopolitical tensions and supply chain restructuring, fluctuations in energy and transportation costs, and the increasing stringency of carbon management and sustainability disclosure regulations in various countries, the company, based on the governance principles of " fairness, transparency, trust, and teamwork " incorporates ESG into operational decisions and risk management to enhance overall resilience and long-term competitiveness.

The Company has appointed a Corporate Governance Officer responsible for overseeing governance-related matters and continuously enhancing corporate governance practices. The officer’s duties include assisting directors with ongoing education, ensuring regulatory compliance, providing information for business decisions, improving shareholder communications, arranging directors' liability insurance, and implementing performance evaluations for the board and directors.

To reinforce the principle of fair treatment of shareholders, the Board approved amendments to the “Insider Trading Prevention Policy” and the “Corporate Governance Guidelines,” including the addition of blackout periods-30 days before the announcement of annual financial reports and 15 days before quarterly reports-during which insiders are prohibited from trading the Company's securities. These measures have been effectively implemented.

In terms of information security, in response to the new risks brought about by increasingly close digitalization and supply chain connections, the company promotes cybersecurity governance through its Information Security Committee, adopts layered protection and regular audit mechanisms, and maintains the operation of management systems such as ISO 27001 to ensure the availability and integrity of critical information and operational processes.

Regarding environmental protection, in response to the increasing demands from international brands and customers for low-carbon materials, product carbon footprint, and circular design, and in line with policy trends such as carbon pricing and border adjustments in various countries, the company focuses on carbon reduction, energy conservation, and the application of recycled materials: continuously expanding the production capacity and quality management of circular materials such as r-PET and FTR (Flake to Resin), improving the stable supply capacity of recycled materials, and promoting process improvement and energy efficiency enhancement to reduce energy consumption and emissions per unit of product.

In the field of circular economy and product innovation, the company focuses on "clothing-to-clothing (T2T)" and high-value materials, collaborating with international partners to advance waste textile recycling technologies, improve material traceability and recycled quality, and continuously develop new materials such as bio-based and functional polyesters. It also strengthens supply chain transparency and the verifiability of carbon reduction achievements through international validation (such as ISCC) to meet the market's high standards for sustainable materials.

Our efforts have been consistently recognized, resulting in numerous international certifications, including ISO 9000, ISO 14001, ISO 45001, ISO 22000, ISO 50001, HACCP, HALAL CERTIFICATE, and TS16949. We have also completed ISO 14064 greenhouse gas emission audits and certifications for all our facilities, and obtained ISO 14067 carbon footprint audit certifications for several major products. Furthermore, the company continues its efforts in environmentally friendly procurement, receiving recognition such as the Environmental Protection Administration's Certificate of Appreciation for Outstanding Green Procurement Performance, the Taoyuan City Environmental Protection Bureau's Green Procurement Excellence Award for 11 consecutive years, and the Ministry of Economic Affairs' Golden Trade Award, among other honors.

On the social front, the company values employee care and a friendly workplace, strengthening organizational cohesion through talent development, communication mechanisms, and welfare systems. It also implements occupational safety and health management, promoting workplace risk identification and improvement. Furthermore, the company continuously invests in social welfare and local philanthropy, practicing the corporate citizenship spirit of "giving back to society what we have taken from it."

Looking ahead, our company will continue to extend sustainability governance to the supply chain, implementing sustainable procurement and supplier management, and assisting upstream and downstream partners in improving their management standards in areas such as environment, human rights, and safety and health, thereby forming a resilient and competitive sustainable supply chain.

(VI) Looking to the future:

Looking ahead to 2026, global trade and economic relations will continue to face geopolitical risks, trade policy uncertainties, and structural adjustments in supply chain localization. Market demand for low-carbon and traceable materials will also accelerate. ShinKong Synthetic Fiber Corp. will focus on "circular economy + high-value materials + diversified investment" to strengthen operational resilience and expand growth momentum.

In its core business, the company will continue to expand its product portfolio and application areas of circular materials, focusing on R&D and market development of high-performance materials that are heat-resistant, weather-resistant, high-strength, and meet the needs of emerging industries (such as AI servers, automotive, and high-end electronics) to enhance product added value and customer loyalty. Simultaneously, through process optimization, energy efficiency management, and digital management, the company will refine its cost structure and supply stability.

In terms of sustainability, in response to the deepening of sustainability disclosure and carbon management systems, the company will continue to improve its foundational work, such as greenhouse gas inventory, product carbon footprint, and energy management. Furthermore, through pragmatic and feasible energy conservation and carbon reduction projects, renewable energy adoption, and circular technology cooperation, the company will gradually reduce its operational carbon intensity and enhance its compliance capabilities with international regulations and customer requirements.

In terms of diversified investment, the Group will continue to prudently advance its long-term investment strategy in real estate and green energy, combining financial and asset revitalization benefits to steadily support overall profitability and cash flow, thereby rewarding shareholders and laying a more solid foundation for future development.

Chairperson: Tong-Sheng Wu	Managerial Officers: Chin-Ta Ou	Accounting Supervisor: Hsun-Neng Lee

II. Audit Committee's Review Report on the 2025 Financial Statements

Shinkong Synthetic Fibers Corp. Audit Committee Report

This is to certify that

The Audit Committee has completed the review of the 2025 individual and consolidated financial statements prepared by the Board of Directors and audited and certified by CPAs Chen, Wen-Hsiang and Shyu, Wen-Yea of Deloitte & Touche, based on which an independent auditor's report was issued, along with the 2025 business report and earnings distribution proposal. The Audit Committee finds no inappropriate disclosures with respect to the above, and hereby issues this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please
proceed with the approval

For

2026 Annual General Meeting of Shinkong Synthetic Fibers Corp.

Audit Committee members:

Hsien-Der Chiu

Yung-Ching Tsai

Huei-Huang Lin

March 16, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shinkong Synthetic Fibers Corporation

Opinion

We have audited the accompanying consolidated financial statements of Shinkong Synthetic Fibers Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and 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 of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of 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 those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements for the year ended December 31, 2025 is stated as follows:

<u>Revenue Recognition from Specific Customers</u>

The revenue of the Group has decreased in 2025. According to the Standards on Auditing of the Republic of China, revenue recognition has a risk of material misstatement due to fraud. In addition, the revenue from specific customers has increased significantly compared with prior year. Therefore, the occurrence of revenue recognition from specific customers was considered as a key audit matter.

Refer to Note 4 of the consolidated financial statements for the revenue accounting policy information.

Our audit procedures performed were as follows:

1. We obtained an understanding of the design and implementation of internal control procedures over the recognition of sales revenue and tested the effectiveness of relevant internal controls.

2. We performed sampling from specific customer sales report and verified revenue through audit evidence relevant to recognition and collection.

Other Matter

We have also audited the parent company only financial statements of Shinkong Synthetic Fibers Corporation as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and enforced by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, 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 intends either 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Hsiang Chen and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2026

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shinkong Synthetic Fibers Corporation

Opinion

We have audited the accompanying parent company only financial statements of Shinkong Synthetic Fibers Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2025 and 2024, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2025 and 2024, and its parent company only financial performance and its parent company only 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the parent company only financial statements for the year ended December 31, 2025 is stated as follows:

<u>Revenue Recognition from Specific Customers</u>

The revenue of Shinkong Synthetic Fibers Corporation has decreased in 2025. According to the Standards on Auditing of the Republic of China, revenue recognition has a risk of material misstatement due to fraud. In addition, the revenue from specific customers has increased significantly compared with prior year. Therefore, the occurrence of revenue recognition from specific customers was considered as a key audit matter.

Refer to Note 4 of the parent company only financial statements for the revenue accounting policy information.

Our audit procedures performed were as follows:

1. We obtained an understanding of the design and implementation of internal control procedures over the recognition of sales revenue and tested the effectiveness of relevant internal controls.

2. We performed sampling from specific customer sales report and verified revenue through audit evidence relevant to recognition and collection.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the entities or business activities 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report. unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wen-Hsiang Chen and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 16, 2026

<u>*Notice to Readers*</u>

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China

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

III. Report on the 2025 Remuneration for Employees and Directors

Description: The Company's 2025 profits amounted to NT$ 1,798,728,201. A proposal has been raised in accordance with Article 32 of the Articles of Incorporation to distribute employee remuneration of NT$17,987,282 (This includes NT$ 3,597,456 compensation for entry-level employees and NT$ 1,002,956 compensation for managers) and director remuneration of NT$0 entirely in cash.

IV. 2025 Earnings Distribution Report

Description: (1) Distributable earnings for the year 2024 amounted to NT$10,740,156,566. A proposal has been made to distribute cash dividends totaling NT$1,456,568,357 or NT$0.90 per share. Should the Company decide to buy back shares or transfer, convert, or retire treasury stocks, or if its convertible bonds are converted into common shares on a later date, to the extent that this affects the number of outstanding shares and shareholders' dividend yield, the Board of Directors shall be authorized to exercise discretion over the relevant details.

(2) The amount of cash dividends shall be calculated and rounded off to the nearest NT$1. Fractions that do not amount to a full NT$1 shall be totaled and recognized by the Company as other income.

(3) This cash dividend has been proposed in accordance with the Articles of Incorporation and related laws. Other details, such as the cash dividend baseline date and distribution date, shall be determined at the Board of Directors' discretion.

V. Report on Endorsements and Guarantees to External Parties.

Description: The Company has been providing endorsements and guarantees in accordance with the Company's "Endorsement and Guarantee Procedures". As of December 31, 2025, endorsements and guarantees totaling NT$551,354 thousand were offered in favor of outsiders. Details are as shown in the following chart:

Shinkong Synthetic Fibers Corp.
Endorsement/Guarantee Overview
December 31, 2025

Unit: NTD thousands

Beneficiary	Actual amount guaranteed
TacBright Optronics Corporation	551,354
Total	551,354

Matters for Recognition

Motion No. 1 Proposed by the Board of Directors

Subject: Acknowledgment of the Company's 2025 business report and financial statements.

Description: (1) The financial statements of the Company for 2025 (including individual and consolidated balance sheets, comprehensive income statements, statements of changes in equity, and cash flow statements) have been audited by CPAs Wen-Hsiang Chen and Wen-Yea Shyu of Deloitte & Touche. (see pages 7~14)

(2) The business report (pages 1~5), the independent auditor's report (pages 7~14), and the afore-mentioned financial statements (pages 20~33) are herewith attached for recognition.

Resolution:

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents	$ 8,796,857	4	$ 9,916,370	5
Due from the Central Bank and call loans to other banks	5,686,033	3	4,244,695	2
Financial assets at fair value through profit or loss - current	1,653,207	1	1,813,263	1
Financial assets at fair value through other comprehensive income - current	7,886,137	4	7,194,414	3
Financial assets at amortized cost - current	1,247,488	1	2,241,270	1
Bills and bonds purchased under resale agreements	3,850,632	2	3,344,600	2
Other financial assets - current	2,364,584	1	1,197,180	1
Notes receivable, net	4,868,871	2	3,867,041	2
Trade receivables, net	21,043,048	9	18,272,033	8
Other receivables	425,001	-	567,426	-
Margin loans receivable	16,285,003	7	15,254,669	7
Customer margin accounts	3,347,846	1	2,575,656	1
Inventories	6,258,033	3	6,543,208	3
Prepayments	892,816	-	903,313	-
Other current assets	10,620,348	5	11,314,219	5
Discounts and loans, net	61,771,206	27	57,169,372	27
Total current assets	156,997,110	70	146,418,729	68
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current	808,253	-	212,409	-
Financial assets at fair value through other comprehensive income - non-current	10,296,450	5	8,827,024	4
Financial assets at amortized cost - non-current	14,071,362	6	16,257,549	8
Investments accounted for using the equity method	4,436,498	2	2,066,394	1
Other financial assets - non-current	150,285	-	145,185	-
Property, plant and equipment	21,480,384	9	21,840,652	10
Right-of-use assets	3,482,089	2	3,633,514	2
Investment properties	2,271,230	1	2,307,623	1
Goodwill	280,204	-	280,204	-
Other intangible assets	134,106	-	135,768	-
Deferred tax assets	559,932	-	566,940	1
Operating deposits and settlement funds	332,195	-	320,785	-
Other non-current assets	10,298,992	5	11,279,169	5
Total non-current assets	68,601,980	30	67,873,216	32
TOTAL	$ 225,599,090	100	$ 214,291,945	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	$ 9,714,649	4	$ 10,470,219	5
Short-term bills payable	17,508,718	8	16,595,880	8
Bills and bonds sold under repurchase agreements	1,190,685	1	1,120,618	-
Financial liabilities at fair value through profit or loss - current	20,665	-	6,721	-
Due to the Central Bank and other banks	4,800,330	2	3,831,773	2
Notes payable	212,388	-	236,785	-
Trade payables	9,635,630	4	7,682,226	3
Other payables	3,182,139	1	3,268,655	1
Securities financing refundable deposits	1,444,447	1	1,369,808	1
Provisions - current	27,374	-	-	-
Deposits payable for securities financing	1,593,578	1	1,493,668	1
Futures traders' equity	3,347,085	2	2,575,049	1
Current tax liabilities	346,866	-	478,711	-
Current portion of long-term borrowings and bonds payable	12,524,626	6	8,119,449	4
Lease liabilities - current	175,117	-	470,452	-
Other current liabilities	776,282	-	1,349,307	1
Deposits and remittances	81,071,432	36	76,592,628	36
Total current liabilities	147,572,011	66	135,661,949	63
NON-CURRENT LIABILITIES				
Bonds payable	1,530,000	1	4,630,000	2
Long-term borrowings	20,232,895	9	20,596,112	10
Provisions - non-current	59,438	-	44,249	-
Guarantee deposits received	172,433	-	172,323	-
Lease liabilities - non-current	1,724,948	1	1,838,445	1
Deferred tax liabilities	1,266,760	-	1,506,896	1
Other non-current liabilities	168,743	-	215,361	-
Total non-current liabilities	25,155,217	11	29,003,386	14
Total liabilities	172,727,228	77	164,665,335	77
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	16,184,093	7	16,184,093	8
Capital surplus	2,161,867	1	2,165,692	1
Retained earnings				
Legal reserve	2,832,070	1	2,623,738	1
Special reserve	2,328,591	1	2,328,591	1
Unappropriated earnings	10,965,580	5	9,908,433	5
Total retained earnings	16,126,241	7	14,860,762	7
Other equity	7,036,235	3	4,903,427	2
Treasury shares	(95,527)	-	(29,834)	-
Total equity attributable to owners of the Company	41,412,909	18	38,084,140	18
NON-CONTROLLING INTERESTS	11,458,953	5	11,542,470	5
Total equity	52,871,862	23	49,626,610	23
TOTAL	$ 225,599,090	100	$ 214,291,945	100

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
REVENUE				
Interest income	$ 3,550,802	9	$ 3,292,789	7
Fee income	2,234,383	6	2,350,125	5
Share of profit of associates and joint ventures	605,979	1	6,382	-
Realized gain on financial assets at fair value through other comprehensive income	42,146	-	41,979	-
Net sales	31,075,868	79	37,232,745	81
Gain on sale of construction in progress	-	-	1,125,814	3
Rental revenue	651,061	2	569,145	1
Net gain on disposal of financial assets	-	-	69,122	-
Gain on disposal of property, plant and equipment	642	-	5,098	-
Gain on disposal of investment properties	106,764	-	156,276	-
Foreign exchange gains	-	-	352,940	1
Unrealized gain on transactions with associates	-	-	2,340	-
Realized gain on transactions with associates	346	-	664	-
Other revenue	1,118,087	3	943,746	2
Total revenue	39,386,078	100	46,149,165	100
EXPENSES				
Finance costs	2,326,196	6	2,207,021	5
Bad debt expense, commitments and guarantee liability provisions	35,575	-	61,199	-
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	7,618	-	3,878	-
Cost of goods sold	28,741,949	73	34,508,039	75
Cost of construction in progress sold	-	-	399,956	1
Rental costs	79,535	-	76,043	-
Operating expenses				
Selling and marketing expenses	1,522,613	4	1,502,751	3
General and administrative expenses	2,831,250	7	2,633,854	6
Research and development expenses	595,134	2	583,814	1
Total operating expenses	4,948,997	13	4,720,419	10
Loss on disposal of investment	3,960	-	-	-
Impairment loss	-	-	676,601	1
Expected credit loss	64,159	-	55,684	-
Foreign exchange loss	141,031	1	-	-
Other expenses	128,488	-	318,066	1
Total expenses	36,477,508	93	43,026,906	93

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	$ 2,908,570	7	$ 3,122,259	7
INCOME TAX EXPENSE	431,813	1	699,685	2
NET PROFIT FOR THE YEAR	2,476,757	6	2,422,574	5
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	5,536	-	50,516	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,735,443	4	410,009	1
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	679,393	2	(22,491)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(1,232)	-	(9,798)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	64,160	-	408,629	1
Share of other comprehensive income of associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	516	-	-	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income (loss)	91,877	1	(53,575)	-
Other comprehensive income for the year, net of income tax	2,575,693	7	783,290	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 5,052,450	13	$ 3,205,864	7
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 1,922,533	5	$ 1,705,920	4
Non-controlling interests	554,224	1	716,654	1
	$ 2,476,757	6	$ 2,422,574	5

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 4,369,333	11	$ 2,420,591	5
Non-controlling interests	683,117	2	785,273	2
	$ 5,052,450	13	$ 3,205,864	7
EARNINGS PER SHARE				
Basic				
From continuing operations	$ 1.19		$ 1.06	
Diluted				
From continuing operations	$ 1.19		$ 1.06	

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
			Retained Earnings			Other Equity					
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total	Non-controlling Interests	Total Equity
BALANCE ON JANUARY 1, 2024	$ 16,184,093	$ 1,963,101	$ 2,544,458	$ 2,328,591	$ 8,794,516	$ (188,906)	$ 4,755,064	$ (29,834)	$ 36,351,083	$ 10,493,996	$ 46,845,079
Appropriation of 2023 earnings											
Legal reserve	-	-	79,280	-	(79,280)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(890,125)	-	-	-	(890,125)	-	(890,125)
Actual partial acquisition/disposal of interests in subsidiaries	-	193,216	-	-	-	-	-	-	193,216	(193,216)	-
Changes in percentage of ownership interest in subsidiaries	-	9,375	-	-	-	-	-	-	9,375	(9,375)	-
Net profit for the year ended December 31, 2024	-	-	-	-	1,705,920	-	-	-	1,705,920	716,654	2,422,574
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	30,231	320,199	364,241	-	714,671	68,619	783,290
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	1,736,151	320,199	364,241	-	2,420,591	785,273	3,205,864
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	465,792	465,792
Disposals of investments in equity instruments designated as at fair value through other comprehensive income/disposals of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	347,171	-	(347,171)	-	-	-	-
BALANCE ON DECEMBER 31, 2024	16,184,093	2,165,692	2,623,738	2,328,591	9,908,433	131,293	4,772,134	(29,834)	38,084,140	11,542,470	49,626,610
Appropriation of 2024 earnings											
Legal reserve	-	-	208,332	-	(208,332)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(971,046)	-	-	-	(971,046)	-	(971,046)
Changes in capital surplus from investments in associates accounted for using the equity method	-	70	-	-	-	-	-	-	70	-	70
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	(65,693)	(65,693)	-	(65,693)
Actual partial acquisition of interests in subsidiaries	-	119	-	-	-	-	-	-	119	(119)	-
Changes in percentage of ownership interest in subsidiaries	-	(4,014)	-	-	-	-	-	-	(4,014)	4,014	-
Net profit for the year ended December 31, 2025	-	-	-	-	1,922,533	-	-	-	1,922,533	554,224	2,476,757
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	1,749	17,606	2,427,445	-	2,446,800	128,893	2,575,693
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	1,924,282	17,606	2,427,445	-	4,369,333	683,117	5,052,450
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(770,529)	(770,529)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income/disposals of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	312,243	-	(312,243)	-	-	-	-
BALANCE ON DECEMBER 31, 2025	$ 16,184,093	$ 2,161,867	$ 2,832,070	$ 2,328,591	$ 10,965,580	$ 148,899	$ 6,887,336	$ (95,527)	$ 41,412,909	$ 11,458,953	$ 52,871,862

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS USED IN OPERATING ACTIVITIES		
Income before income tax	$ 2,908,570	$ 3,122,259
Adjustments for:		
Depreciation expenses	1,800,874	2,065,867
Amortization expenses	15,800	15,312
Expected credit loss recognized on trade receivables	99,734	116,883
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	7,618	3,878
Finance costs	2,326,196	2,207,021
Interest income	(3,550,802)	(3,292,789)
Share of profit of associates	(605,979)	(6,382)
Gain on disposal and retirement of property, plant and equipment	(642)	(5,098)
Gain on disposal of investment properties	(106,764)	(156,276)
Net gain on disposal of financial assets	(38,186)	(111,101)
Impairment loss recognized on property, plant and equipment	-	676,601
Unrealized loss on transactions with associates	-	(2,340)
Realized gain on transactions with associates	(346)	(664)
Unrealized loss (gain) on foreign currency exchange	387,337	(407,553)
Gain on lease modifications	-	(409)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to other banks	(1,441,338)	29,308
Increase in financial assets at fair value through profit or loss	(111,956)	(265,886)
Increase in notes receivable and trade receivables	(2,819,717)	(4,673,881)
Increase in margin loans receivable	(1,030,334)	(5,327,931)
Increase in customer margin accounts	(772,190)	(848,700)
Decrease (increase) in inventories	285,175	(509,170)
Decrease (increase) in prepayments	10,497	(217,961)
Decrease (increase) in other current assets	1,014,601	(4,029,483)
Increase in discounts and loans	(4,566,437)	(2,374,960)
Increase in due to the Central Bank and other banks	968,557	913,620
Increase in other payables	1,778,622	1,198,348
Increase in securities financing refundable deposits	74,639	161,419
Increase in deposits and remittances	4,478,804	3,034,155
Increase in deposits payable for securities financing	99,910	182,922
Increase in futures traders' equity	772,036	848,498
(Decrease) increase in other current liabilities	(643,997)	482,279
Decrease in employee benefits provisions	(56,822)	(77,276)
Cash generated from (used in) operations	1,283,460	(7,249,490)
Interest received	3,586,928	3,364,534
Interest paid	(2,297,321)	(2,160,067)
Income tax paid	(1,011,655)	(502,226)
Net cash generated from (used in) operating activities	1,561,412	(6,547,249)

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	$ (3,336,345)	$ (4,617,766)
Proceeds from sale of financial assets at fair value through other comprehensive income	2,493,377	2,563,891
Refund of capital reduction on financial assets at fair value through other comprehensive income	-	15,523
Purchase of financial assets at amortized cost	(48,321,821)	(49,454,394)
Proceeds from sale of financial assets at amortized cost	51,345,850	50,713,401
Acquisition of associates	(1,083,800)	-
Net cash outflow on the acquisition of subsidiary	-	(36)
Payments for property, plant and equipment	(1,088,261)	(1,853,509)
Proceeds from disposal of property, plant and equipment	28,896	15,897
Increase in operating deposits	(11,410)	(11,164)
Increase in refundable deposits	(96,624)	(52,093)
Decrease in other receivables	133,533	109,203
Payments for intangible assets	(14,138)	(5,723)
Payments for investment properties	(4,439)	(38,160)
Proceeds from disposal of investment properties	122,442	232,712
Increase in bills and bonds purchased under resale agreements	(506,032)	(1,047,831)
(Increase) decrease in other financial assets	(1,172,504)	280,673
(Increase) decrease in other assets	(3,104)	15,898
Net cash used in investing activities	(1,514,380)	(3,133,478)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	532,113
Repayments of short-term borrowings	(755,570)	-
Proceeds from short-term bills payable	912,838	4,473,861
Repayment of corporate bonds	(1,500,000)	-
Proceeds from bonds payable	400,000	310,000
Repayment of bonds payable	-	(500,000)
Proceeds from other borrowings	2,041,960	6,878,152
Increase (decrease) in bills and bonds sold under repurchase agreements	70,067	(2,195,140)
Proceeds from (refund of) guarantee deposits received	110	(60,902)
Payment of the principal portion of lease liabilities	(485,087)	(185,085)
Increase in other non-current liabilities	52,181	14,405
Dividends paid to owners of the Company	(971,046)	(890,125)
Buy-back of ordinary shares	(65,693)	-
Changes in non-controlling interests	(770,529)	465,792
Net cash (used in) generated from financing activities	(1,070,769)	8,843,071

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	$ (95,776)	$ 254,708
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,119,513)	(582,948)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,916,370	10,499,318
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 8,796,857	$ 9,916,370

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents	$ 1,281,922	2	$ 1,283,785	2
Financial assets at fair value through profit or loss - current	2,850	-	2,580	-
Financial assets at fair value through other comprehensive income - current	606,415	1	609,448	1
Financial assets at amortized cost - current	-	-	101,634	-
Notes receivable, net	17,691	-	59,371	-
Trade receivables, net	2,005,762	4	2,043,327	4
Other receivables	130,379	-	203,988	1
Current tax assets	234,583	1	19,436	-
Inventories	2,506,745	4	3,317,203	6
Prepayments	107,722	-	146,363	-
Other current assets	10,485	-	2,108	-
Total current assets	6,904,554	12	7,789,243	14
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current	358,016	1	52,409	-
Financial assets at fair value through other comprehensive income - non-current	9,162,443	16	7,832,144	14
Investments accounted for using the equity method	28,929,495	51	28,910,318	51
Property, plant and equipment	8,101,128	14	8,363,698	15
Right-of-use assets	60,082	-	96,503	-
Investment properties	2,896,104	5	2,921,295	5
Deferred tax assets	257,245	1	265,654	1
Net defined benefit assets - non-current	66,970	-	13,705	-
Other non-current assets	112,359	-	30,711	-
Total non-current assets	49,943,842	88	48,486,437	86
TOTAL	$ 56,848,396	100	$ 56,275,680	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	$ 700,000	2	$ 1,910,000	3
Short-term bills payable	-	-	299,887	1
Financial liabilities at fair value through profit or loss - current	616	-	-	-
Trade payables	683,091	1	1,257,817	2
Other payables	2,377,186	4	2,536,195	5
Current tax liabilities	58,206	-	68,666	-
Provisions - current	21,171	-	-	-
Lease liabilities - current	34,316	-	48,208	-
Current portion of long-term borrowings and bonds payable	3,500,000	6	1,578,105	3
Other current liabilities	83,366	-	186,515	-
Total current liabilities	7,457,952	13	7,885,393	14
NON-CURRENT LIABILITIES				
Bonds payable	-	-	3,500,000	6
Long-term borrowings	6,840,000	12	5,426,000	10
Deferred tax liabilities	1,092,045	2	1,309,412	2
Lease liabilities - non-current	27,729	-	51,667	-
Guarantee deposits received	17,761	-	19,068	-
Total non-current liabilities	7,977,535	14	10,306,147	18
Total liabilities	15,435,487	27	18,191,540	32
EQUITY				
Share capital	16,184,093	29	16,184,093	29
Capital surplus	2,161,867	4	2,165,692	4
Retained earnings				
Legal reserve	2,832,070	5	2,623,738	5
Special reserve	2,328,591	4	2,328,591	4
Unappropriated earnings	10,965,580	19	9,908,433	17
Total retained earnings	16,126,241	28	14,860,762	26
Other equity	7,036,235	12	4,903,427	9
Treasury shares	(95,527)	-	(29,834)	-
Total equity	41,412,909	73	38,084,140	68
TOTAL	$ 56,848,396	100	$ 56,275,680	100

SHINKONG SYNTHETIC FIBERS CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE				
Sales	$ 18,229,554	100	$ 23,038,688	100
OPERATING COSTS				
Cost of goods sold	17,188,086	94	21,461,692	93
GROSS PROFIT	1,041,468	6	1,576,996	7
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(25,884)	-	(30,760)	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	40,912	-	30,312	-
REALIZED GROSS PROFIT	1,056,496	6	1,576,548	7
OPERATING EXPENSES				
Selling and marketing expenses	801,495	4	820,286	4
General and administrative expenses	258,137	2	258,609	1
Research and development expenses	253,363	1	268,170	1
Expected credit loss (reversal gain)	604	-	(4,881)	-
Total operating expenses	1,313,599	7	1,342,184	6
(LOSS) PROFIT FROM OPERATIONS	(257,103)	(1)	234,364	1
NON-OPERATING INCOME AND EXPENSES				
Interest income	16,229	-	33,898	-
Other income	504,307	3	371,762	2
Other gains and losses	(84,586)	(1)	155,642	1
Finance costs	(184,395)	(1)	(192,209)	(1)
Share of profit or loss of subsidiaries and associates	1,786,289	10	1,113,484	5
Total non-operating income and expenses	2,037,844	11	1,482,577	7
PROFIT BEFORE INCOME TAX	1,780,741	10	1,716,941	8
INCOME TAX BENEFIT (EXPENSE)	141,792	1	(11,021)	-
NET PROFIT FOR THE YEAR	1,922,533	11	1,705,920	8

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plan	$ 3,402	-	$ 22,415	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	1,555,476	8	326,594	2
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method	846,124	5	64,447	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(680)	-	(4,483)	-
	2,404,322	13	408,973	2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	17,606	-	320,199	1
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method	24,872	-	(14,501)	-
	42,478	-	305,698	1
Other comprehensive income for the year, net of income tax	2,446,800	13	714,671	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 4,369,333	24	$ 2,420,591	11
EARNINGS PER SHARE				
Basic	$ 1.19		$ 1.06	
Diluted	$ 1.19		$ 1.06	

(Concluded)

SHINKONG SYNTHETIC FIBERS CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings			Other Equity			
	Share (In Thousand)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Shares	Total Equity
BALANCE ON JANUARY 1, 2024	1,618,409	$ 16,184,093	$ 1,963,101	$ 2,544,458	$ 2,328,591	$ 8,794,516	$ (188,906)	$ 4,755,064	$ (29,834)	$ 36,351,083
Appropriation of 2023 earnings										
Legal reserve	-	-	-	79,280	-	(79,280)	-	-	-	-
Cash dividends	-	-	-	-	-	(890,125)	-	-	-	(890,125)
Actual partial acquisitions/disposal of interests in subsidiaries	-	-	193,216	-	-	-	-	-	-	193,216
Changes in percentage of ownership interests in subsidiaries	-	-	9,375	-	-	-	-	-	-	9,375
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,705,920	-	-	-	1,705,920
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	30,231	320,199	364,241	-	714,671
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	1,736,151	320,199	364,241	-	2,420,591
Disposal of investments in equity instruments designated as at fair value through other comprehensive income/disposal of the investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates	-	-	-	-	-	347,171	-	(347,171)	-	-
BALANCE ON DECEMBER 31, 2024	1,618,409	16,184,093	2,165,692	2,623,738	2,328,591	9,908,433	131,293	4,772,134	(29,834)	38,084,140
Appropriation of 2024 earnings										
Legal reserve	-	-	-	208,332	-	(208,332)	-	-	-	-
Cash dividends	-	-	-	-	-	(971,046)	-	-	-	(971,046)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	70	-	-	-	-	-	-	70
Actual partial acquisitions of interests in subsidiaries	-	-	119	-	-	-	-	-	-	119
Changes in percentage of ownership interests in subsidiaries	-	-	(4,014)	-	-	-	-	-	-	(4,014)
The Parent's shares held by its subsidiaries treated as treasury shares	-	-	-	-	-	-	-	-	(65,693)	(65,693)
Net profit for the year ended December 31, 2025	-	-	-	-	-	1,922,533	-	-	-	1,922,533
Other comprehensive income for the year ended December 31, 2025, net of income tax	-	-	-	-	-	1,749	17,606	2,427,445	-	2,446,800
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	1,924,282	17,606	2,427,445	-	4,369,333
Disposal of investments in equity instruments designated as at fair value through other comprehensive income/disposal of the investments in equity instruments designated as at fair value through other comprehensive income by subsidiaries and associates	-	-	-	-	-	312,243	-	(312,243)	-	-
BALANCE ON DECEMBER 31, 2025	1,618,409	$ 16,184,093	$ 2,161,867	$ 2,832,070	$ 2,328,591	$ 10,965,580	$ 148,899	$ 6,887,336	$ (95,527)	$ 41,412,909

SHINKONG SYNTHETIC FIBERS CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,780,741	$ 1,716,941
Adjustments for:		
Depreciation expenses	651,573	654,853
Expected credit loss (reversal gain) recognized on trade receivables	604	(4,881)
Net (gain) loss on fair value changes of financial assets and liabilities at fair value through profit or loss	(11,930)	10,790
Finance costs	184,395	192,209
Interest income	(16,229)	(33,898)
Dividend income	(395,988)	(230,880)
Reversal of write-down of inventories	(1,985)	(40,000)
Share of profit of subsidiaries and associates	(1,786,289)	(1,113,484)
Loss on disposal of property, plant and equipment	-	859
Gain on disposal of investments accounted for using the equity method	(2)	(56,598)
Impairment loss recognized on property, plant and equipment	3,295	3,295
Unrealized gain on the transactions with subsidiaries and associates	25,884	30,760
Realized gain on the transactions with subsidiaries and associates	(40,912)	(30,312)
Net loss (gain) on foreign currency exchange	52,500	(106,980)
Recognition of provisions	2,036	3,909
Gain on lease modification	(9)	(18)
Changes in operating assets and liabilities		
Notes and trade receivables	113,389	287,930
Other receivables	71,199	45,416
Inventories	812,443	(595,386)
Prepayments	38,641	5,699
Other current assets	(3,690)	1,403
Trade payables	(574,726)	38,636
Other payables	(203,873)	223,519
Other current liabilities	(103,149)	2,743
Provisions	(82,627)	(62,649)
Cash generated from operations	515,291	943,876
Interest received	18,639	34,015
Dividend received	395,988	232,118
Interest paid	(188,203)	(189,563)
Income tax paid	(293,453)	(3,481)
Net cash generated from operating activities	448,262	1,016,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(147,508)	(129,392)
Proceeds from sale of financial assets at fair value through other comprehensive income	82,387	827,473

(Continued)

SHINKONG SYNTHETIC FIBERS CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
Refund of capital reduction on financial assets at fair value through other comprehensive income	$ -	$ 15,523
Purchase of financial assets at amortized cost	(95,584)	(101,634)
Proceeds from sale of financial assets at amortized cost	197,218	-
Acquisition of associates	(1,085,800)	-
Disposal of associates	2,000	-
Net cash outflow on acquisition of subsidiaries	(684,128)	(2,255,040)
Return of capital on subsidiaries	300,000	462,891
Payments for property, plant and equipment	(409,177)	(557,513)
Proceeds from disposal of property, plant and equipment	-	150
Increase in refundable deposits	-	(2,246)
Decrease in refundable deposits	897	-
Decrease in other assets	52,044	440
Dividends received from subsidiaries and associates	4,069,154	482,073
Net cash generated from (used in) investing activities	2,281,503	(1,257,275)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(1,210,000)	(1,040,000)
Proceeds of short-term bills payable	-	199,906
Repayments of short-term bills payable	(299,887)	-
Repayment of bonds payable	(1,500,000)	-
Proceeds of long-term borrowings	1,335,895	1,276,387
Refund of guarantee deposits received	(1,307)	(122)
Repayment of principal portion of lease liabilities	(49,923)	(53,075)
Dividends paid	(971,046)	(890,125)
Net cash used in financing activities	(2,696,268)	(507,029)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(35,360)	88,023
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,863)	(659,316)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,283,785	1,943,101
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,281,922	$ 1,283,785

(Concluded)

Motion No. 2 Proposed by the Board of Directors

Subject: Acknowledgment of the Company's 2025 Earnings Distribution Table.

Explanation: Acknowledgment of the 2025 Earnings Distribution Table, which has been approved by resolution of the Board of Directors and been reviewed by the Audit Committee (please see the attached table).

Resolution:

Shinkong Synthetic Fibers Corp.
Earnings Distribution Table
January 1 to December 31, 2024

Unit: NTD

Item	Amount
Opening Undistributed Earnings	8,729,055,575
Net Income After Tax for the Current Period	1,922,532,844
Reversal of Special Earnings Reserve Due to Initial Adoption of TIFRS	0
Adjustment of Retained Earnings from Equity Method Investments	134,211,543
Remeasurement of Defined Benefit Plan Recognized in Retained Earnings	2,721,867
Transfer of Accumulated Gains from Disposal of Equity Investments Measured at Fair Value Through Other Comprehensive Income to Retained Earnings	177,059,373
Total Amount Added to Unappropriated Earnings for the Year (Including Non-Net Income Items)	2,236,525,627
Allocation to Legal Reserve (10%)	(223,652,563)
Allocation to Special Reserve	(1,772,073)
Earnings Available for Distribution	10,740,156,566
Distribution Items:	
Cash Dividend (NTD 0.90 per share)	(1,456,568,357)
Closing Unappropriated Earnings	9,283,588,209

Chairperson: Tong-Sheng Wu

Managerial Officers: Chin-Ta Ou

Accounting Supervisor: Hsun-Neng Lee

Matters for Election

Motion No. 1 Proposed by the Board of Directors

Subject: Election of the Company's 20th-term directors and independent directors.

Description: (1) The term of office of the 19th-term directors and independent directors of the Company expires on June 1, 2026. According to the Articles of Incorporation of the Company, it is proposed to re-elect 12 directors (including four independent directors) for a term of three years, from May 28, 2026 to May 27, 2029. The current director shall be relieved after the new directors are elected at the annual general meeting. Pursuant to Article 17-1 of the Articles of Incorporation, the Company shall set up an Audit Committee consisting of all independent directors.

(2) The candidate nomination system is adopted for the election of directors of the Company; independent directors and non-independent directors are elected at the same time, and the number of candidates elected is calculated separately. The candidates winning more voting rights shall win the election.

(3) The list of candidates for directors has been approved by the board meeting on March 12, 2026, and the shareholders should be selected directors from the list of candidates. Their education background, experience and other relevant data are as follows:

1. A total of 8 directors are to be elected. The following is a summary of the candidates' backgrounds:

Name	Gender	Highest education	Main experience	Shares held
Shin Kong Development Co., Ltd. Representative: Tong-Sheng Wu	Male	PhD in Law, Harvard University, USA	Chairperson of Shinkong Synthetic Fibers Corp. Chairperson of ShinKong Mitsukoshi Department Store Co., Ltd.	2,794,213
Shin Kong Development Co., Ltd. Representative: Hsin-Chieh Wu	Male	Department of Psychology/ Department of Economics, Columbia University, USA	Vice President of Shinkong Synthetic Fibers Corp. Chairperson of UBright Optronics Corp. Section Chief, President's Office, TacBright Optronics Corporation	2,794,213
Shin Kong Development Co., Ltd. Representative: Shi-Fen Lin	Female	LLM, Northwestern University	Executive Director of Konig Foods Co., Ltd. Director of Optimax Technology Corporation	2,794,213
Shinkong Co., Ltd. Representative: Steve Hong	Male	Department of Information, University of Minnesota	Chairperson of Han Shan Construction Co., Ltd.	84,414,691
Tay Way Enterprise Co., Ltd. Representative: Ching-Chun Chiu	Male	Master, International Management, University of St. Thomas, USA	President of The World Hakka Federation Hsinchu County Magistrate of the 16th-17th term Director of Hsinchu Gas Co., Ltd.,	1,200,043
Tay Way Enterprise Co., Ltd. Representative: Huoo-Tzau Shih	Male	Department of International Trade, Feng Chia University	Chairperson of TacBright Optronics Corporation	1,200,043
Ji Zhen Co., Ltd. Representative: Hsing-En Wu	Male	Master of Department of Applied Physics and Materials Science, California State University, Los Angeles	Chairperson of Shinkong Textile Co., Ltd. Chairperson of Shinkong Asset Management Co., Ltd.,	24,137

Name	Gender	Highest education	Main experience	Shares held
Mien Hao Enterprise Co., Ltd. Representative: Jung-Chi, Liu	Male	Department of Administration and Management, National Chung Hsing University	Consultant of ShinKong Wu Ho-Su Memorial Hospital	1,226,456

2. A total of 4 independent directors are to be elected. The following is a summary of the candidates' backgrounds:

Name	Gender	Highest education	Main experience	Shares held
Hsien-Der Chiu	Male	Department of Law, National Taiwan University	Chairperson of Xin Hong Construction Co., Ltd. Practicing lawyers in the Republic of China	0
Huei-Huang Lin	Male	Juris Doctor, Duke University, USA	Deputy Minister of the Ministry of Justice Director of the Supreme Prosecutor Office Professor of Soochow University College of Law Chairperson of He Feng Media Investment Co., Ltd. Director of Asia Satellite Television Co., Ltd.	0
Yung-Ching Tsai	Male	Department of Insurance and Financial Management, Takming University of Science and Technology	Manager of Finance Department of ShinKong Life Insurance Assistant Vice President of General Affairs Department of ShinKong Life Insurance Consultant of ShinKong Chao Feng Co., Ltd. Vice-President of Chia Pang Investment Co., Ltd.	0
Chin-Yen Wang	Female	Master of Management Science, National Central University	CPA at Deloitte & Touche, Taiwan Independent Directors of Taipei Star Bank Independent Directors of Leatec Fine Ceramics Co., Ltd. Independent Directors of Cyber Power Systems, Inc. CPA at Hao Yu Accounting Firm	0

The nominee has served three consecutive terms as an independent director of the company. The reasons for nominating him to continue as an independent director are as follows:

Hsien-Der Chiu Independent Director:

A practicing lawyer with legal expertise, possessing business management, crisis management, leadership, and decision-making abilities, he is conducive to strengthening the operation of the board of directors. His professional competence and macro-level thinking can enhance the quality and comprehensiveness of the board's decision-making, and he continuously provides professional advice to the board and plays a supervisory role. Although he has served as an independent director of the company for more than three terms, his role is extremely important to the company's decision-making, hence his nomination as a candidate for independent director.

Yung-Ching Tsai Independent Director:

Possessing professional knowledge in financial accounting and extensive practical experience in finance, his expertise covers areas such as financial accounting, business analysis, investment valuation, and the human resources market. During his tenure, he oversees the operation of the Board of Directors and provides professional financial advice, which substantially contributes to improving corporate governance and the operation of the audit committee. Although he has served as an independent director of the Company for more than three terms, the Company still relies on his independent opinions on various investments, hence his nomination as a candidate for independent director.

Election result:

Discussion

Motion No. 1 Proposed by the Board of Directors

Subject: Discussion on the removal of Article 209 of the Company Act regarding the non-competition restrictions on the directors and their representatives.

Description: (1) Due to the need to diversify the business and hire directors who are related to the Company's business. Most of the directors of the Company have their own businesses or concurrently hold positions related to the Company's businesses.

(2) Proposal to the shareholders' meeting to lift the restrictions on non-competition among the following director candidates.

Title	Candidate's name	Concurrent duty and name of company in which position is held
Director	Shin Kong Development Co., Ltd. Representative: Tong-Sheng Wu	Director of UBright Optronics Corporation Director of Shinkong Materials Technology Co., Ltd. Director of Shinkong International Leasing Corp. Chairperson of Shinkong Technologies Corporation Chairperson of Shin Kong Recreation Co., Ltd. Director of TacBright Optronics Corporation Director of ShinKong Construction and Development Co., Ltd. Director of Wang Tien Woolen Textile Co., Ltd. Director of Shinkong Co., Ltd. Chairperson of Shinkong Mitsukoshi Department Store Co., Ltd.
Director	Shin Kong Development Co., Ltd. Representative: Hsin-Chieh Wu	Director of Shinkong Materials Technology Co., Ltd. Director of of Zacros Taiwan Co., Ltd. Chairperson of UBright Optronics Corporation Chairperson of Arbor Capital Corporation
Director	Shin Kong Development Co., Ltd. Representative: Shi-Fen Lin	Executive Director of Kong Foods Co., Ltd. Director of Optimax Technology Corporation
Title	Candidate's name	Concurrent duty and name of company in which position is held
Director	Ji Zhen Co., Ltd. Representative: Hsing-En Wu	Chairperson of Shinkong Textile. Co. Ltd. Chairperson of ShinKong Asset Management Co., Ltd. Director of Worthy Textile Industry Co., Ltd.
Director	Shinkong Co., Ltd. Representative: Steve Hong	Chairperson of Hanshan Construction Co., Ltd. Director of Shinkong Co., Ltd. Chairperson of Qi Sheng Enterprise Co., Ltd.
Director	Tay Way Enterprise Co., Ltd. Representative: Ching-Chun Chiu	Director of Hsinchu Gas Co., Ltd.
Director	Tay Way Enterprise Co., Ltd. Representative: Huoo-Tzau Shih	Chairperson of TacBright Optronics Corporation Director of UBright Optronics Corporation
Independent Director	Hsien-Der Chiu	Chairperson of Xin Hong Construction Co., Ltd.
Independent Director	Huei-Huang Lin	Chairperson of Hefeng Media Investment Co., Ltd. Director of Asia Digital Media Co. Ltd.
Independent Director	Yung-Ching Tsai	Consultant of Shin Kong Chao Feng Co., Ltd.
Independent Director	Chin-Yen Wang	Independent Director of Cyber Power Systems, Inc. Independent Director of Leatec Fine Ceramics Co., Ltd. Independent Director of Taipei Star Bank Co., Ltd. Corporate Director Representative of SENTEC E&E CO., LTD.

Resolution:

Motion No. 2 Proposed by the Board of Directors

Subject: Partial amendment of the Company's “Articles of Incorporation”.

Description: (1) Based on the company's actual needs, our company intends to amend certain provisions of the "Articles of Incorporation."

(2) A comparison table of the revised provisions of our company's "Articles of Incorporation" is attached.

Comparison Table of the Revised Provisions of the Articles of Incorporation of Shinkong Synthetic Fibers Corporation

After Amendment	Before Amendment	Additional Explanation
Article 5 The total authorized capital of the Company is NT$28,000,000,000, divided into 2,800,000,000 shares, with a par value of NT$10 per share. The Company may issue preferred shares. Unissued shares are authorized to be issued in installments by the Board of Directors as necessary. Within the aforementioned authorized capital, NT$240,000,000 is reserved, divided into 24,000,000 shares, for issuance of employee stock warrants, employee stock options, Restricted Stock Units, preferred shares with warrants, or corporate bonds with warrants, within the scope permitted by law. The Company may issue employee stock options at a subscription price lower than the closing price of the stock on the issuance date, subject to the attendance of shareholders representing more than half of the total number of issued shares and the consent of more than two-thirds of the voting rights of the shareholders present. The Company may also, with the consent of the shareholders at the most recent shareholders' meeting held in open session, transfer the stock options to employees at a price lower than the average price of the shares actually repurchased.	Article 5 The total authorized capital of the Company is NT$28,000,000,000, divided into 2,800,000,000 shares, with a par value of NT$10 per share. The Company may issue preferred shares. Unissued shares are authorized to be issued in installments by the Board of Directors as necessary. Within the aforementioned authorized capital, NT$460,000,000 is reserved, divided into 46,000,000 shares, for issuance of employee stock warrants, employee stock options, preferred shares with warrants, or corporate bonds with warrants, within the scope permitted by law.	Revised according to the actual needs of the company.

After Amendment	Before Amendment	Additional Explanation
Article 35 This Articles of Incorporation was established on March 17, 1967. It was first amended on March 8, 1969, second amended on March 23, 1972, third amended on March 22, 1973, fourth amended on March 16, 1974, fifth amended on May 19, 1975, sixth amended on April 22, 1977, seventh amended on June 21, 1978, eighth amended on April 12, 1979, ninth amended on April 17, 1981, tenth amended on May 12, 1983, eleventh amended on May 8, 1984, twelfth amended on March 26, 1987, thirteenth amended on March 25, 1988, fourteenth amended on March 31, 1989, fifteenth amended on April 18, 1990, sixteenth amended on March 23, 1991, seventeenth amended on March 21, 1992, eighteenth amended on April 2, 1994, nineteenth amended on April 15, 1995, twentieth amended on May 4, 1996, twenty-first amended on June 21, 1997, twenty-second amended on June 3, 2000, twenty-third amended on June 20, 2002, twenty-fourth amended on June 13, 2003, twenty-fifth amended on June 15, 2005, twenty-sixth amended on June 8, 2006, twenty-seventh amended on June 15, 2007, twenty-eighth amended on June 13, 2008, twenty-ninth amended on June 25, 2010, thirtieth amended on June 2, 2011, thirty-first amended on June 5, 2012, thirty-second amended on June 7, 2013, thirty-third amended on May 29, 2014, thirty-fourth amended on May 31, 2016, thirty-fifth amended on May 29, 2019, thirty-sixth amended on July 5, 2021, and thirty-seventh amended on May 30, 2022. The thirty-eighth amendment was made on May 27, 2025. <u>The thirty-ninth amendment was made on May 28, 2026.</u>	Article 35 This Articles of Incorporation was established on March 17, 1967. It was first amended on March 8, 1969, second amended on March 23, 1972, third amended on March 22, 1973, fourth amended on March 16, 1974, fifth amended on May 19, 1975, sixth amended on April 22, 1977, seventh amended on June 21, 1978, eighth amended on April 12, 1979, ninth amended on April 17, 1981, tenth amended on May 12, 1983, eleventh amended on May 8, 1984, twelfth amended on March 26, 1987, thirteenth amended on March 25, 1988, fourteenth amended on March 31, 1989, fifteenth amended on April 18, 1990, sixteenth amended on March 23, 1991, seventeenth amended on March 21, 1992, eighteenth amended on April 2, 1994, nineteenth amended on April 15, 1995, twentieth amended on May 4, 1996, twenty-first amended on June 21, 1997, twenty-second amended on June 3, 2000, twenty-third amended on June 20, 2002, twenty-fourth amended on June 13, 2003, twenty-fifth amended on June 15, 2005, twenty-sixth amended on June 8, 2006, twenty-seventh amended on June 15, 2007, twenty-eighth amended on June 13, 2008, twenty-ninth amended on June 25, 2010, thirtieth amended on June 2, 2011, thirty-first amended on June 5, 2012, thirty-second amended on June 7, 2013, thirty-third amended on May 29, 2014, thirty-fourth amended on May 31, 2016, thirty-fifth amended on May 29, 2019, thirty-sixth amended on July 5, 2021, and thirty-seventh amended on May 30, 2022. The thirty-eighth amendment was made on May 27, 2025.	Add the amendment dates

Resolution:

Extraordinary motions

Adjournment

Appendices

Appendix 1

Shinkong Synthetic Fibers Corp.
Rules of Procedure for Shareholders Meeting

Passed by the shareholders' meeting on June 2, 2023

Article 1: Unless otherwise specified in the law or the Articles of Incorporation, shareholders' meetings of the Company shall proceed according to the procedures stated herein.

Article 2: Unless otherwise specified by the law, shareholders' meetings are to be convened by the Board of Directors.

The change of the convening method of the shareholders' meeting shall be decided by the board meeting, and shall be made before the notice of the shareholders' meeting is sent.

The Company shall complete the procedures manual of the shareholders' meeting and the supplementary data of the meeting 30 days before the general shareholders' meeting, and prepare an electronic file and transmit it to the MOPS. The Company shall provide shareholders with the procedures manual and the supplementary data by the following methods for reference on the day of the shareholders' meeting:

1. Distribute them at the site of the shareholders' meeting when convening a physical shareholders' meeting.
2. Distribute them at the site of the shareholders' meeting and transmit the electronic file to the video conference platform when convening a video-conference assisted shareholders' meeting.
3. Transmit the electronic file to the video conference platform when convening a shareholders' meeting by video.

Article 3: The attending shareholder (or agent) shall hand in the sign-in card for signing in. The number of shares shall include the number of shares with voting rights exercised by electronic means and the number of shares registered on the video conference platform. When a legal person is entrusted to attend the shareholders meeting, only one representative may be appointed to attend.

Article 4: Shareholders may appoint proxies to attend the Company's shareholder meeting by issuing proxy forms prepared by the Company.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholders' meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy arrangement.

Should the shareholder decide to attend the shareholders' meeting personally or exercise voting rights in writing or use electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw the proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Voting rights shall be exercised in writing or by using the electronic method at the shareholder's convenience. Whether in writing or using the electronic form, instructions for exercising voting rights must be clearly stated on the shareholders' meeting advice. Shareholders who have voted in writing or used the electronic method are considered to have attended the shareholders' meeting in person. However, they are considered to have waived their rights to participate in any extraordinary motions or amendments to the original motions that may arise during the shareholders' meeting.

Instructions to exercise written or electronic votes must be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate submissions, the earliest submission shall be taken into the record. However, the above does not apply if a declaration is made on the revocation of the intention previously delivered. After the shareholder exercises the voting right in writing or by electronic means, if he/she wants to attend the shareholders' meeting in person or by video, he/she shall make a revocation of the intention previously delivered in the same manner as the revocation of the voting intention in the previous paragraph two days before the shareholders' meeting; if the revocation is made after the deadline, the voting right exercised in writing or by electronic means shall prevail.

If the voting right is exercised in writing or by electronic means, and the agent entrusted via a power of attorney is present at the shareholders' meeting, the voting right of the entrusted agent shall prevail.

If a shareholder attends the shareholders' meeting in person without revoking his/her intention to exercise his/her voting rights in writing or electronically in accordance with the provisions of paragraph 5, except that the extempore motions may be proposed or voted on the spot, the other motions shall be handled in accordance with the provisions of the preceding two paragraphs.

After the power of attorney is delivered to the Company, if a shareholder wishes to attend the shareholders' meeting by video, he/she shall send a written notice of revocation to the Company two days before the shareholders' meeting; in case of overdue cancellation, the voting rights exercised by the agent shall prevail.

Article 5: The place of the meeting shall be the place where the Company or plant is located or where it is convenient for the shareholders to attend.

When convening a video shareholders' meeting, there is no restriction on the venue of the meeting.

The meeting start time shall not be before 9 a.m. or after 3 p.m. Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with competent personnel.

For a video shareholders' meeting, shareholder registration shall start at the video meeting platform 30 minutes before the meeting. The shareholders who have completed the registration shall be deemed to have attended the shareholders' meeting in person.

If a shareholders' meeting is held by video, shareholders who wish to attend by video shall register at the place or website designated by the Company two days before the shareholders' meeting.

If a shareholders' meeting is held by video, the Company shall upload the procedure manual, annual report and other relevant data to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose them until the end of the meeting.

Article 5-1: The Company shall specify the following items in the notice of convening the shareholders' meeting:

1. Methods for shareholders to participate in the video conference and exercise their rights.
2. The methods of dealing with obstacles caused by natural disasters, incidents or other force majeure to the video conference platform or participation in the video conference, which shall at least include the following:
   (1) The time of the meeting when the obstacle occurs, which continues and cannot be eliminated, causing the meeting to be postponed or resumed, and the date of the meeting to be postponed to or resumed if necessary.
   (2) Shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.
   (3) When a video-assisted shareholders' meeting is held, but the video-assisted meeting cannot be resumed, the shareholders' meeting shall be continued if the quorum for meeting attendance is met after deducting the number of shares present at the shareholders' meeting by video. The number of shares present at the shareholders' meeting by video shall be counted into the total number of shareholders' shares present, but all motions of the shareholders' meeting shall be deemed to have been waived.
   (4) The handling method in the event that all motions have been announced, but no extempore motion has been processed.
3. When the shareholders' meeting is held by video, the appropriate alternative measures shall be specified for shareholders who have difficulty in participating in the shareholders' meeting by video.

Article 6: Shareholders' meetings that are convened by the Board of Directors shall be chaired by the Chairperson. If the Chairperson is unable to perform the duties due to leave of absence or any reasons, the Chairperson will appoint one of the directors to act on his behalf. If no one is appointed, the remaining directors shall appoint one among themselves to perform the Chairperson's duties on his behalf.

If the shareholders' meeting is convened by any authorized party other than the Board of Directors, the convener will act as the meeting chairperson. If there are two or more authorized conveners, one shall be appointed among them to act as the meeting chairperson.

Article 7: The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at the shareholders' meetings.

Organizers of the shareholders' meetings must wear proper identification or arm badges.

Article 8: The Company shall pay close attention to the identity of people entering or exiting the shareholders' meeting, and adopt proper security measures at the entrance. The entire meeting shall be recorded in video or audio, and the recorded data must be retained for one year.

If the shareholders' meeting is held by video, the Company shall record and save the shareholders' registration, sign-in, reporting, questioning, voting and the Company's vote counting results, and continuously audio or video record the whole process of the video meeting.

The Company shall properly preserve the data and audio and video recordings referred to in the preceding paragraph during the duration of its existence, and provide the audio and video recordings to those entrusted with the handling of video conference affairs for preservation.

Where the shareholders' meeting is held by video, the Company shall audio and video record the backstage operation interface of the video conference platform.

Article 9: The chairperson shall call the meeting to order at the appointed meeting time and announce the information relating to the number of non-voting shares and the number of attending shares at the same time.

However, if current attendees represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour. If attending shareholders represent more than one-third but less than half of the outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of the Company Act.

Where a shareholders' meeting is held by video, shareholders who wish to attend by video shall re-register with the Company in accordance with Article 5.

If the number of shares represented total more than half of all outstanding shares as the meeting progresses, the chairperson may propose the tentative resolutions for final voting according to Article 174 of the Company Act.

Article 10: If the shareholders' meeting is convened by the Board of Directors, the meeting shall proceed in the order set by the agenda (including amendments to extraordinary motions and original motion agenda items), which may not be changed without a resolution of the shareholders' meeting.

The above rule shall apply similarly to shareholders' meetings that are convened by any authorized party other than the Board of Directors.

In either of the two arrangements described above, the chairperson cannot dismiss the meeting while a motion (including extraordinary motions) is still in progress. If the chairperson violates the meeting policy by dismissing the meeting when they are not allowed to do so, attending shareholders may elect another chairperson with the support of more than half of the voting rights represented on-site to continue the meeting.

Once the meeting has been dismissed, shareholders shall not elect to continue the meeting with another chairperson or at a different venue except for the circumstances mentioned above.

Article 11: Shareholders who wish to speak during the meeting must produce an opinion slip detailing the shareholder ID (or the conference pass serial number), shareholder's name, and discussion topic. The order of shareholders' comments shall be determined by the chairperson. Shareholders who submit an opinion slip without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the opinion slip, the actual comments expressed shall be taken into record.

Article 12: A shareholder cannot speak for more than two times, for 5 minutes each, on the same topic without the consent of the chairperson. This restriction does not apply to supplementary information provided in relation to the discussed topic with the chairperson's consent.

The chairperson may restrain shareholders who are in violation of the above rule or interrupt any comments that are irrelevant to the topics discussed.

While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way unless allowed to do so by the chairperson and the person speaking.

Where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per motion.

Participants who do not comply with the chairperson's restraint mentioned in the 4 preceding paragraphs shall be handled according to Paragraph 2, Article 21.

Article 13: After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Where the shareholders' meeting is held by video, the shareholders participating by video may ask questions in writing on the video conference platform of the shareholders' meeting after the chairperson calls the meeting to order and before the announcement of the adjournment of the meeting. The number of questions for each proposal shall not exceed two, and each question shall be limited to 200 words. The provisions of Articles 11 to 12 shall not apply.

If the question referred to in the preceding paragraph does not violate the provisions or does not exceed the scope of the proposal, it is advisable to disclose the question on the video conference platform of the shareholders' meeting for the purpose of being known.

Article 14: The meeting chairperson may announce to discontinue further discussions if the topic is considered to have been sufficiently discussed to proceed with the vote, and an appropriate voting time may be arranged.

Article 15: Before commencing voting on motions, the chairperson or delegate shall announce on-site the motion being voted on, the order in which the ballots are used and the voting deadline, while at the same time appointing ballot examiners and ballot counters to assist in the voting process.

The role of the ballot examiner must be served by a shareholder.

The ballot box will be made available by the Board of Directors, and shall be opened for inspection by the ballot examiner prior to voting.

Ballot examiners shall issue warnings to shareholders who exhibit any of the following conduct during the voting process, and report to the chairperson any shareholder who does not comply with the warning. The chairperson will then intervene and order the shareholder to withdraw from the meeting or undertake other measures as deemed necessary. Any occurrences involving the following also need to be recorded in the shareholders' meeting minutes:

1. Disruption of order or meeting proceedings.
2. Carrying of weapons or hazardous items.
3. Attempt to watch, convince, or interfere with the votes of other shareholders.
4. Voting outside the deadline.

Article 16: Unless otherwise specified by law or in the Articles of Incorporation, a decision is passed with the consent of shareholders representing more than half of the total voting interests in the meeting.

The voting results shall be announced on site and documented.

When the Company holds a video shareholders’ meeting, after the chairperson calls the meeting to order, the shareholders who participate in the shareholders’ meeting by video shall vote on various proposals and election proposals through the video conference platform, and shall complete the voting before the chairperson announces the end of the voting.

If the shareholders’ meeting is held by video, the votes shall be counted in one go after the chairperson announces the end of voting, and the voting and election results shall be announced.

When the Company holds the video-assisted shareholders’ meeting, the shareholders who have registered to attend the shareholders’ meeting by video in accordance with Article 5 and want to attend the physical shareholders’ meeting in person shall cancel the registration in the same way as for the registration two days before the shareholders’ meeting; if the cancellation is overdue, the shareholders’ meeting can only be attended by video.

Those who exercise their voting rights in written or electronic form, have not withdrawn their expression of intention, and have participated in the shareholders’ meeting by video shall not exercise their voting rights on, except for temporary motions, the original motion or propose amendments to the original motion, or exercise their voting rights on the amendments to the original motion.

Article 17: A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

Article 18: In cases where several amendments or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which the proposals are voted upon. However, if any resolution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

Article 19: The chairperson may call the meeting into recess at a suitable time.

Article 20: Meetings shall be suspended with the participants evacuated in the event of air raid sirens and resume one hour after the siren has been deactivated.

Article 21: The chairperson may instruct picketers (or security staff) to help maintain order in the meeting. While maintaining order in the meeting, all picketers (or security staff) shall wear arm badges that identify their role as “Picketer.”

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company.

Shareholders are bound to obey the command of the chairperson, picketers, and ballot examiners. Persons who attempt to disrupt the shareholders’ meeting and do not comply with restraint may be removed from site by the chairperson or the picketer.

Article 22: The resolutions of the shareholders’ meeting shall be recorded in the meeting minutes, signed or sealed by the chairperson, and distributed to the shareholders within 20 days after the meeting.

The production and distribution of the minutes referred to in the preceding paragraph may be done electronically. For the distribution of minutes referred to in the preceding paragraph, the Company may enter the minutes on the MOPS for public announcement.

The minutes shall be taken in the order of the date, place, name of the chairperson, resolution method, essentials of the proceedings and voting results (including the number of voting rights); the voting results shall be disclosed when there is an election of directors, including the names of those elected as directors and the respective number of voting rights won, as well as those not elected and the respective number of voting rights won. The minutes shall be kept during the existence of the Company. The information above may be retained in the form of printed documents or digital records.

The shareholders' attendance record and the agent's power of attorney shall be retained for at least one year. However, in situations where a shareholder makes a litigious claim against the Company, the records shall be kept until the litigation is concluded.

If the shareholders' meeting is held by video, in addition to the items required to be recorded in accordance with the preceding paragraph, the minutes shall record the start and end time of the shareholders' meeting, the method of holding the meeting, the name of the chairperson and the recorder, appropriate alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video, and the handling methods and results in case of obstacles to the video conference platform or participation by video due to force majeure.

If convening a shareholders' meeting by video, the Company shall, in addition to the provisions of the preceding paragraph, specify in the minutes the alternative measures provided to shareholders who have difficulties in participating in the shareholders' meeting by video.

Article 23: The Company shall clearly disclose in the meeting venue and in the prescribed format the number of shares acquired by solicitors, the number of shares represented by entrusted agents and the number of shares of shareholders attending in writing or electronically on the day of the meeting. If the shareholders' meeting is held by video conference, the Company shall upload the information above to the video conference platform for the shareholders' meeting at least 30 minutes before the meeting, and continue to disclose it until the end of the meeting.

When the shareholders' meeting is held in the form of video conference, the Company shall disclose on the video conference platform the number of shareholders' rights present when the meeting is called to order. The same applies if there are other statistics on the total number of shares represented by shareholders or voting rights present at the meeting.

The Company must disclose on the MOPS in a timely manner any shareholders' meeting resolution that constitute material information as defined by law or the rules of the Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 24: If the shareholders' meeting is held by video, the Company shall immediately disclose the voting results of various proposals and election results on the video conference platform of the shareholders' meeting after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairperson announces the adjournment of the meeting.

Article 25: If the Company holds the shareholders' meeting by video, the chairperson and the recorders shall be in the same place in Taiwan, and the chairperson shall announce the address of the place at the meeting.

Article 26: Where the shareholders' meeting is held by video, the Company may provide simple online testing for shareholders before the meeting, and provide relevant services immediately before and during the meeting to assist in handling technical problems related to communications.

If the shareholders' meeting is held in the form of video conference, the chairperson shall, when calling the meeting to order, announce that there is no need to postpone or continue the meeting per paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Before the chairperson announces the adjournment of the meeting, if there is any obstacle to the video conference platform or participation by video for more than 30 minutes due to any natural disaster, accident or other force majeure, the provisions of Article 182 of the Company Act shall not apply if the meeting should be postponed or resumed within five days.

In the event of an postponed or resumed meeting referred to in the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting by video shall not participate in the postponed or resumed meeting.

If the meeting should be postponed or resumed in accordance with paragraph 2, for the shareholders who have registered to participate in the original shareholders' meeting by video and have completed their registration but have not participated in the postponed or resumed meeting, their number of shares present, voting rights and election rights exercised at the original shareholders' meeting shall be included in the total number of shares, voting rights and election rights of shareholders attending the postponed or resumed meeting.

When handling the postponed or resumed shareholders' meeting in accordance with paragraph 2, there is no need to re-discuss and adopt resolutions on the proposals for which the voting and vote counting have been completed and the voting results or the list of directors elected has been announced.

When the Company holds a video-assisted shareholders' meeting and it is impossible to resume the video meeting in paragraph 2, if the total number of shares present at the shareholders' meeting by video still meets the quorum of the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by video, the shareholders' meeting shall continue without postponing or resuming the meeting in accordance with paragraph 2.

In the event that the meeting should be continued in accordance with the preceding paragraph, the number of shares represented by shareholders participating in the shareholders' meeting by video shall be included in the total number of shares represented by shareholders, but such shares shall be deemed to have abstained from all proposals at the shareholders' meeting.

When the Company postpones or resumes the meeting in accordance with paragraph 2, relevant pre-processing operations shall be handled in accordance with the provisions of paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and in accordance with the date of the original shareholders' meeting and the various provisions of the same Article.

During the periods specified in the latter paragraph of Article 12 and paragraph 3 of Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and paragraph 2 of Article 44-5, Article 44-15, and paragraph 1 of Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall postpone or resume the date of the shareholders' meeting in accordance with paragraph 2 above.

Article 27: When the shareholders' meeting is held by video, the appropriate alternative measures shall be specified for shareholders who have difficulty in participating in the shareholders' meeting by video.

Article 28: The Rules shall take effect once resolved in a shareholders' meeting. The same is true for the amendment.

Appendix 2

Shinkong Synthetic Fibers Corp.
Articles of Incorporation

Approved by the Shareholders' Meeting on May 27, 2025

Chapter One General Provisions

Article 1 The Company has been incorporated in accordance with The Company Act and is named "Shinkong Synthetic Fibers Corp".

Article 2 The Company's business activities are comprised of the following:

1. C301010 Yarn Spinning Mills
2. C302010 Weaving of Textiles
3. C303010 Manufacture of Non-woven Fabrics
4. C306010 Wearing Apparel
5. C801100 Synthetic Resin and Plastic Manufacturing
6. C801120 Manufacture of Man-made Fibers
7. C805050 Industrial Plastic Products Manufacturing
8. CB01010 Machinery Equipment Manufacturing
9. CC01120 Data Storage Media Manufacturing and Duplicating
10. F501060 Restaurants
11. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
12. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
13. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
14. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
15. F113050 Wholesale of Computers and Clerical Machinery Equipment
16. F213030 Retail Sale of Computers and Clerical Machinery Equipment
17. G202010 Parking area Operators
18. H701040 Specific Area Development
19. H701060 New Towns, New Community Development
20. I103060 Management Consulting
21. I501010 Product Designing
22. J701020 Amusement Parks
23. J701040 Recreational Activities Venue
24. J801010 Golf Course
25. J801030 Athletics and Recreational Sports Stadium
26. J901020 Regular Hotel
27. JE01010 Rental and Leasing

28. IG03010 Energy Technical Services

29. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may provide guarantees to outside parties as needed to facilitate its business activities.

Article 2-2 The Company may become shareholders of other limited liability companies, subject to the Board of Directors' resolution. Unless otherwise regulated by law, the sum of investment is not restricted to 40% of the Company's paid-up capital.

The Board of Directors' resolution mentioned above is passed in a board meeting with more than two-thirds of the directors present, and with the support of more than half of all attending directors.

Article 3 The Company is headquartered in Taipei City, The Republic of China, and may establish branches at other suitable locations if deemed necessary. Establishment and removal of branch offices are subject to the Board of Directors' resolution.

Article 4 Public announcements shall be duly made in accordance with the methods described in Article 28 of the Company Act.

Chapter Two Share capital

Article 5 The Company has an authorized capital of NT$28 billion, available in 2.8 billion shares, which can be raised in multiple issues at NT$10 per share. The Company may also issue preferred shares. Unissued shares may be issued in multiple issues at the Board of Directors' resolution as deemed necessary.

The total capital mentioned above shall have NT$ 460 million in 46 million shares reserved for the purpose of issuing warrants, employee stock options, preferred shares with embedded options, or corporate bonds with embedded options.

Article 5-1 The rights and obligations and other important issuance terms of preferred shares of the Company are as follows:

1. The dividends for preferred shares shall be at a maximum rate of 8% per annum, calculated by the issue price per share, and the dividends may be distributed in cash once every year. The Board of Directors shall resolve the dividends to be paid in the previous year and chairperson is authorized to set the base date for the payment. The distribution amount of dividends in the year of issuance and redemption shall be calculated by the actual number of issue days the preferred shares remained outstanding in that year.
2. The Company has the discretion to distribute dividends on preferred shares. If there are no earnings or sufficient earnings in the annual accounts for the distribution of dividends for preferred shares, or if there are other considerations, the Company may decide not to distribute dividends of preferred shares, as resolved by the Board of Directors' meeting, which shall not be deemed as a violation of the contract. If the preferred shares issued are non-cumulative and the Board of Directors has resolved not to distribute dividends of shares or insufficient dividends of shares, the undistributed dividends shall not be cumulative and shall not be paid in arrears in a future year when there are earnings.

3. Except for the dividends prescribed in Sub-paragraph 1 of this Paragraph, preferred shareholders may not participate in the distribution of cash or stock dividends with regard to the common shares derived from earnings or capital reserves.
4. Preferred shareholders are entitled to distribution priority on the residual property of the Company compared with common shareholders and shall rank pari passu with holders of other preferred shares issued by the Company, and the preferential rights of the preferred shareholders shall be inferior only to general creditors; the amount of such distribution shall not exceed the amount of the issued and outstanding preferred shares at the time of such distribution calculated by the issue price.
5. Preferred shareholders have no voting rights at the shareholders' meeting but may be elected as directors and have the right to vote in preferred shareholders' meetings or shareholders' meetings that involve the rights and obligations of preferred shareholders.
6. Preferred shares are not convertible to common shares.
7. Preferred shares have no maturity date and preferred shareholders shall not request the Company to redeem preferred shares held thereby. Notwithstanding the foregoing, the Company may redeem all or part of the preferred shares at any time on the next day after five years of issuance at the original issue price. The rights and obligations set forth in the foregoing sub-paragraphs will remain unchanged to the unredeemed preferred shares. If the Company decides to distribute dividends in a year, the amount of dividends that shall be distributed until the redemption date shall be calculated based on the actual days in the redemption year up to the redemption date.
8. The capital reserve received from the issuance of preferred shares in excess of par value shall not be capitalized during the issue period of the preferred shares.

The board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors in accordance with the Articles of Incorporation and related laws and regulations.

Article 6 The Company issues owner-registered shares only. The issue of the share certificate shall be conducted in accordance with Article 162 of the Company Act. Shares of the Company may be issued in scripless form, but shall be registered with the Taiwan Depository and Clearing Corporation.

Article 7 Shareholders are required to maintain records of their name, address and seal pattern with the Company, and update whenever changes occur. Collection of dividends, profit-sharing, or exercising of shareholders' rights are executed only upon presentation of seal pattern that matches the Company's records. Administration of the Company's shares shall proceed according to the Company Act and "Regulations Governing the Administration of Shareholder Services of Public Companies."

Article 8 Deleted.

Article 9 Deleted.

Article 9-1 Deleted.

Article 10 Deleted.

Article 11 Deleted.

Article 12 The shareholder registry shall be closed from transfers during the 60 days prior to an annual general meeting, or during the 30 days prior to an extraordinary shareholder meeting, or during the 5 days before the baseline date for dividends, profit-sharing, or other gains distributed by the Company.

Chapter Three Shareholders' Meetings

Article 13 The Company holds two types of shareholder meeting: the annual general meeting and the extraordinary shareholder meeting. The annual general meeting is held once a year within six months after the end of an accounting period, whereas extraordinary shareholder meetings may be held whenever deemed necessary.

Article 14 Unless otherwise regulated in the Company Act, shareholders are entitled to one voting right per share.

If a shareholder is unable to attend the shareholders' meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of the delegated authority.

In addition to the provisions of Article 177 of the Company Act, the method for shareholders to attend by proxy shall comply with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies".

With the exception of trust enterprises and certain stock transfer agents approved by the competent authority, a proxy may not represent more than 3% of the total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

Corporate shareholders may appoint more than one representative to the meeting, but the number of exercisable voting rights is still limited to the aggregate number of shares held. Where there are two or more representatives, their voting rights shall be exercised at the same time.

Votes can be exercised electronically or in writing during shareholders' meetings, subject to the Company's announcement.

A shareholders' meeting may be held by video conference or other means announced by the central competent authority. If it is held by video conference, shareholders who participate in the meeting by video shall be deemed to be present in person.

Article 15 Except otherwise regulated by law, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 16 Shareholder meeting resolutions shall be compiled into detailed minutes, signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting.

Preparation and distribution of meeting minutes can be made in an electronic form. The Company may distribute the minutes referred to in the preceding paragraph via public announcement.

The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, the proceedings, and the results of various motions. Minutes shall be retained for as long as the Company exists.

The shareholders' sing-in book and the agent's power of attorney shall be retained for at least one year. However, in situations where a shareholder makes a litigious claim in accordance with Article 189 of the Company Act, the records shall be kept until the litigation is concluded.

Chapter Four Board of Directors

Article 17 The Company shall have 7 to 12 directors on its board. The board will have a serving term of 3 years and is elected by the shareholders from a list of candidates who are eligible for re-election.

The number of directors mentioned above shall include no fewer than 2 independent directors that represent no less than one-fifth of the board. The exact number of independent directors shall be determined by the Board of Directors.

Independent directors shall be elected during the same voting session as the remaining directors and have votes allocated separately.

Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination, method of election, and all other compliance issues are governed by the relevant laws of the concerned authority.

If directors cannot be re-elected in time at the end of their terms, the existing directors shall have their terms extended until new directors have been elected and commenced their duties.

If the board loses more than one-third of its directors, or all independent directors are relieved of their post, the Company shall convene an extraordinary shareholders' meeting within the timeframe specified in laws and regulations to elect new directors for the shortfall.

Directors chosen by reappointment or through by-elections shall serve only the remaining term of the current board.

Elections of the Company's directors shall proceed using the cumulative single-registered method. Each share is vested with voting rights equal to the number of directors to be elected. These voting rights may be concentrated on one candidate or spread across multiple candidates. Candidates receiving the highest number of votes are elected. Any changes to the election process mentioned above shall be made in accordance with the Company Act and advised or announced to participants in the agenda.

The total number of registered shares held by all directors of the Company is subject to the minimum quantity and percentage stated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies."

Article 17-1 The Company may assemble an Audit Committee, Salary & Remuneration Committee, and other functional committees with the board's resolution. The Audit Committee shall consist entirely of independent directors and have a size of no fewer than 3 members.

The Company shall assemble an Audit Committee that is responsible for carrying out the duties of the supervisor, as specified in the Company Act, Securities and Exchange Act, other relevant regulations, and the Company's internal policies.

The Audit Committee shall consist entirely of independent directors and include at least one member with accounting or financial expertise. One of the committee members shall be appointed as the convener.

The Audit Committee’s resolutions are made with the support of more than half of all committee members.

Responsibilities, foundation rules, authority and compliance matters relevant to the Audit Committee, Salary and Remuneration Committee, and other functional committees mentioned above shall be governed by the rules of the authority and the Company.

Article 18 The Board of Directors shall appoint one chairperson during a board meeting with more than two-thirds of directors present and with the support of more than half of all attending directors. A Vice-chairperson may be appointed as needed. The Chairperson will chair shareholders’ meetings and Board of Directors’ meetings internally, and represent the Company to the outside world. If the Chairperson is unable to perform his duties due to leave of absence or any reasons, a delegate shall be appointed in accordance with Article 208 of The Company Act.

Members of the board may elect one Executive Director among themselves.

Article 19 Deleted

Article 20 Board of Directors meetings are held once per quarter. Unless otherwise regulated in the Company Act, Board of Directors’ meetings are to be convened by the Chairperson.

With the support of more than half of the total directors, the board may issue a written request detailing the underlying agenda and reasons to have the Chairperson convene a Board of Directors meeting.

If the Chairperson does not convene the meeting within fifteen (15) days after the abovementioned request is made, the board may convene its own meeting with the support of more than half of the total directors.

The convening of the board meeting shall state the reasons and all directors are notified in accordance with the deadline prescribed by the competent securities authority. However, meetings can be convened with shorter notices in case of an emergency.

Board of Directors’ meeting advice can be served via fax, e-mail, or other electronic methods with the consent of the recipient.

If the director receiving the highest number of votes fails to convene a Board of Directors meeting within the time limit specified in Article 203 of the Company Act, elected directors representing more than half of the total votes may convene the meeting on their own instead.

Article 21 Unless otherwise regulated by the Company Act, the board’s resolutions are passed only if more than half of total board members are present in a meeting and with more than half of attending directors voting in favor.

Article 22 Directors who are unable to attend board meetings in person may appoint another director to attend on their behalf. One director can only represent the presence of one other director.

Article 23 Remuneration to the chairperson and directors (including independent directors) shall be determined based on their participation and contribution to the Company’s operations, in reference to local and foreign peers. The Board of Directors is authorized to set the level of remuneration.

The Company may purchase liability insurance policies to insure itself against liabilities that may arise in relation to directors' duties throughout the duration of their service.

Article 24 Paragraphs deleted.

Chapter Five Supervisors

Article 25 (Deleted)

Article 26 (Deleted)

Article 27 (Deleted)

Chapter Six Managers

Article 28 The Company shall have one Chief Executive Officer (CEO), one President, and several managerial officers. Appointment and dismissal of the CEO shall be proposed by the Chairperson during a Board of Directors meeting, and is passed with the support of at least two-thirds of attending directors. Appointment and dismissal of the President and managers shall be proposed by the CEO during a Board of Directors meeting with more than half of all directors present, and is passed with the support of at least half of the attending directors.

Article 29 Authorities of the shareholders and the Board of Directors are governed by the Articles of Incorporation and relevant laws. The CEO determines responsibilities of the President and business group managers with approval of the chairperson and acknowledgment of the Board of Directors.

The CEO shall collectively oversee operations, investments, and decision-making within the Company and related companies. The President is responsible for executing the Company's decisions within the delegated authority and overseeing the Company's daily operations.

Chapter Seven Accounting

Article 30 The Company's accounting period starts from January 1 and ends December 31 each year.

Article 31 The Board of Directors shall prepare the following reports for acknowledgment during shareholder meeting after year-end closing:

1. Business report.
2. Financial statements.
3. Earnings appropriation or loss reimbursement proposals.

Article 32 Annual profits concluded by the Company are subject to employees' remuneration of no less than 1% (of which no less than 20% shall be distributed to grassroots employees), which the Board of Directors may decide to distribute in cash or in shares. Up to 5% of the aforementioned profit may be distributed as director remuneration at the discretion of the Board of Directors. Employees and director remuneration proposals are to be raised for resolution during shareholders' meetings.

Should the Board of Directors resolve to pay employees' compensation in shares, the board may also decide to meet the payment through issuance of new shares or buyback of their own shares during the same meeting session.

Profits must first be taken to offset against cumulative losses, if any, before the remainder can be distributed as employees/directors remuneration in the above percentages.

The paying object for when the Company executes employees' treasury shares, employee stock options, employee subscription of new shares, new employee restricted stock and employees' remuneration, must meet the certain specific requirements for entitlement.

Article 32-1 Annual surpluses concluded by the Company are first subject to taxation and reimbursement of previous losses, followed by a 10% provision for legal reserve. However, no further provisioning is needed when legal reserves have accumulated to the same amount as paid-up capital. Any surpluses remaining shall then be subject to provision or reversal of special reserve, as the laws or business activities may require. The remaining balance is then added to undistributed earnings, and the board shall propose a motion of earnings distribution to the shareholders' meeting for the resolution of to distribute dividends of to shareholders. The earnings, legal reserve and capital surplus stated in the preceding paragraph are authorized to the Board of Directors to be distributed in cash by a resolution of the Board of Directors. The distribution shall be resolved by more than two-thirds of the directors present and with the support of more than half of all attending directors, then it shall be reported to the shareholders' meeting.

The Company operates in a growing industry, and shall set dividends at levels that conform with the prevailing economic environment and the Company's goals toward sustainability and long-term growth. The Board of Directors shall emphasize maintaining stability and growth of dividends when making earnings appropriation proposals. Depending on the availability of capital, dividends can be distributed in cash and (or) in shares, with cash dividends amounting to no less than 20% of total common share dividends for the current year.

Article 33 The Company's foundation principles and execution rules shall be established in separate policies.

Article 34 Any details that are not addressed in the Articles of Incorporation shall be governed by the Company Act.

Article 35 This Articles of Incorporation is established on March 17, 1967.
The 1st amendment was made on March 8, 1969.
The 2nd amendment was made on March 23, 1972.
The 3rd amendment was made on March 22, 1973.
The 4th amendment was made on March 16, 1974.
The 5th amendment was made on May 19, 1975.
The 6th amendment was made on April 22, 1977.
The 7th amendment was made on June 21, 1978.
The 8th amendment was made on April 12, 1979.
The 9th amendment was made on April 17, 1981.
The 10th amendment was made on May 12, 1983.
The 11th amendment was made on May 8, 1984.
The 12th amendment was made on March 26, 1987.
The 13th amendment was made on March 25, 1988.
The 14th amendment was made on March 31, 1989.
The 15th amendment was made on April 18, 1990.
The 16th amendment was made on March 23, 1991.

The 17th amendment was made on March 21, 1992.
The 18th amendment was made on April 2, 1994.
The 19th amendment was made on April 15, 1995.
The 20th amendment was made on May 4, 1996.
The 21st amendment was made on June 21, 1997.
The 22nd amendment was made on June 3, 2000.
The 23rd amendment was made on June 20, 2002.
The 24th amendment was made on June 13, 2003.
The 25th amendment was made on June 15, 2004.
The 26th amendment was made on June 8, 2005.
The 27th amendment was made on June 15, 2007.
The 28th amendment was made on June 13, 2008.
The 29th amendment was made on June 25, 2010.
The 30th amendment was made on June 2, 2011.
The 31st amendment was made on June 5, 2012.
The 32nd amendment was made on June 7, 2013.
The 33rd amendment was made on May 29, 2014.
The 34th amendment was made on May 31, 2016.
The 35th amendment was made on May 29, 2019.
The 36th amendment was made on July 5, 2021.
The 37th amendment was made on May 30, 2022.
The 38th amendment was made on May 27, 2025.

Appendix 3

Shinkong Synthetic Fibers Corp.
Procedures for Election of Directors

Article 1 For the purpose of ensuring fair, impartial, and transparent election of directors, these Procedures are formulated in accordance with Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 2 Except as otherwise provided by laws or the Articles of Incorporation, the election of directors of the Company shall be conducted in accordance with these Procedures.

Article 3 The qualifications of independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing the Appointment of Independent Directors of Public Companies and Compliance Matters.

The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing the Appointment of Independent Directors of Public Companies and Compliance Matters, and shall be conducted in accordance with Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 4 The election of directors of the Company shall be conducted in accordance with the candidate nomination system prescribed in Article 192-1 of the Company Act.

Where directors are dismissed for any reason resulting in fewer than five directors, the Company shall hold a by-election at the next shareholders' meeting. However, where the number of vacancies reaches one-third of the number prescribed in the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting for by-election within sixty (60) days from the date of occurrence.

Where the number of independent directors falls below the minimum required under the proviso of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting. Where all independent directors are dismissed, the Company shall convene an extraordinary shareholders' meeting for by-election within sixty (60) days from the date of occurrence.

Article 5 The election of directors of the Company shall adopt the cumulative voting system, under which each share shall have voting rights equal to the number of directors to be elected, and such voting rights may be consolidated to vote for a single candidate or distributed among multiple candidates.

Article 6 The Board of Directors shall prepare ballots equal in number to the directors to be elected, indicating the voting rights attached thereto, and distribute such ballots to shareholders attending the shareholders' meeting. Voters' names may be substituted by the attendance certificate numbers printed on the ballots.

Article 7 Directors shall be elected based on the number of votes obtained, separately calculating votes for independent directors and non-independent directors according to the number prescribed in the Articles of Incorporation. Candidates receiving the highest number of votes shall be elected in sequence. Where two or more candidates receive the same number of votes exceeding the prescribed number, the elected candidates shall be determined by drawing lots among such candidates. For candidates not present, the chairperson shall draw lots on their behalf.

Article 8 Prior to commencement of voting, the chairperson shall designate several shareholders to serve as inspectors and vote counters to execute relevant duties. The ballot box shall be prepared by the Board of Directors and shall be publicly inspected by inspectors prior to voting.

Article 9 A ballot shall be deemed invalid if any of the following circumstances applies:

1. The ballot is not prepared by the convener.
2. A blank ballot is cast.
3. The writing is illegible or altered.
4. The candidate indicated does not match the director candidate list upon verification.
5. Any text other than the allocation of voting rights is written on the ballot.

Article 10 After voting is completed, ballots shall be opened and counted on the spot, and the results shall be announced by the chairperson on the spot, including the list of elected directors and the number of votes obtained.

The ballots for the election shall be sealed and signed by the inspectors and properly preserved for at least one (1) year. However, where a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be preserved until the conclusion of the litigation.

Article 11 The elected directors shall be issued notices of election by the Board of Directors of the Company.

Article 12 These Procedures shall be implemented upon approval by the shareholders' meeting. The same shall apply to any amendments.

Appendix 4

Current Shareholdings of the Company's Directors

1. Minimum shareholding required from all directors

   The Company has paid-up capital amounting to NT$16,184,092,860, issued in 1,618,409,286 shares. Pursuant to Paragraphs 3 and 4, Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios in Public Companies", directors of the Company shall maintain aggregate holdings of registered shares at no less than 38,841,822 shares.
2. The Company has assembled an Audit Committee, therefore supervisors' minimum shareholding requirements do not apply here.
3. Directors' individual and aggregate shareholdings as of the book closure date prior to this shareholders' meeting have conformed with the above requirements, and are shown as follows:

Mar. 30, 2026

Title	Name	Date onboard	Service term	Shareholding when elected Current shareholding			
				Shares held	Shareholdings percentage %	Shares held	Shareholdings percentage %
Chairperson	Shin Kong Development Co., Ltd. Representative: Tong Sheng Wu	2023.06.02	3 years	2,794,213	0.17	2,794,213	0.17
Vice Chairperson	Shin Kong Development Co., Ltd. Representative: Hsin-Chieh Wu	〃	〃				
Director	Shin Kong Development Co., Ltd. Representative: Shi-Fen Lin	2024.05.30	〃				
〃	Shinkong Co., Ltd. Representative: Steve Hong	2023.06.02	〃	84,414,691	5.21	84,414,691	5.21
〃	Tay Way Enterprise Co., Ltd. Representative: Ching-Chun Chiu	〃	〃	1,200,043	0.07	1,200,043	0.07
〃	Tay Way Enterprise Co., Ltd. Representative: Huoo Tzau Shih	〃	〃				
〃	Ji Zhen Co., Ltd. Representative: Hsing En Wu	〃	〃	24,137	0.00	24,137	0.00
〃	Mian Hao Industry Co., Ltd. Representative: Sun-Mo Ni	〃	〃	1,226,456	0.08	1,226,456	0.08
〃	Shin Kong Wu Ho-Su Cultural & Educational Foundation Representative: Jung-Chi Liu	〃	〃	60,442	0.00	60,442	0.00
Independent Director	Hsien-Der Chiu	2023.06.02	3 years	0	0	0	0
〃	Huei-Huang Lin	〃	〃	0	0	0	0
〃	Yung Ching Tsai	〃	〃	0	0	0	0
Total				89,719,982	5.53	89,719,982	5.53

Note 1: Independent directors do not count toward directors' shareholding.