

Common Stock Code: 1718

CHINA MAN-MADE FIBER CORPORATION

The 2023 Annual Meeting of Shareholders

Annual meeting handbook

June 9, 2023

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Meeting Agenda of the 2023 Shareholders General Meeting of China Man-Made Fiber

Meeting Time: 9:00 am, Friday, June 9, 2023

The way the meeting is held: Physical shareholders' meeting

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

1. Call the Meeting to Order
2. Chairperson Remarks
3. Company Reports
 - (1) Present the 2022 Business Results.
 - (2) Audit Report of the Auditing Committee.
 - (3) Report about amendment to the “Rules of Procedure for Meetings of Board of Directors.”
4. Proposals
 - (1) Confirm the Company’s 2022 business report and financial report.
 - (2) Acknowledging the Company's 2022 Earnings Distribution.
5. Discussion
 - (1) Discussion on amendment to the Company's Articles of Incorporation.
 - (2) Amendment to the “Rules of Procedure for Shareholder Meeting”.
6. Questions and Motions
7. Adjournment

Management Presentation (Company Reports)

1. Presenting the 2022 Business report. (please see page 10 to 14 of this manual)
3. Please review the audit report from the audit committee. (please see page 15 of this manual)
3. Report about the partial amendment to the Company's "Rules of Procedure for Meetings of Board of Directors" for acknowledgment and approval. (please see page 16 to 18 of this manual)

Proposals

Proposal 1 Proposal from the board of directors:

Subject: The Company's 2022 business and financial reports have been completed and submitted to the audit committee for review. The reports also have been audited and validated by the certified public accounts, Su-Huan Yu and Pan-Fa Wang of Deloitte Taiwan.

Description: Business report (please refer to pages 10 to 14 of this manual).

Independent auditor's report and financial report (please refer to pages 19 to 35 of this manual).

Resolutions:

Proposal 2 Proposed by the board of directors

Subject: Acknowledging the Company's 2022 Earnings Distribution.

Description: The Company's 2022 net loss was NT\$ 1,352,253,269. There is no plan for the distribution of cash dividends or stock dividends to shareholders. Please refer to page 36 of the Agenda Handbooks for the contents of the earnings distribution proposal.

Resolutions:

Discussions

1. (Proposed by the board of directors)

Subject: Please discuss the revision of the Company's Articles of Incorporation for resolution.

Description: Pursuant to amended Article 172-2 of the Company Act as promulgated on December 29, 2021: “The Articles of Incorporation may expressly stipulate that where a shareholders’ meeting is convened, it may be convened by means of a video conference or other means as promulgated by the central government level competent authority.” In an attempt to coordinate with the competent authority in its promotion of video-based shareholders’ meeting to live up to the need of digitalized era to provide shareholders with a convenient channel to participate in a shareholders’ meeting, Article 14 of the Company's Articles of Incorporation is duly amended. The Comparative Table of Pre-Amendment and Post-Amendment Contents (is detailed on Page 37 of this Handbook).

Resolutions:

2. (Proposed by the board of directors)

Subject: Please discuss the revision of the “Rules of Procedure for Shareholder Meetings” is submitted to be resolved.

Description: An amendment in accordance with the referential prototype of “Procedures for Election of the Chairman and the Supervisors of ○○ Co., Ltd.” under Letter Tai-Zhi-Li-Zi 1110004250 dated March 8, 2022 of Taiwan Stock Exchange Corporation (TWSE). Please see the Comparative Table of Contents of Before and After the Amendment annexed hereto for details. (Cf. p. 38 to 53 of this Handbook).

Resolutions:

Questions and Motions

Appendices

2022 business report of China Man-Made Fiber

I. Operation strategies

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

II. Business plan execution and achievement

Unit: thousand

dollars

Item	2022	2021	Difference
Operating revenue	8,331,419	10,685,164	(2,353,745)
Non-operating revenue	1,708,341	1,525,141	183,200
Operating costs and operating expenses	11,084,811	11,980,260	(895,449)
Realized (unrealized) gain and loss of affiliates	27	(947)	974
Non-operating expenses	298,075	223,399	74,676
Gain (loss) before income tax	(1,343,099)	5,699	(1,348,798)
Gain (loss) after income tax	(1,352,253)	5,699	(1,357,952)

III. Financial income and expense and profitability analysis (individual information)

Item		2022	2021	
Financial structure (%)	Debt to assets ratio	44.43	40.06	
	Ratio of long-term capital to property, plant and equipment	331.93	307.98	
Solvency analysis	Current ratio (%)	52.23	52.73	
	Liquid ratio (%)	20.59	35.53	
	Interest coverage ratio	(5.85)	1.04	
Profitability analysis	Return on assets (%)	(3.05)	0.33	
	Return on shareholders' equity (%)	(5.97)	0.02	
	As a percentage of paid up capital (%)	Operating profit	(16.33)	(7.69)
		Income before taxation	(7.96)	0.03
	Net profit rate (%)	(16.23)	0.05	
Base earnings per share (\$)	(1.01)	0.00		

Financial income and expense and profitability analysis (consolidated information)

Item		2022	2021
Financial structure (%)	Debt to assets ratio	91.03	91.04
Profitability analysis	Return on assets (%)	0.83	0.81
	Return on equity (%)	3.81	5.57
	Pre-tax profits to paid-up capital ratio (%)	24.35	27.70
	Net profit rate (%)	20.87	24.76
	Earnings per share (NTD)	(1.01)	0.00

IV. Research and development

- (I) In the condensed recovery pump of the petrochemical plant, the G-9713B has been changed into a frequency conversion control to minimize the power consumption and to accomplish the effects of energy savings and carbon reduction.
- (II) The efforts to reduce the pressure of the reactor system in EG3 Plant would minimize the power consumed for the C-9210 circulating gas compressor motor and accomplish the power saving effect.
- (III) We have temporarily disabled the 69KV main switch (GIS) of the Air Plant and got it disconnected from the Taiwan Power Company. Through such efforts, we virtually reduced the iron loss in the main transformer and, in turn, minimized power consumption.
- (IV) By adopting recycled PET bottle flakes for granulation, we virtually minimized waste, saved on energy and reduced carbon emission to be friendly toward the global environment and increase sources of raw materials.
- (V) The eco-friendly pellets we produced can be used by the current spinning section and the false twist section to manufacture eco-friendly yarns to meet the rising demand for eco-friendly yarns in the market and, in turn, to boost the added values.
- (VI) An effort to develop functional fiber with high added values to activate products so manufactured to, in turn, satisfy specific needs. Such products include notably energy-saving improvement of moisture absorption and drainage, cooling water circulation double suction pump renovation ceramic coating project to conserve electricity consumption to maximize efficiency and minimize power consumption.
- (VII) Our entire polyester plant has been replaced with energy-saving LED lighting fixtures to minimize power consumption.
- (VIII) Update of cooling discharge and enhancement of the heat exchange rate for the AC and process cooling facilities in the polyester plant to reduce the number of condensing units in operation and thereby greatly reducing power consumption.

V. Business outlook

- (I) 2023 operational objectives and prospects.
 In 2022, the Russia-Ukraine War significantly pushed up prices of energy and food in the international markets. In turn, the inflation the world over hit all-time highs. In response, many central banks the world over initiated interest rate hikes and monetary austerity policies coupled with the recurrent coronavirus pandemic (COVID-19) spread, the zero-lockout policy implemented in China, the decline in the global economy, shrinkage in consumer markets in particular in the second half of the year. That is the most slump year in terms of the global economic growth since 2001. Looking forward to the current year, as the Russia-Ukraine War is remaining in a stalemate, inflation and high interest rate hike pressures are still hanging high, the lingering pandemic spread has seriously cast a shadow upon the economic outlook, those major international forecasting institutions have revised downward the performance of the global economy in all events. Overall, the present year is still a very tough year filled up with numerous challenges.

In terms of ethylene glycol (EG), as the Russia-Ukraine War pushed the crude oil prices to new highs, the cost of ethylene as the raw materials of EG has climbed higher. Amidst the squeeze by inflation in the downstream chemical fiber terminal consumption, nevertheless, the demand for EG weakened and EG prices could not come up in pace. The excessive productivity makes the ex-factory prices inadequate to cover up the variable costs. We could not help but reduce production as a countermeasure. We maintained the productivity only in an attempt to absorb the supply of raw materials under the contract or to shift the costs.

Looking forward to the present year, if the war between Russia and Ukraine can be successfully ended, the momentum of crude oil in the world market could be resumed to a normal manner, in turn, the pandemic control the world over could become better off, the downstream demand could come up, the multiple benefits between the supply and demand and successful cost control could put the ethylene glycol (EG) in a better position. In the long run, nevertheless, where the installations in foreign countries gradually recover to the normal manner, the newly increased EG productivity will still lead to a hard time ahead of us amidst the imbalance between supply and demand.

In the aspect of polyester yarns, the inflation last year led to consumers' hesitation in making purchases. The inventory of brand customers rose high, coupled with the ambiguous outlook of the global economy and excessively high in inventory in the terminal consumption, our performance in business operations was significantly below our anticipation. In the upcoming year, the situation in inventory destocking might remain unchanged. Whether or not the market would warm up highly depends upon whether the Russia-Ukraine War would end, when will inflation slow down, whether or not the interest rates would continually rise, whether or not the brand name inventory would destock and such factors. Our polyester market shall still face up to the huge volume release of productivity in Mainland China after its lifting from lockdown, the rising competitive edge with industrial chains from Vietnam. Overall, we shall inevitably be challenged in the business operation climate. As anticipated, the fruit of the present industrial adjustment period won't come up until the third quarter, 2023. We are optimistic toward the Year 2024, the Year of the Olympic Games. By then as the economic adjustment process shall be completed, we are likely to greet a new wave of upward industrial cycle. Besides, amidst the worldwide effort in energy savings and carbon reduction and greenhouse gas reduction with pursuit of carbon neutrality, we are highly optimistic about the global brand customers in carbon-cut by 60% and green energy manufacturing opportunities by 100% in 2030. Environmental protection and function friendly products shall become further preferred (Cf. Note for more details). In turn, brand name customers shall be in a steadily rising growth in their demand for green oriented products and the visibility of purchase orders for environmental protection recycled products shall continuously remain boom for a couple of more years. In this regard, we have started up volume production and started sales and our quality has received high acclaim from customers. We shall put maximum effort toward sales promotion to bypass our vulnerable point amidst massive price competition from Mainland China and Southeast Asia. In turn, through such efforts, we shall augment profitability and in turn, minimize the impact of oil price fluctuations.

In 2023, we expect to sell 290,945 tons of ethylene glycol (EG), 17,299 tons of ethylene oxide (EO), 19,503 tons of non-phenol (NP), 1,920 tons of partially oriented yarn (POY), 16,699 tons of spin draw yarn (SDY), 27,123 tons of draw texturized yarn (DTY) and 18,250 tons of polyester chips, for a total of 391,739 tons.

Note: Against the backdrop of environmental agreements, renowned international brands such as Nike and Adidas have announced their decision to adopt eco-friendly, performance of corporate social responsibility, recyclable materials exclusively for all their textiles and fabrics starting in 2014 to honor their commitment to sustainability and environmental protection.

(II) Subject to competition of external environment.

1. The market supply of EG is expected to gradually increase as a result of the

large-scale construction and commissioning of new plants in China. This competitive advantage is further aggravated by the current shortage of Ethylene in Taiwan coupled with limitations in the field of transportation.

2. RECP hit the market last year. Given consideration of tariff, brand customers require a move of supply chains toward Southeast Asia. At the moment, the textile industrial chains have come into being in Vietnam and the Southeast Asian Nations taking significant pricing advantage where the brand purchase orders will preferentially flow toward and won't possibly come to Taiwan until the production capacity in such area is filled up in full. In the future, it may affect the transfer of textile industrial chains, leading to mounting imbalance between demand and supply. The local textile industry in Taiwan will be subject to an extremely tough operating pressure from upstream to downstream. We must stay closely watchful and take countermeasures before it is too late.
3. In the post-COVID-19 era, the brand owners the world over will adopt a "concentrated procurement, one-stop shopping in full" procurement mode. The supply chains of the entire world will move toward short chains, regionalization and localization.

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

1. Rising base salaries lead to increasing labor costs and generate pressure and new challenges in the field of corporate management.
2. Domestic environmental awareness and the related regulations still have many restrictions on enterprises investing in new equipment. Communication with the neighboring residents often faces great resistance.
3. The overall business environment, including the acquisition of land, investment in environmental equipment and other external environment factors is what all enterprises need to face in the domestic development.
4. Rapid expansion of capacities in the field upstream raw materials (PX, PTA) for chemical fiber in China in recent years has led to price pressures for downstream processed products. Competitive disadvantages generated by factors such as aging chemical fiber technologies and management talent, high tariffs, and anti-dumping pose numerous challenges for the industry.
5. The RCEP (Regional Comprehensive Economic Partnership Agreement) has been officially effective on January 1, 2022. While the FTA signed by and between The ASEAN and other member countries has entered into force with the degree of openness reaching as significantly as 90%, the degree of further of openness for RCEP over the existing FTA would be virtually limited. Our concern should be aimed at the potential impact upon our country of facing unfair competitions in the relevant markets. Another pact known as CPTPP (Comprehensive and Progressive Trans-Pacific Partnership) already came into effect on December 30, 2018 where more than 70% of products have been reduced to zero tariffs. Taiwan has officially submitted the application on September 22 last year, CPTPP accounts for 25% of Taiwan's foreign trade value while RCEP accounts for 59%. Excluding the overlapping countries, the two multi-lateral free trade agreements virtually cover nearly 70% of Taiwan's foreign trade value. If Taiwan is excluded out of such regional economic integration, this would mean a very significant impact upon Taiwan in trade development or participation in the regional industry competition.
6. Competitors in those emerging countries that have always taken advantage of economies of scale in the competitions. Notably the competitors in Mainland China have, as well, begun to differentiate their products. The companies in Taiwan should continually develop high-end specific products, in a small number of diverse, environmentally-friendly and functional products with high-level functionality to deal with the challenges. Under such policies, we should be able to continually maintain the advantages in the global polyester filament industry supply chains.
7. The shortage of foreign labor cannot be adequately replenished due to the impact of the pandemic and it is one problem that cannot be resolved quickly in a short period

of time, which will affect the deployment of manpower and production capacity. The labor shortage has the problem of supply chain shortage and inflation, and the price of foods and energy rising continuously. At the same time, as the quantitative easing policy of the United States and the United Kingdom is gradually coming to an end, the US Federal Reserve is expected to cease the quantitative easing policy and increase interest rates before June this year; also, the two economies will have interest rates increased further in 2023.

8. The European Green New Deal proposed by European Union (EU) was officially promulgated on December 11, 2019, expressly promulgating the target of carbon neutrality in 2050. The carbon tariff shall be put into enforcement in 2023, leading the “zero carbon emission” to become the red-hot topic in the international community. In an attempt to accomplish the goal of carbon reduction, the government started to impose carbon tax as a policy tool toward carbon reduction. The very purpose is to reflect the social cost in carbon emissions to accelerate the development of low carbon energy. Textile Exchange is extremely concerned about the carbon emissions in the textile industry in the hope with 2020 as the base year, that by Year 2030, the carbon emitted by the textile industry could be reduced up to 45% in greenhouse gases reduction. NIKE, on the other hand, sets the zero carbon action plan to fulfill the goal of zero carbon emissions and zero wastes.
9. In 2023, the crude oil price will remain around US\$80 per barrel. European energy will no longer rise price at a sharp pace that is expected to soften the impact upon the supply of other energies to maintain energy prices stable step-by-step. In the first half of the current year, Fed is continually rising the interest rates and American economy may run into a minor recession. We anticipate that in the first half of the year, the oil price might hardly rise. As anticipated in the market, nevertheless, the economy is believed to turn better in the second half of the year to drive oil prices into a rebound.

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

Audit Committee' Review Report

The board of directors has submitted the Company's 2022 business and financial reports (including the consolidated financial reports) and profit distribution table. Among them, the financial reports (including the consolidated financial reports) have been audited and validated by the certified public accounts, Su-Huan Yu and Pan-Fa Wang of Deloitte Taiwan. The reports are to be presented in accordance with Article 14-4 of the Securities and Exchange Act.

To:

The 2023 Annual General Shareholders' Meeting

Audit Committee

Convener: Te-Wei Li

March 8, 2023

China Man-Made Fiber Comparison Table for Amendments to Rules of Procedure for Board of Directors Meetings

Clause	Provisions after amendment	Original clause	Reasons behind amendments
Article 3	<p>The Board of the Company shall convene once quarterly.</p> <p>The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the scheduled meeting.</p> <p>Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.</p> <p>All issues set forth under Paragraph 1, Article 12 of these Regulations shall be expressly enumerated in the agenda issues and shall not be posed as an extemporaneous motion.</p>	<p>The Board of the Company shall convene once quarterly.</p> <p>The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the scheduled meeting.</p> <p>Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.</p> <p>The matters in paragraph 1 of Article 12 of the Rules shall be listed in the reasons for the convening of the meeting unless there is a sudden emergency or justifiable reason, and shall not be put forward by an extraordinary motion.</p>	An amendment duly conducted in coordination with the requirements by the competent authority.
Article 12	<p>The following matters shall be submitted to the Company's Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. The Company's operating plan 2. The annual financial statement and second quarter financial statement subject to verification by a certified public accountant(s). 3. Stipulate or revise the internal control system in accordance with Article 14.1 of the Securities and Exchange Act (hereinafter referred to as the "SEA"). 4. The Procedures for the Acquisition and Disposal of Assets, the trade of derivatives, loaning of funds, making of endorsement/guarantees, and other significant financial business acts should be enacted or amended in accordance with Article 36-1 of the Securities and Exchange Act. 5. The offering, issuance, or private placement of any equity-type securities. 6. Election and discharge of the chairman while no managing director is set under the Board of Directors. 7. The appointment or discharge of a 	<p>The following matters shall be submitted to the Company's Board of Directors for discussion:</p> <ol style="list-style-type: none"> 1. The Company's operating plan 2. The annual financial statement and second quarter financial statement subject to verification by a certified public accountant(s). 3. Stipulate or revise the internal control system in accordance with Article 14.1 of the Securities and Exchange Act (hereinafter referred to as the "SEA"). 4. The Procedures for the Acquisition and Disposal of Assets, the trade of derivatives, loaning of funds, making of endorsement/guarantees, and other significant financial business acts should be enacted or amended in accordance with Article 36-1 of the Securities and Exchange Act. 5. The offering, issuance, or private placement of any equity-type securities. 6. The appointment or discharge of a financial, accounting, or internal auditing officer. 7. A donation to a related party or a major donation to a non-related 	An amendment duly conducted in coordination with the requirements by the competent authority.

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>financial, accounting, or internal auditing officer.</p> <p>8. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>9. Pursuant to Article 14-3 of the Securities and Exchange Act, the issues to be resolved in the shareholders' meeting or submitted to the Board of Directors for resolution or the major issues as stipulated by the competent authority(ies).</p> <p>The term "related party" in paragraph 8 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers ; the term "significant donation to an unrelated party" refers to a donation amounting to at least NT\$100 million per donation or an accumulation of donations to the same party within one year, or a donation amounting to at least 1% of the net operating revenues or 5% of the paid-in capital of the most recent annual financial statements attested by the CPA.</p> <p>The alleged "within one year" in the preceding paragraph is the year prior to the current Board meeting convening date, retroactively; also, the proposal that is already resolved in the Board meeting is not subject to this requirement.</p> <p>For a foreign company's stock share without a par value or without a NTD10 par value, the criteria of "5% of paid-in capital" stated in Paragraph 2 in the preceding paragraph will be replaced with "2.5% of shareholders' equity."</p> <p>At least one seat of the independent director shall participate in the Board meeting in person. For issues set forth under Paragraph 1, the Board meeting shall be attended by all independent directors in full. An independent director who is unavailable to participate in the meeting in person shall</p>	<p>party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.</p> <p>8. Pursuant to Article 14-3 of the Securities and Exchange Act, other issues which shall be subject to resolution by the shareholders' meeting or be submitted to the Board meeting for resolution, or significant issues as stipulated by the competent authority(ies).</p> <p>9. Where the salary/remuneration to the directors and managerial officers proposed by the Remuneration Committee is not adopted or where the suggestion of the Remuneration Committee is amended, such an issue shall be duly resolved in the Board meeting with one half majority vote of the attending directors who represent two-thirds majority of the total number of the director seats. The resolution shall expressly indicate whether or not the salary/remuneration so resolved is higher than the rate proposed by the Remuneration Committee.</p> <p>The term "related party" in paragraph 7 refers to a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers ; the term "significant donation to an unrelated party" refers to a donation amounting to at least NT\$100 million per donation or an accumulation of donations to the same party within one year, or a donation amounting to at least 1% of the net operating revenues or 5% of the paid-in capital of the most recent annual financial statements attested by the CPA.</p> <p>The alleged "within one year" in the preceding paragraph is the year prior to the current Board meeting convening date, retroactively; also, the proposal that is already resolved in the Board meeting is not subject to this requirement.</p> <p>For a foreign company's stock share</p>	

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>duly authorize another independent director to attend the Board meeting as his or her proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.</p>	<p>without a par value or without a NTD10 par value, the criteria of “5% of paid-in capital” stated in Paragraph 2 in the preceding paragraph will be replaced with “2.5% of shareholders’ equity.” At least one seat of the independent director shall participate in the Board meeting in person. For issues set forth under Paragraph 1, the Board meeting shall be attended by all independent directors in full. An independent director who is unavailable to participate in the meeting in person shall duly authorize another independent director to attend the Board meeting as his or her proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting.</p>	
Article 18	<p>Provisions set forth under Article 2, Paragraph 2, Article 3; Articles 4–6, 8–11, 13–16 are <i>mutatis mutandis</i> applicable to a meeting of Managing Directors; Provisions set forth under Paragraph 4, Article 3 are <i>mutatis mutandis</i> applicable to election or discharge of the Chairman.</p>	<p>Provisions set forth under Article 2, Paragraph 2, Article 3; Articles 4–6, 8–11, 13–16 are <i>mutatis mutandis</i> applicable to a meeting of Managing Directors of the Company.</p>	<p>An amendment duly conducted in coordination with the requirements by the competent authority.</p>

China Man-Made Fiber Independent Auditor's Report

To CHINA MAN-MADE FIBER CORPORATION:

Auditor's opinions

We have audited the accompanying individual balance sheet of China Man-Made Fiber Co., Ltd. and subsidiary as of December 31, 2022 and 2021, and the related individual statement of income, individual statement of changes in shareholders equity, individual statement of cash flows, and Note of the individual financial statements (including major accounting policy) for the years then ended.

In my opinion, the financial statements as referred to, on the basis of my audit findings and the audit reports compiled by other certified public accountants, present fairly, in all material aspects, the financial position of China Man-Made Fiber Co., Ltd. as of December 31, 2022 and 2021, and the results of its operation and cash flows for the year then ended in conformity to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the separate financial statements. We are independent of China Man-Made Fiber Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of China Man-Made Fiber Co., Ltd., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matter that, in our professional judgment, were of most significant in our audit of the individual financial statements of China Man-Made Fiber Co., Ltd. in 2022. These matters were addressed in the content of our audit of the individual financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on those matters.

Key audit procedures of the individual financial statements of China Man-Made Fiber Co., Ltd. in 2022 included:

Authenticity of specific sales revenue

Notes to key audit matters

The sales revenues of China Man-Made Fiber Corporation are the revenues duly recognized after the customers acquire control over the merchandise and assume the potential risks of the merchandise. We, the Undersigned Certified Public Accountants, duly analyzed the sales revenues in 2022. Given such factors of sales amounts and gross sales profits, we duly identified the customers of specific sales and aimed at the authenticity of the sales revenues as the key issues of audit.

Please refer to Note 4 (14) of the financial statements for the accounting policies on sales revenue recognition.

Audit response

1. Awareness of the design and implementation of the internal control systems related to the recognition of sales revenues.
2. The efforts to obtain details of the sales revenues account for specific customers in Year 2022 and select samples to check the shipping-related forms and documents to test the authenticity of the sales facts.
3. Aiming at specific customers, we issued letters to check and make sure of the substantial transactions and the subsequent collection of payment to check and make sure of the rationality of the sales revenues.

Adopt the equity method to assess the impairment of discounting and advances.

Notes to key audit matters

As stated in Note 13 of the standalone financial statements, the amount of investment in Taichung Commercial Bank by China Man-Made Fiber adopting the equity method was NT\$14,877,447 thousand, accounting for 38% of the total assets as of December 31, 2022. Therefore, the financial performance of Taichung Commercial Bank will significantly impact China Man-Made Fiber's number in subsidiaries, affiliates and joint ventures by equity method.

For discounts and balances of the loans, Taichung Commercial Bank Co., Ltd. amortized the anticipated credit losses in the Year 2022 in the amounts of NT\$514,112,826 thousand and NT\$969,901 thousand, respectively. In comprehensive consideration for a decision to determine the loss from impairment by Taichung Commercial Bank Co., Ltd. involves the major estimate and judgment by its management, including the probability of default and the default loss rates where that Bank should faithfully comply with the laws and regulations concerned of the competent authority(ies) and the specifications of their decrees and letters. The outcome of the impairment evaluation would significantly affect the financial performance by Taichung Commercial Bank Co., Ltd. Accordingly, we, the certified public accountant, determine to take the anticipated credit loss for the Bank's discount and loans as the very key points in audit.

Audit response

1. Understand and test the internal control system adopted by Taichung Commercial Bank for assessing the expected credit loss from discounting and advances. The appropriated amount was inspected to check if it meets the requirements of related laws and regulations of the competent authority.
2. Aiming at the discounts and loans toward Taichung Commercial Bank Co., Ltd.. we carried out the overall evaluation of the anticipated loss in credit to look into and recheck the parameters used onto the mode of impairment (the chance of default and rate of default). Subsequently, we evaluate the rationality of the anticipated loss in credit.

Other information

The financial statements of investees included in the standalone financial statements of China Man-Made Fiber adopting the equity method have not been audited by us. They are audited by other accountants. Therefore, we refer to the audited reports of other accountants in expressing our opinions in the standalone statement regarding the investments by equity method and subsidiaries, affiliates, joint ventures and other comprehensive gains and losses. The investments adopting the equity method in the other auditors' reports for years ended December 31, 2022 and 2021 are NT\$1,076,723 thousand and NT\$1,128,072 thousand, respectively. The gains and losses from subsidiaries, affiliates and joint ventures and other sources adopting the equity method in the other auditors' reports for 2022 and 2021 are NT\$(51,348) thousand and NT\$24,638 thousand, respectively. Meanwhile, certain information related to the re-investees' business disclosed under Note 34 of the individual financial statement is, as well, disclosed based on the audit reports of other certified public accountants.

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

Management is responsible for the preparation and fair presentation of the individual 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the ability of China Man-Made Fiber Co., Ltd. as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate China Man-Made Fiber Co., Ltd. or to create operations, or has no realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of China Man-Made Fiber Co., Ltd..

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

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the accounting principles in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

Upon auditing in accordance with the auditing regulations, we exercised professional judgment and professional skepticism. We also perform the following works:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether or not due to fraud or error, design and perform audit procedures responsive to those risks and obtain 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 internal control effective in China Man-Made Fiber Co., Ltd..
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on China Man-Made Fiber Co., Ltd. and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause China Man-Made Fiber Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the individual statements, including related notes, whether the individual statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the China Man-Made Fiber Co., Ltd. in order to express an opinion on the individual financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the China Man-Made Fiber Co., Ltd.; also, is responsible for forming an opinion on the audit of the China Man-Made Fiber Co., Ltd..

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

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the individual financial statements of China Man-Made Fiber Co., Ltd. of 2022 and are therefore the key audit matters. We describe these matters in our auditor's 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 communications.

Deloitte and Touche
CPA: Su-Huan Yu

Pan-Fa Wang, CPA

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

March 8, 2023

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

Unit: NTD thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 1,521,494	4	\$ 1,433,954	4
1110	Financial assets at fair value through profit or loss- current	143,517	-	240,629	1
1150	Notes receivable	45,196	-	135,693	-
1170	Accounts receivable	837,840	2	1,682,749	4
1180	Accounts receivable - related parties	263,275	1	130,201	-
1200	Other receivables	48,085	-	30,753	-
1220	Current income tax asset	1,042	-	1,081	-
130X	Inventory	1,269,151	3	1,228,413	3
1410	Prepayments	1,232,185	3	605,696	2
1470	Other current assets	147,148	1	133,331	-
11XX	Total current assets	<u>5,508,933</u>	<u>14</u>	<u>5,622,500</u>	<u>14</u>
	Non-Current assets				
1517	The financial assets measured for the fair values through other comprehensive income- non-current	2,588,158	6	2,300,736	6
1550	Investment under the equity method	19,188,614	49	18,882,429	48
1600	Property, plant and equipment-net	8,725,528	22	9,173,654	24
1755	Right-of-use assets	7,389	-	2,690	-
1760	Real property for investment- net	2,772,783	7	2,043,503	5
1780	Intangible assets – net	-	-	-	-
1840	Net deferred income tax assets	651,865	2	651,043	2
1990	Other current non-assets	67,746	-	238,701	1
15XX	Total non-current assets	<u>34,002,083</u>	<u>86</u>	<u>33,292,756</u>	<u>86</u>
1XXX	Total assets	<u>\$ 39,511,016</u>	<u>100</u>	<u>\$ 38,915,256</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings	\$ 7,567,585	19	\$ 6,548,247	17
2110	Short-term notes payable	847,840	2	848,431	2
2150	Payable notes	927	-	2,629	-
2160	Payable notes - related parties	-	-	5,587	-
2170	Accounts payable	533,735	1	689,548	2
2180	Accounts payable - related parties	281,658	1	361,746	1
2219	Other payables	227,587	-	297,793	-
2280	Lease liabilities – current	5,879	-	1,531	-
2320	Current portion of long-term liabilities	1,047,528	3	1,869,028	5
2399	Other current liabilities	35,248	-	37,722	-
21XX	Total of current liabilities	<u>10,547,987</u>	<u>26</u>	<u>10,662,262</u>	<u>27</u>
	Non-current liabilities				
2540	Long-term borrowings	5,935,000	15	3,822,200	10
2550	Liability reserve	202,778	1	214,929	1
2570	Deferred tax liabilities	866,019	2	866,019	2
2580	Lease liabilities – noncurrent	1,595	-	1,188	-
2670	Other liabilities	1,864	-	21,574	-
25XX	Total non-current liability	<u>7,007,256</u>	<u>18</u>	<u>4,925,910</u>	<u>13</u>
2XXX	Total liabilities	<u>17,555,243</u>	<u>44</u>	<u>15,588,172</u>	<u>40</u>
	Equity				
3110	Common stock capital	16,862,097	43	16,862,097	44
3200	Capital surplus	1,715,804	4	1,656,687	4
	Retained earnings				
3310	Legal reserve	949,064	3	946,448	2
3320	Special reserve	1,934,645	5	1,934,645	5
3350	Undistributed earnings	910,638	2	2,256,427	6
	Other equity				
3410	Exchange differences from the translation of financial statements of foreign operations	(96,538)	-	(112,220)	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	816,865	2	919,802	2
3500	Treasury stock	(1,136,802)	(3)	(1,136,802)	(3)
3XXX	Total equity	<u>21,955,773</u>	<u>56</u>	<u>23,327,084</u>	<u>60</u>
	Total Liabilities and Equity	<u>\$ 39,511,016</u>	<u>100</u>	<u>\$ 38,915,256</u>	<u>100</u>

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

CHINA MAN-MADE FIBER CORPORATION

Individual Income Statement

January 1 to December 31, 2022 and 2021

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

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue	\$ 8,331,419	100	\$ 10,685,164	100
5000	Operating cost	(10,556,636)	(127)	(11,447,894)	(107)
5900	Gross losses	(2,225,217)	(27)	(762,730)	(7)
5910	Unrealized gain on the subsidiary, affiliated company and joint ventures	-	-	(960)	-
5920	Realized gain on the subsidiary, affiliated company and joint ventures	27	-	13	-
5950	Realized gross losses	(2,225,190)	(27)	(763,677)	(7)
	Operating expenses				
6100	Marketing expenses	(409,815)	(5)	(383,568)	(4)
6200	Administrative and general affairs expenses	(141,041)	(1)	(147,776)	(1)
6450	Expected credit reversal benefit (loss)	22,681	-	(1,022)	-
6000	Total operating expenses	(528,175)	(6)	(532,366)	(5)
6900	Operating losses	(2,753,365)	(33)	(1,296,043)	(12)
	Non-operating revenues and expenses				
7070	Shareholdings in the subsidiaries, affiliated companies and joint ventures under the equity method	1,371,093	16	1,345,350	13
7100	Interest revenue	9,919	-	8,037	-
7130	Dividend income	65,842	1	28,510	-
7190	Other income and earnings and expense and loss	41,583	-	84,138	1
7215	Capital gain from disposition of investment property	70,820	1	-	-
7230	Foreign exchange gain (loss) – net	149,084	2	(31,651)	-
7235	Gains (losses) of financial assets and liabilities measured at fair value through profit or loss	(73,650)	(1)	57,437	-
7610	Gain (loss) in disposal of real estate, plant buildings, equipment & facilities	(91)	-	915	-
7673	Impairment loss	(28,272)	-	(44,244)	(1)
7510	Financial costs	(196,062)	(2)	(146,750)	(1)
7000	Total non-operating revenues and expenses	1,410,266	17	1,301,742	12
7900	Income (loss) before tax from continuing operations	(1,343,099)	(16)	5,699	-
7950	Income tax expenses	(9,154)	-	-	-
8200	Net income (loss) of the current year	(1,352,253)	(16)	5,699	-
	Other comprehensive profit or loss				
	The items that are not re-classified as profit or loss				
8311	Reevaluation of determined benefit plan	(4,110)	-	(2,645)	-
8316	Unrealized valuation of the capital gain/loss from equity instrument at fair value through comprehensive income statement as other comprehensive income	211,250	3	324,684	3
8330	The proportion of other comprehensive incomes from subsidiaries, associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss	34,016	-	231,140	2
8349	Incomes tax related to titles not subject to reclassification	822	-	529	-
8310		241,978	3	553,708	5
	Items that may be re-classified subsequently under profit or loss				
8361	Exchange differences from the translation of financial statements of foreign operations	15,682	-	4,021	-
8380	The proportion of other comprehensive income of subsidiaries, associates, and equity joint ventures accounted for under the equity method – may be reclassified as profit and loss.	(336,814)	(4)	(63,126)	-
8360		(321,132)	(4)	(59,105)	-
8300	Other comprehensive income of the current year (net amount after taxation)	(79,154)	(1)	494,603	5
8500	Total amount of comprehensive income of the current year	(\$ 1,431,407)	(17)	\$ 500,302	5
	Earnings (losses) per share				
9750	Basic earnings per share (losses)	(\$ 1.01)		\$ -	
9850	Diluted earnings per share (losses)	(\$ 1.01)		\$ -	

The notes attached shall constitute an integral part of this individual financial statement.

(Refer to Auditor's Report presented by Deloitte & Touche dated March 8, 2023)

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

CHINA MAN-MADE FIBER CORPORATION
Individual Statements of Changes in Shareholders' Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousand

Code		Capital stock		Retained earnings			Other equity		Treasury stock	Total equity
		Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss		
A1	Balance as of January 1, 2021	\$ 16,213,672	\$ 1,663,531	\$ 855,476	\$ 1,940,822	\$ 3,125,590	(\$ 116,241)	\$ 451,962	(\$ 1,136,802)	\$ 22,998,010
	The 2020 appropriation and distribution of earnings									
B1	Legal reserve appropriated	-	-	90,972	-	(90,972)	-	-	-	-
B5	Cash dividends	-	-	-	-	(162,106)	-	-	-	(162,106)
B9	Stock dividends	648,425	-	-	-	(648,425)	-	-	-	-
B17	Reversal of special reserve	-	-	-	(6,177)	6,177	-	-	-	-
C7	Changes of the associates and joint ventures recognized under the Equity Method	-	-	-	-	606	-	(463)	-	143
D1	110 Profit	-	-	-	-	5,699	-	-	-	5,699
D3	Other comprehensive net income in 2021 (after tax)	-	-	-	-	(3,187)	4,021	493,769	-	494,603
D5	Total comprehensive profit and loss in 2021	-	-	-	-	2,512	4,021	493,769	-	500,302
M1	Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	-	15,826	-	-	-	-	-	-	15,826
M7	Changes in the ownership equity on a subsidiary	-	(22,670)	-	-	(2,421)	-	-	-	(25,091)
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income:	-	-	-	-	25,466	-	(25,466)	-	-
Z1	Balance as of December 31, 2021	16,862,097	1,656,687	946,448	1,934,645	2,256,427	(112,220)	919,802	(1,136,802)	23,327,084
	The 2021 appropriation and distribution of earnings									
B1	Legal reserve appropriated	-	-	2,616	-	(2,616)	-	-	-	-
C7	Changes of the associates and joint ventures recognized under the Equity Method	-	-	-	-	(305)	-	3,532	-	3,227
D1	Net income (loss) in 2022	-	-	-	-	(1,352,253)	-	-	-	(1,352,253)
D3	Other comprehensive net income in 2022 (after tax)	-	-	-	-	20,649	15,682	(115,485)	-	(79,154)
D5	Total comprehensive profit and loss in 2022	-	-	-	-	(1,331,604)	15,682	(115,485)	-	(1,431,407)
M7	Changes in the ownership equity on a subsidiary	-	59,117	-	-	(2,248)	-	-	-	56,869
Q1	Equity instrument at fair value through other comprehensive income statement	-	-	-	-	(9,016)	-	9,016	-	-
Z1	Balance as of December 31, 2022	\$ 16,862,097	\$ 1,715,804	\$ 949,064	\$ 1,934,645	\$ 910,638	(\$ 96,538)	\$ 816,865	(\$ 1,136,802)	\$ 21,955,773

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

CHINA MAN-MADE FIBER CORPORATION
Individual Statements of Cash Flow
January 1 to December 31, 2022 and 2021

Code		2022	Unit: NTD thousand 2021
	Cash flow from operating activities		
A10000	Current year net profit (loss) before taxation	(\$ 1,343,099)	\$ 5,699
	Profits and loss		
A20100	Depreciation expenses	570,325	587,305
A20300	Expected credit reversal benefit (loss)	(22,681)	1,022
A23900	Unrealized sales gain (loss) on the subsidiary, affiliated company and joint ventures	(27)	947
A20400	Loss (gain) on financial assets and liabilities at fair value through profit and loss	73,650	(57,437)
A20900	Financial costs	196,062	146,750
A21200	Interest revenue	(9,919)	(8,037)
A21300	Dividend income	(65,842)	(28,510)
A22400	Shareholding in profit of subsidiaries, affiliated company and joint ventures under the equity method	(1,371,093)	(1,345,350)
A22500	Gain (loss) in disposal of real estate, plant buildings, equipment & facilities	91	(915)
A22700	Capital gain from disposition of investment property	(70,820)	-
A23700	Loss in impairment of non-financial assets	120,159	51,676
	Net change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	23,462	217,086
A31180	Accounts receivable	830,261	(1,131,963)
A31200	Inventory	(132,625)	(401,271)
A31230	Prepayments	(618,467)	(112,253)
A31240	Other current assets	(2,756)	826
A32180	Payables	(315,957)	321,681
A32200	Liability reserve	(10,992)	-
A32230	Other current liabilities	(21,684)	(6,722)
A32240	Net determined benefit liability	(5,269)	(6,955)
A33000	Cash generated from operating activities	(2,177,221)	(1,766,421)
A33100	Interest received	11,089	9,060
A33200	Dividends received	352,208	284,662
A33300	Interest payment	(193,501)	(146,273)
A33500	(Payment) Refunded income tax	(9,115)	572
AAAA	Net cash outflow from operating activities	(2,016,540)	(1,618,400)
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive profit or loss	(88,413)	(59,925)
a	Disposal of financial assets at fair value through other comprehensive profit or loss	2,014	12,622
B00030	De-capitalization refunded monies of financial assets at fair value through other comprehensive profit or loss (decrease)	1,211	12,187
B01800	Acquisition of investment under the equity method	(479,411)	(617,998)
B01900	Disposal of long-term equity investments under the equity method	10,711	34,015
B05000	Cash outflow resulting from merger	(761,912)	-
B02400	Capital returned due to capital reduction by investee using the equity method	1,010,000	-
B02700	Acquisition of property, plant and equipment	(116,482)	(172,796)
B02800	Disposal of property, plant and equipment	46	1,669
B03700	Decrease in Refundable deposits	85,362	1,280
B05400	Acquisition of investment property	(82,062)	(194,797)
B05500	Disposition of investment property	140,161	-
B06800	Decrease in other assets	85,593	85,592
B09900	Decrease (increase) in restricted assets	(7,704)	1,192
BBBB	Net cash outflow from investing activities	(200,886)	(896,959)
	Cash flow from financing activities		
C00200	Increase of short-term loans	1,019,338	2,234,558
C00500	Increase (decrease) in short-term notes and bills payable	(591)	99,607
C01600	Proceeds from long-term loan	5,691,540	3,285,000
C01700	Re-payments of long-term borrowings	(4,400,240)	(3,040,584)
C03100	Decrease in guarantee deposits	(500)	(497)
C04020	Repayment of rental principal	(4,581)	(10,057)
C04500	Cash dividend released	-	(162,106)
CCCC	Net cash inflow from financing activities	2,304,966	2,405,921
EEEE	Net increase (decrease) in cash and cash equivalents	87,540	(109,438)
E00100	Cash and cash equivalents balance – beginning of year	1,433,954	1,543,392
E00200	Cash and cash equivalents balance – end of year	\$ 1,521,494	\$ 1,433,954

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

China Man-Made Fiber Independent Auditor's Report

To CHINA MAN-MADE FIBER CORPORATION:

Auditor's opinions

We have audited the accompanying consolidated balance sheet of China Man-Made Fiber Co., Ltd. and subsidiary as of December 31, 2022 and 2021, and the related consolidated statement of income, consolidated statement of changes in shareholders equity, consolidated statement of cash flows, and Note of the consolidated financial statements (including major accounting policy) for the years then ended.

In our opinion based on our audit results and the audit reports offered by other accountants (please refer to other sections), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of China Man-Made Fiber and subsidiaries as of December 31, 2022 and 2021, and the results of their consolidated operations and their consolidated cash flows for the years then ended in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance translated by Accounting Research and Development Foundation endorsed by the Financial Supervisory Commission with the effective dates.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the consolidated financial statements. We are independent of Chinese Gamer International Corporation in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of China Man-Made Fiber Co., Ltd. and its subsidiaries, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matter that, in our professional judgment, were of most significant in our audit of the consolidated statements of China Man-Made Fiber Co., Ltd. and its subsidiaries in 2022. These matters were addressed in the content 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 those matters.

Key audit procedures of the consolidated financial statements of China Man-Made Fiber Co., Ltd. and subsidiary in 2022 included:

Authenticity of specific sales revenue

Notes to key audit matters

On the sales revenues of China Man-Made Fiber Corporation and subsidiaries thereof, the revenues were recognized only after the customers acquired the control over commodities and assume the potential risks of the commodities. We, the Certified Public Accountants, analyzed the sales revenues of 2022. Given the sales amounts and gross sales profits and such factors, we prudentially identified specific sales customers and took the authenticity of the sales revenues as the key issues of audit.

Please refer to Note 4 (17) of the consolidated financial statements for the accounting policies on sales revenue recognition.

Audit response

1. Awareness of the design and implementation of the internal control system related to the recognition of sales revenues for China Man-made Fiber Corporation and its subsidiaries.

2. The efforts to obtain details of the sales revenues account for specific customers of China Man-Made Fiber Corporation and Subsidiaries and select samples to check the shipping-related forms and documents to test the authenticity of the sales facts.
3. Aiming at specific customers, we issued letters to check and make sure of the substantial transactions and the subsequent collection of payment to check and make sure of the rationality of the sales revenues.

Assessment of the expected credit loss from discounting and advances.

Notes to key audit matters

As indicated in Notes 14 and 32(6) of the consolidated financial statements, for the net discounts and loans of China Man-made Fiber Corporation and its subsidiaries at the end of Year 2022, the anticipated credit loss amortized in Year 2022 amounted to NT\$514,112,826 thousand and NT\$969,901 thousand, respectively, accounting for 62% of the total assets and 58% of comprehensive profit and/or loss, respectively, deemed as quite significant toward the overall consolidated financial statement. In addition, China Man-Made Fiber Corporation and its subsidiaries consider major estimates and judgments of the management level including probability of default and loss given default when determining expected credit losses pursuant to decrees and ordinances of the competent authority. For these reasons, expected credit loss of discounts and loans to the customers are determined as key audit matters.

Regarding the accounting policies related to discounts and loans, the estimated credit loss, information linked up with accounting estimate and uncertainties in hypotheses, please refer to Notes 4 (14), 5, 14 and 32 (6) of the consolidated financial statements for details.

Audit response

1. Understand the internal control system adopted by the Company and its subsidiaries for assessing the expected credit loss from discounting and advances. The appropriated amount was inspected to check if it meets the requirements of related laws and regulations of the competent authority.
2. For the comprehensive evaluation of the expected credit loss adopted by China Man-Made Fiber Corporation, understand and re-calculated key parameters used in the impairment model (probability of default and loss given default) in order to evaluate the reasonableness.

Other information

The financial statements of investees included in the consolidated financial statements of the Company and its subsidiaries adopting the equity method have not been audited by us. They are audited by other accountants. Therefore, we refer to the audited reports of other accountants in expressing our opinions in the consolidated statement regarding the investments by equity method and subsidiaries, affiliates, joint ventures and other comprehensive gains and losses. The investments adopting the equity method in the other auditors' reports for years ended December 31, 2022 and 2021 are NT\$1,076,723 thousand and NT\$1,128,072 thousand, respectively. The gains and losses from subsidiaries, affiliates and joint ventures and other sources adopting the equity method in the other auditors' reports for 2022 and 2021 are NT\$(51,348) thousand and NT\$24,638 thousand, respectively. Meanwhile, certain information related to the re-investees' business disclosed under Note 48 of the consolidated financial statement is, as well, disclosed based on the audit reports of other certified public accountants.

China Man-made Fiber Corporation has duly prepared and compiled individual financial statements for the years 2022 and 2021 for which, we, the certified public accountant, have issued audit reports with unqualified opinion plus other matters ready for reference.

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

The 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, and applicable IFRS, IAS, SIC and IFRIC as recognized by the Financial Supervisory Commission, and for such internal control as the management determines is necessary to enable the preparation of the

consolidated financial statements to be free from material misstatement whether or not due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of China Man-Made Fiber Co., Ltd. and its subsidiaries as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate China Man-Made Fiber Co., Ltd. and its subsidiaries or to create operations, or has no realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of China Man-Made Fiber Co., Ltd. and its subsidiaries.

Auditor's 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 auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the accounting principles in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If fraud or errors are considered materials, 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.

Upon auditing in accordance with the auditing regulations, we exercised professional judgment and professional skepticism. We also perform the following works:

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 risks and obtain evidence that is sufficient and appropriate to provide a basis of 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 internal control effective in China Man-Made Fiber Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on China Man-Made Fiber Co., Ltd. and its subsidiaries and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause China Man-Made Fiber Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated statements, including related notes, whether the consolidated statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information or the entities or business activities with China Man-Made Fiber Co., Ltd. and its subsidiaries to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the China Man-Made Fiber Co., Ltd.; also, is responsible for forming an opinion on the audit of the China Man-Made Fiber Co., Ltd. and its subsidiaries.

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

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of China Man-Made Fiber Co., Ltd. and its subsidiaries of 2022 and are therefore the key audit matters. We describe these matters in our auditor's 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 communications.

Deloitte and Touche
CPA: Su-Huan Yu

Pan-Fa Wang, CPA

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

March 8, 2023

China Man-Made Fiber Corporation and subsidiary
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NTD thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents	\$ 28,216,965	3	\$ 20,670,197	3
1110	Due from Central Bank and lend to Banks	40,921,600	5	38,193,986	5
1120	Financial assets at fair value through profit or loss- current	29,219,088	4	34,039,013	4
1180	Bonds and securities sold under repurchase agreements	11,643,340	1	11,258,439	1
1201	Notes receivable	5,922,212	1	5,461,813	1
1202	Accounts receivable	8,660,643	1	8,763,123	1
1203	Other receivables	1,627,393	-	2,837,994	-
1260	Current income tax asset	6,966	-	10,742	-
1270	Inventory	1,824,464	-	1,732,447	-
1280	Prepayments	1,512,572	-	1,003,060	-
1320	Other current assets	717,064	-	547,245	-
1330	Notes discounted and loans – net	514,112,826	62	479,806,373	60
11XX	Total current assets	<u>644,385,133</u>	<u>77</u>	<u>604,324,432</u>	<u>75</u>
	Non-Current assets				
1415	The financial assets measured for the fair values through other comprehensive income- non-current	49,607,665	6	52,523,487	7
1435	Financial assets measured at amortized cost- non-current	104,757,966	13	109,181,808	14
1470	Investment under the equity method	1,084,375	-	1,139,593	-
1500	Property, plant and equipment-net	27,015,984	3	24,907,282	3
1595	Right-of-use assets	1,038,871	-	1,069,882	-
1600	Real property for investment- net	3,483,974	1	2,570,573	-
1700	Intangible assets – net	266,612	-	253,813	-
1800	Net deferred income tax assets	1,344,012	-	1,519,692	-
1900	Other assets	2,717,369	-	3,647,693	1
14XX	Total non-current assets	<u>191,316,828</u>	<u>23</u>	<u>196,813,823</u>	<u>25</u>
1XXX	Total assets	<u>\$ 835,701,961</u>	<u>100</u>	<u>\$ 801,138,255</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2110	Short-term borrowings	\$ 19,057,710	2	\$ 19,113,118	3
2120	Short-term notes payable	4,871,403	1	4,290,840	1
2130	Bills and bonds sold under repurchase agreements	-	-	1,205,559	-
2140	Financial liabilities at fair value through profit or loss- current	1,630,985	-	512,399	-
2190	Due to Central Bank and other banks	8,703,740	1	3,953,700	1
2201	Payable notes	8,571	-	59,886	-
2202	Accounts payable	1,251,095	-	1,485,218	-
2204	Other payables	9,774,804	1	10,727,435	1
2310	Current Tax Liability	578,622	-	448,682	-
2330	Current portion of long-term liabilities	1,445,539	-	2,610,828	-
2335	Lease liabilities – current	198,587	-	188,630	-
2350	Other current liabilities	694,384	-	1,356,279	-
2360	Customer deposits and remittances	682,831,623	82	658,823,829	82
21XX	Total of current liabilities	<u>731,047,063</u>	<u>87</u>	<u>704,776,403</u>	<u>88</u>
	Non-current liabilities				
2540	Bonds payable	14,990,000	2	14,990,000	2
2550	Long-term borrowings	6,772,764	1	4,912,200	1
2600	Liability reserve	1,461,472	-	1,641,199	-
2620	Deposits received	637,475	-	659,702	-
2625	Lease liabilities – noncurrent	750,813	-	773,292	-
2630	Deferred tax liabilities	1,020,032	-	1,020,032	-
2660	Other liabilities	4,059,548	1	589,399	-
25XX	Total non-current liability	<u>29,692,104</u>	<u>4</u>	<u>24,585,824</u>	<u>3</u>
2XXX	Total liabilities	<u>760,739,167</u>	<u>91</u>	<u>729,362,227</u>	<u>91</u>
	Equity of the parent company				
3110	Common stock capital	16,862,097	2	16,862,097	2
3210	Capital surplus	1,715,804	-	1,656,687	-
	Retained earnings				
3310	Legal reserve	949,064	-	946,448	-
3320	Special reserve	1,934,645	1	1,934,645	-
3330	Undistributed earnings	910,638	-	2,256,427	1
	Other equity				
3410	Exchange differences from the translation of financial statements of foreign operations	(96,538)	-	(112,220)	-
3425	Unrealized gain on financial assets at fair value through other comprehensive profit or loss	816,865	-	919,802	-
3500	Treasury stock	(1,136,802)	-	(1,136,802)	-
31XX	Total equity of the parent company	<u>21,955,773</u>	<u>3</u>	<u>23,327,084</u>	<u>3</u>
32XX	Non-controlling interest	<u>53,007,021</u>	<u>6</u>	<u>48,448,944</u>	<u>6</u>
3XXX	Total equity	<u>74,962,794</u>	<u>9</u>	<u>71,776,028</u>	<u>9</u>
4XXX	Total Liabilities and Equity	<u>\$ 835,701,961</u>	<u>100</u>	<u>\$ 801,138,255</u>	<u>100</u>

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

China Man-Made Fiber Corporation and subsidiary

Consolidated Income Statement

January 1 to December 31, 2022 and 2021

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

Code		2022		2021	
		Amount	%	Amount	%
	Income				
4010	Interest revenue	\$ 15,593,383	46	\$ 12,256,134	37
4050	Income from handling fees	3,596,797	10	3,638,217	11
4060	Shareholding in the affiliated companies and joint ventures under the equity method	-	-	24,959	-
4090	Gains of financial assets and liabilities measured at fair value through profit or loss	882,737	3	819,390	3
4105	Realized gain on financial assets at fair value through other comprehensive profit or loss	-	-	4,635	-
4160	Net sales revenue	13,402,140	39	15,551,039	47
4255	Expected credit reversal benefit	7,924	-	-	-
4260	Exchange gain	-	-	110,940	-
4270	Other income	635,167	2	641,210	2
4XXX	Total revenue	<u>34,118,148</u>	<u>100</u>	<u>33,046,524</u>	<u>100</u>
	Expenses				
5010	Interest expenses	5,021,216	15	3,117,854	10
5060	Service charges	279,988	1	263,506	1
5080	Loss of affiliated companies and joint ventures under the equity method	57,914	-	-	-
5090	Bad debt expense, commitment and guaranty reserve	\$ 1,252,450	4	\$ 1,368,511	4
5125	Already realized losses of financial losses measured at fair value through other comprehensive profit and/or loss.	5,126	-	-	-
5190	Cost of goods sold	14,491,218	42	15,259,299	46
5230	Operating expenses	8,731,954	26	8,296,690	25
5280	Impairment loss	28,272	-	44,244	-
5285	Expected credit impairment loss	-	-	4,064	-
5290	Exchange loss	128,505	-	-	-
5320	Other expenses	15,040	-	20,928	-
5XXX	Total expenses	<u>30,011,683</u>	<u>88</u>	<u>28,375,096</u>	<u>86</u>
6100	Net profit before taxation	4,106,465	12	4,671,428	14
6200	Income tax expenses	<u>1,309,639</u>	<u>4</u>	<u>820,647</u>	<u>2</u>
6500	Net income	<u>2,796,826</u>	<u>8</u>	<u>3,850,781</u>	<u>12</u>
	Other comprehensive profit or loss				
	The items that are not re-classified as profit or loss				
6611	Reevaluation of determined benefit plan	86,243	-	5,979	-
6617	Evaluation of the capital gain from equity instrument at fair value through comprehensive income statement as other comprehensive income	99,192	1	854,046	3
6625	The proportion of other comprehensive incomes from associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss	\$ 2,507	-	(\$ 1,142)	-
6649	Incomes tax related to titles not subject to reclassification	(<u>17,016</u>)	-	(<u>1,524</u>)	-
6610		<u>170,926</u>	<u>1</u>	<u>857,359</u>	<u>3</u>
	Items that may be re-classified subsequently under profit or loss				
6651	Exchange differences from the translation of financial statements of foreign operations	106,524	-	17,273	-
6659	Capital gain/loss of debts instrument at fair value through comprehensive income statement as other comprehensive income	(1,389,473)	(4)	(248,985)	(1)
6689	Income tax related to items possibly be reclassified	-	-	-	-
6650		(<u>1,282,949</u>)	(<u>4</u>)	(<u>231,712</u>)	(<u>1</u>)
6600	Other comprehensive income (post-tax profit or loss)	(<u>1,112,023</u>)	(<u>3</u>)	<u>625,647</u>	<u>2</u>
6700	Total amount of comprehensive income of the current year	<u>\$ 1,684,803</u>	<u>5</u>	<u>\$ 4,476,428</u>	<u>14</u>
	Profit attributable to:				
6810	Owners of parent	(\$ 1,352,253)	(4)	\$ 5,699	-
6820	Non-controlling interest	<u>4,149,079</u>	<u>12</u>	<u>3,845,082</u>	<u>12</u>
6800		<u>\$ 2,796,826</u>	<u>8</u>	<u>\$ 3,850,781</u>	<u>12</u>
	The total comprehensive income belongs to				
6910	Owners of parent	(\$ 1,431,407)	(4)	\$ 500,302	2
6920	Non-controlling interest	<u>3,116,210</u>	<u>9</u>	<u>3,976,126</u>	<u>12</u>
6900		<u>\$ 1,684,803</u>	<u>5</u>	<u>\$ 4,476,428</u>	<u>14</u>
	Earnings (losses) per share				
7000	Basic earnings per share (losses)	(<u>\$ 1.01</u>)		<u>\$ -</u>	
7100	Diluted earnings per share (losses)	(<u>\$ 1.01</u>)		<u>\$ -</u>	

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

China Man-Made Fiber Corporation and subsidiary
Consolidated Statements of Changes in Shareholders' Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousand

Code		Equity of the company					Other equity		Treasury stock	Total	Non-controlling interest	Total equity
		Capital stock		Retained earnings			Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss				
		Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings						
A1	Balance as of January 1, 2021	\$ 16,213,672	\$ 1,663,531	\$ 855,476	\$ 1,940,822	\$ 3,125,590	(\$ 116,241)	\$ 451,962	(\$ 1,136,802)	\$ 22,998,010	\$ 43,402,141	\$ 66,400,151
	The 2020 appropriation and distribution of earnings											
B1	Legal reserve appropriated	-	-	90,972	-	(90,972)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(162,106)	-	-	-	(162,106)	-	(162,106)
B9	Stock dividends	648,425	-	-	-	(648,425)	-	-	-	-	-	-
B17	Reversal of special reserve	-	-	-	(6,177)	6,177	-	-	-	-	-	-
C7	Changes of the associates and joint ventures recognized under the Equity Method	-	-	-	-	606	-	(463)	-	143	-	143
D1	110 Profit	-	-	-	-	5,699	-	-	-	5,699	3,845,082	3,850,781
D3	Other comprehensive profit and loss after tax in 2021	-	-	-	-	(3,187)	4,021	493,769	-	494,603	131,044	625,647
D5	Total comprehensive profit and loss in 2021	-	-	-	-	2,512	4,021	493,769	-	500,302	3,976,126	4,476,428
M1	Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	-	15,826	-	-	-	-	-	-	15,826	17,274	33,100
M7	Changes in the ownership equity on a subsidiary	-	(22,670)	-	-	(2,421)	-	-	-	(25,091)	25,091	-
O1	Increase/ decrease in Non-controlling interest	-	-	-	-	-	-	-	-	-	1,028,312	1,028,312
Q1	Equity instrument at fair value through other comprehensive income statement	-	-	-	-	25,466	-	(25,466)	-	-	-	-
Z1	Balance as of December 31, 2021	16,862,097	1,656,687	946,448	1,934,645	2,256,427	(112,220)	919,802	(1,136,802)	23,327,084	48,448,944	71,776,028
	The 2021 appropriation and distribution of earnings											
B1	Legal reserve appropriated	-	-	2,616	-	(2,616)	-	-	-	-	-	-
C7	Changes of the associates and joint ventures recognized under the Equity Method	-	-	-	-	(305)	-	3,532	-	3,227	-	3,227
D1	Net income (loss) in 2022	-	-	-	-	(1,352,253)	-	-	-	(1,352,253)	4,149,079	2,796,826
D3	Other comprehensive profit and loss after tax in 2022	-	-	-	-	20,649	15,682	(115,485)	-	(79,154)	(1,032,869)	(1,112,023)
D5	Total comprehensive profit and loss in 2022	-	-	-	-	(1,331,604)	15,682	(115,485)	-	(1,431,407)	3,116,210	1,684,803
M7	Changes in the ownership equity on a subsidiary	-	59,117	-	-	(2,248)	-	-	-	56,869	(56,869)	-
O1	Increase/ decrease in Non-controlling interest	-	-	-	-	-	-	-	-	-	1,498,736	1,498,736
Q1	Equity instrument at fair value through other comprehensive income statement	-	-	-	-	9,016	-	9,016	-	-	-	-
Z1	Balance as of December 31, 2022	\$ 16,862,097	\$ 1,715,804	\$ 949,064	\$ 1,934,645	\$ 910,638	(\$ 96,538)	\$ 816,865	(\$ 1,136,802)	\$ 21,955,773	\$ 53,007,021	\$ 74,962,794

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

China Man-Made Fiber Corporation and subsidiary
Consolidated Statements of Cash Flow
January 1 to December 31, 2022 and 2021

Code		2022	Unit: NTD thousand 2021
	Cash flow from operating activities		
A00010	Income before tax from continuing operations	\$ 4,106,465	\$ 4,671,428
	Profits and loss		
A20100	Depreciation expenses	1,091,990	1,181,999
A20200	Amortization expenses	72,486	65,581
A20300	Expected credit impairment loss	1,244,526	1,372,575
A20400	Gain (loss) on financial assets and liabilities at fair value through profit and loss	(882,737)	(819,390)
A20900	Interest expenses	5,021,216	3,117,854
A21200	Interest revenue	(15,593,383)	(12,256,134)
A21300	Dividend income	(335,068)	(208,149)
A22300	Loss (gain) of affiliated companies and joint ventures under the equity method	57,914	(24,959)
A22500	Gain on disposal and scrapping of property, plant and equipment	(761)	(13,629)
A22700	Capital gain from disposition of investment property	(70,820)	-
A23100	Capital loss (gain) of instrument investments measured at fair value through other comprehensive income	5,126	(4,635)
A23200	Loss (gain) from disposition of subsidiaries	788	(937)
A23700	Loss in impairment of non-financial assets	28,272	44,244
A24100	Unrealized foreign currency exchange loss (gain)	(1,521,835)	439,109
A29900	Termination of lease profits	(3,153)	(5,797)
	Net change in operating assets and liabilities		
A91110	Due from Central Bank and lend to Banks	(2,378,335)	(1,445,572)
A91120	Financial assets at fair value through profit and loss	7,923,247	(946,746)
A91190	Accounts receivable	1,176,595	(2,042,272)
A91250	Inventory	(92,017)	(583,633)
A91260	Prepayments	(509,512)	(143,528)
A91280	Other current assets	(26,897)	51,448
A91290	Discounts and loans	(35,356,530)	(24,293,453)
A91320	Other financial assets	150,956	(534,192)
A92110	Bills and bonds sold under repurchase agreements	(\$ 1,205,559)	(\$ 1,094,518)
A92120	Financial liabilities at fair value through profit and loss	(1,101,999)	(1,121,323)
A92150	Due to Central Bank and other banks	4,750,040	(3,083,638)
A92160	Payables	(1,560,688)	3,283,428
A92280	Other current liabilities	(596,741)	538,160
A92290	Customer deposits and remittances	24,007,794	22,635,138
A92330	Other financial liabilities	3,404,995	477,248
A92310	Employee benefit liabilities reserve	(123,452)	(126,016)
A33000	Cash outflow from operating activities	(8,317,077)	(10,870,309)
A33100	Interest received	15,091,792	12,381,038
A33200	Dividends received	335,068	208,149
A33300	Interest payment	(4,684,807)	(3,155,429)
A33500	Income tax payment	(1,003,686)	(604,708)
AAAA	Net cash inflow (outflow) from operating activities	<u>1,421,290</u>	<u>(2,041,259)</u>
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive profit or loss	(2,852,064)	(11,764,197)
B00020	Disposal of financial assets at fair value through other comprehensive profit or loss	4,659,467	3,779,522
B00040	Financial assets acquired on the basis of cost after amortization	(783,723,829)	(907,585,588)
B00060	Held-to-maturity financial assets based on cost after amortization	789,824,504	910,515,784

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B02300	Net cash inflow (outflow) from disposition of subsidiaries	(6,148)	1,058
B02700	Acquisition of property, plant and equipment	(3,033,814)	(2,024,667)
B02800	Disposal of property, plant and equipment	4,545	115,755
B03700	Decrease (increase) in Refundable deposits	(255,618)	21,616
B04500	Acquisition of Intangible assets	(86,158)	(69,760)
B05400	Acquisition of investment property	(987,383)	(425,618)
B05500	Disposition of investment property	140,161	-
B06800	Decrease (increase) in other assets	720,330	(548,508)
B09900	Decrease (increase) in restricted assets	(142,922)	1,526
BBBB	Net cash inflow (outflow) from investing activities	<u>4,261,071</u>	<u>(7,983,077)</u>
Cash flow from financing activities			
C00100	Increase of short-term loans	-	4,443,778
C00200	Decrease in short-term loans	(55,408)	-
C00500	Increase in short-term notes payable	580,563	704,087
C01400	Issuance of financial bonds	\$ -	\$ 5,000,000
C01600	Proceeds from long-term loan	6,048,540	3,335,000
C01700	Re-payments of long-term borrowings	(5,353,265)	(3,354,634)
C03000	Increase in deposits received	-	74,353
C03100	Decrease in guarantee deposits	(22,227)	-
C04020	Payment of principal element of lease liabilities	(168,929)	(249,054)
C04500	Cash dividend released	-	(129,006)
C05800	Change in non-controlling interest	<u>1,498,736</u>	<u>1,028,312</u>
CCCC	Net cash inflow from financing activities	<u>2,528,010</u>	<u>10,852,836</u>
DDDD	Impact of changes in exchange rate on cash and cash equivalents	<u>70,577</u>	<u>18,464</u>
EEEE	Current cash and cash equivalents increase	8,280,948	846,964
E00100	Balance of cash and cash equivalents, beginning of period	<u>50,072,311</u>	<u>49,225,347</u>
E00200	Balance of cash and cash equivalent, end of period	<u>\$ 58,353,259</u>	<u>\$ 50,072,311</u>

Ending cash and cash equivalents adjustment

Code		December 31, 2022	December 31, 2021
E00210	Cash and cash equivalents on the balance sheet	\$ 28,216,965	\$ 20,670,197
E00220	The "Due from Central Bank and Banks" in compliance with the definition of cash and cash equivalents under IAS 7	18,492,954	18,143,675
E00230	The "bonds and securities sold under repurchase agreements" that meet the definitions of cash and cash equivalents under IAS 7	<u>11,643,340</u>	<u>11,258,439</u>
E00200	Balance of cash and cash equivalent, end of period	<u>\$ 58,353,259</u>	<u>\$ 50,072,311</u>

Chairman Hsun-Sheng Wang

Manager: Jeh-Yi Wang

Accounting Supervisor: Tzu Wei Huang

CHINA MAN-MADE FIBER CORPORATION

Statement of Retained Earnings

2022

Unit: NTD

Item	Amount
Opening undistributed earnings	2,253,810,836
Adoption of TIFRS adjustments	<u>0</u>
Adjusted unappropriated earnings - beginning	2,253,810,836
Retained earnings adjusted due to investments accounted for using equity method	21,384,741
The defined benefit plans re-measured amount is recognized in the “retained earnings” account.	(3,288,283)
Disposal of equity instruments at fair value through other comprehensive profit and loss, the accumulated profit and loss are directly transferred to retained earnings.	<u>(9,016,409)</u>
Unappropriated adjusted earnings	2,262,890,885
Net income or loss for current period	(1,352,253,269)
Legal reserve appropriated (10%)	0
Provision of special reserve according to law	(2,721,226)
Closing undistributed earnings	907,916,390

Remarks: Regarding the share certificates of parent company held by the Subsidiary(ies), for the differential gap of the market price below the book values, the special reserve NT\$2,721,226 amortized for the same quantity *pro rata* to the shareholding percentage shall not be allocated. The net loss is NT\$1,352,253,269, the distributable earnings is NT\$907,916,390. There is no distribution of dividend or bonus to shareholders planned.

Chairman Hsun-Sheng Wang Manager: Jeh-Yi Wang Accounting Supervisor: Tzu Wei Huang

Comparative Table of Contents of China Man-made Fiber Corporation’s Articles of Incorporation Before and After the Amendment.

Clause	Provisions after amendment	Original clause	Reasons behind amendments
Article 14	<p>The Company holds general meetings and extraordinary general meetings.</p> <p>A. General meetings are convened by the board within six months after the end of each fiscal year.</p> <p>B. Extraordinary general meetings are convened in the event that the Company has important matters to present upon resolution by the board or when the audit committee deems it necessary, or if shareholders who have more than 3% of the total issued shares for more than one year request the board in writing to convene the meetings.</p> <p>During the convention of the shareholders’ meeting, video conference or other methods announced by the central competent authority may be adopted.</p>	<p>The Company holds general meetings and extraordinary general meetings.</p> <p>A. General meetings are convened by the board within six months after the end of each fiscal year.</p> <p>B. Extraordinary general meetings are convened in the event that the Company has important matters to present upon resolution by the board or when the audit committee deems it necessary, or if shareholders who have more than 3% of the total issued shares for more than one year request the board in writing to convene the meetings.</p>	In coordination with the policy to carry out shareholder activism needs.
Article 45	These Articles of Incorporation were duly enacted in the promoters’ meeting according to law; duly amended on March 10, 1955 as the first amendment.....on July 29, 2021 as the 46th amendment and June 9, 2023 as the 46th amendment.	These Articles of Incorporation were duly enacted in the promoters’ meeting according to law; duly amended on March 10, 1955 as the first amendment.....and on July 29, 2021 as the 45th amendment.	In coordination with the Articles of Incorporation Time of amendment

China Man-Made Fiber Comparison Table for Amendments to Rules of Procedure for Shareholders Meetings

Clause	Provisions after amendment	Original clause	Reasons behind amendments
Article 3	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors. Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS). The manual for the shareholders meeting and other supplementary information shall be made into electronic version and uploaded to the Market Observation Post System before the specified deadline. The manual for the shareholders meeting and other supplementary information shall be prepared before the specified deadline, and they shall be made available to the shareholders at any time, displayed at the Company. This Corporate shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <ol style="list-style-type: none"> 1. For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders 	<p>Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS). The manual for the shareholders meeting and other supplementary information shall be made into electronic version and uploaded to the Market Observation Post System before the specified deadline. The manual for the shareholders meeting and other supplementary information shall be prepared before the specified deadline, and they shall be made available to the shareholders at any time, displayed at the Company and distributed to the shareholders attending the meeting.</p> <p>(Omitted hereinafter)</p>	<p>In an attempt to assure that shareholders shall be kept informed of the change in convening the shareholders' meeting as resolved by the Board of Directors and in coordination with the period of delivery of information regarding shareholders' meeting to be convened by means of video conference.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>meetings, electronic files shall be shared on the virtual meeting platform.</p> <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>(Omitted hereinafter)</p>		
Article 4	<p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.</p> <p>If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before</p>	<p>For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.</p> <p>A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.</p> <p>If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.</p>	<p>An addition of Paragraph IV in coordination with the shareholders' meeting to be convened by means of video conference.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.		
Article 5	The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.	The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.	An addition of Paragraph II in coordination with the shareholders' meeting to be convened by means of video conference.
Article 6	The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should	The Company shall specify in the meeting notice the time for shareholder sign-in, the sign-in location and other matters. The shareholders' meeting admission time referred to above should be at least thirty minutes before the meeting in session; it should be clearly indicated at the admission place and with the adequate and qualified personnel to handle it. The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents; the proxy solicitors should bring proof of identity with them for examination. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for	An amendment to Paragraph II, an addition of Paragraphs VII and VIII in coordination with the shareholders' meeting to be convened by means of video conference.

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>have identity documents with them for examination.</p> <p>The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>The Company shall have the Agenda Handbook, annual reports, attendance card, statement slip, ballots, and other meeting materials delivered to the shareholders presented; also, the ballot will be distributed to the directors for the election of directors, if any.</p> <p>Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p> <p>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</p> <p>In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p>	<p>the election of directors, if any.</p> <p>Shareholders should attend the meeting of shareholders with the presentation of the attendance pass, attendance card or other attendance documents. Proxy solicitors should have identity documents with them for examination.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.</p>	
Article 6-1	<p>To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders meeting notice:</p> <ol style="list-style-type: none"> How shareholders attend the virtual meeting and exercise their rights. 	(New addition)	An addition in coordination with the mode of video conference.

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:</p> <p>A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.</p> <p>B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.</p> <p>C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>D. Actions to be taken if the outcome of all proposals have</p>		

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>been announced and extraordinary motion has not been carried out.</p> <p>3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.</p>		
Article 8	<p>The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p> <p>Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.</p> <p>In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.</p>	<p>The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>It expressly provides that the Company shall convene a shareholders' meeting including the means of video conference with uninterrupted audio and video recordings on the entire process of the shareholders' meeting.</p>
Article 9	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in</p>	<p>Attendance at shareholders meetings shall be calculated based on numbers of shares. The shareholding attendance</p>	<p>It expressly provides that upon</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.</p> <p>The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned.</p> <p>In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in</p>	<p>is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.</p> <p>The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairperson may announce to have the meeting aborted.</p> <p>If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>	<p>calculation of the total number of participating shares, the number of shares held by shareholders who participate in the video conference shall be counted inclusively. Where a shareholders' meeting is convened by means of video conference and where the meeting is aborted, the Company shall promulgate with a tentative resolution to convene another shareholders' meeting separately. A shareholder who intends to participate in the meeting by means of video conference shall register anew.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>accordance with Article 6.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.</p>		
Article 11	<p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p>Where a virtual shareholders meeting</p>	<p>Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.</p> <p>A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.</p> <p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<p>An addition regarding the methods, procedures and restrictions of a shareholder to propose a question when he or she participates in the shareholders' meeting by means of video conference.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.</p>		
Article 13	<p>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.</p> <p>When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.</p> <p>When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company</p>	<p>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.</p> <p>When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence.</p> <p>When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company</p>	<p>An amendment and addition of the relevant operating procedures in coordination with a shareholders' meeting convened by means of video conference.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.</p> <p>After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.</p> <p>Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The motion resolved by the Chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be</p>	<p>before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.</p> <p>Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The motion resolved by the Chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel</p>	

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>deemed rejected, and no further voting shall be required.</p> <p>Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p>When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</p> <p>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</p> <p>When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</p> <p>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online,</p>	<p>shall be shareholders of the Company.</p> <p>Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p>	

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.		
Article 15	<p>Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of the Company.</p> <p>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</p> <p>When convening a virtual-only shareholder meeting, other than compliance with the requirements in</p>	<p>Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The meeting minutes may be produced and distributed in electronic form.</p> <p>The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p> <p>The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of the Company.</p>	<p>An amendment and addition of the relevant operating procedures in coordination with a shareholders' meeting convened by means of video conference.</p>

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online		
Article 16	<p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</p> <p>During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</p> <p>For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.</p>	<p>On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. For the resolutions reached in the meeting of shareholders that involved laws and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.</p>	<p>The Company shall expressly promulgated in the venue of a shareholders' meeting: Where a shareholders' meeting is convened by means of video conference, such issues shall be uploaded to the platform of the video conference.</p>
Article 19	In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting	(New addition)	An addition in coordination with the mode of

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.		video conference.
Article 20	When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.	(New addition)	An addition in coordination with the mode of video conference.
Article 21	<p>In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</p> <p>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</p> <p>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.</p> <p>For a meeting to be postponed or resumed under the second paragraph,</p>	(New addition)	An addition in coordination with the mode of video conference.

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.</p> <p>When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.</p> <p>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p> <p>When postponing or resuming a meeting according to the second</p>		

Clause	Provisions after amendment	Original clause	Reasons behind amendments
	<p>paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.</p>		
Article 22	<p>When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.</p>	(New addition)	<p>An addition in coordination with the mode of video conference.</p>
Article 23	<p>These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.</p>	<p>Original Article 19 is amended into Article 23, with contents remaining unchanged.</p>

Directors' Shareholdings

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

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

Note: Ex-transfer date on April 11, 2023

- II. All Directors shareholding list:

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

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

Chapter 1 General Provisions

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

Chapter 2 Stock shares

5. The Company has total capital amounting to NTD 21 billion, divided into 2.1 billion shares at NT\$10 par value, The Board of Directors is authorized with full powers to issue the unissued shares in due time.
6. Exactly in accordance with the Company Act, the Company, upon issuing new shares, may issue new shares in a disembodied (book entry) manner.
7. The company's share administration practices shall comply with "Printing Specifications for the Certificates of Publicly Traded Shares".
8. (Deleted)
9. (Deleted)
10. (Deleted)
11. (Deleted)
12. (Deleted)
13. The Company shall not handle any requests for transfers of shares within 60 days prior to the shareholders general meeting and 30 days prior to the extraordinary

general meeting or within 5 days before the record date for the distribution of dividends, bonuses or other interests.

Chapter 3 Shareholders Meetings

14. The Company holds general meetings and extraordinary general meetings.
 - A. General meetings are convened by the board within six months after the end of each fiscal year.
 - B. Extraordinary general meetings are convened in the event that the Company has important matters to present upon resolution by the board or when the audit committee deems it necessary, or if shareholders who have more than 3% of the total issued shares for more than one year request the board in writing to convene the meetings.
15. Shareholders shall be notified of the convening of the shareholders general meetings at least 30 days before the meetings and shall be notified of the convening of the extraordinary general meetings at least 15 days before the meetings, and the notifications shall be publicly announced.
16. Except otherwise regulated by The Company Act, a shareholders' meeting resolution is passed when more than half of all outstanding shares are represented in the meeting, and is approved by more than half of all voting rights represented during the meeting.
17. When the number of the attending shareholders does not constitute the quorum prescribed in the preceding article but represents one-third or more of the total number of issued shares, a tentative resolution may be passed by a majority of those in attendance. A notice of such tentative resolution shall be given to each of the shareholders, and a shareholders' meeting reconvened within one month. In the abovementioned meeting of shareholders, if the tentative resolution is again adopted by a majority of those in attendance who represent one-third or more of the total number of issued shares, such tentative resolution shall be deemed to be a resolution under the preceding article.
- 18.. Shareholders are entitled to one vote per share; except for those subject to restrictions or the non-voting matters illustrated in Article 179 Paragraph 2 of the Company Law.
19. A shareholder may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. In addition to the provisions of the Company Act, the appointment shall be handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the authority.
20. The Chairperson of the board shall chair the shareholders meeting. If the Chairman is absent, the vice Chairman will be appointed to chair the meeting on behalf of the Chairman. If the Chairman and the vice Chairman are absent at the same time, a managing director shall be appointed to chair the meeting, and the meeting shall be handled in accordance with the Company's Rules of Procedure for Shareholders Meetings.
21. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and, together with the attendance record and power of attorney of proxy, kept by the board at the Company office and distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be distributed

in the form of public announcement.

Chapter 4 Directors and the Board of Directors

22. The Company's board has seven to nine directors who determine the number of directors of the board. The directors are elected by the shareholders meeting, from those who have disposing capacity. Candidates who receive the same number of votes will be determined by lot.
- Among the total number of director seats mentioned in the preceding paragraph, the number of independent directors shall not be less than the minimum of three. Starting from Fiscal Year 2022, the Company shall elect directors (including independent directors) by means of candidates' nomination system. The shareholders shall duly elect among the candidates enumerated in the candidate list exactly in accordance with Article 192-1 of the Company Act.
- The remuneration of the independent directors is determined by the authorized board, depending on the extent of their participation in the Company's operations and contribution, and the pay standard in the same industry.
23. Directors serve a term of three years and may continue to serve if re-elected. If the number of directors has a shortfall and a by-election is not held to fill the vacancies, those who also receive the majority of votes in the prior election may serve on the board if necessary.
24. The Board of Directors exercises the following authorities:
1. Preparation of business plan
 2. Review and approval of important articles and contracts.
 3. Appointment and dismissal of high-ranking personnel.
 4. Establishment and abolition of branches.
 5. Preparation of budget and final accounts.
 6. The proposed earnings distribution
 7. The proposed capital increase or decrease
 8. Decision to issue new shares.
 9. Preparation of investments in other businesses.
 10. Resolutions reached on the other important matters
- 24-1. The Company's board may establish a compensation committee or other functional committees for the needs of business operations.
25. The Company may have three managing directors, elected from a board meeting which has more than two-thirds of the directors in attendance and upon the approval of more than half of those in attendance. By adopting the same practice, one of the managing directors is elected as the chairman and another is elected as the vice chairman.
- Among the managing directors elected by the board, there shall not be less than one independent director.
26. The Chairman, vice chairman and managing director preside over the general affairs of the Company, and the Chairman is the representative of the Company.
27. The board meeting is convened by the Chairman who also chairs the meeting. When the Chairman is absent, the vice chairman will be appointed to chair the meeting. When both the Chairman and vice chairman are absent, they will be represented by the managing director.
- The convening of the board meeting shall be accompanied by proper reasons, and each director shall be notified in writing, email or fax no later than 7 days prior to the

scheduled meeting. Board meetings may be called in case of emergency, and the notice shall also be sent in the form of a letter, email or fax.

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

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

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

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

Chapter 5 Audit Committee

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

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

32. (Deleted)

33. (Deleted)

34. (Deleted)

Chapter 6 Employees

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

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

37. (Deleted)

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

Chapter 7 Accounting

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

40. If the Company is profitable in the fiscal year, it shall allocate 1% to 5% of the profit as the remuneration of employees in the form of stocks or cash as resolved by the board. Employees of subsidiaries are also entitled to receive remuneration, provided that they meet the criteria specified by the board of directors. Up to 0.3% (inclusive) of the aforementioned profit may be distributed as director remuneration at the

discretion of the board of directors. The proposal for distributing the remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting. However, if the Company still has accumulated losses, the amount shall be retained for compensation, and then appropriated as remuneration to employees, directors and supervisors based on the percentages mentioned above.

- 40-1. If there is profit, the Company pays taxes and makes up for the accumulated losses in accordance with the law before allocating 10% as an earnings reserve. However, the legal reserve shall not be allocated once it reaches the amount of the Company's paid-in capital. The rest will be recognized or reversed as special earnings reserve. The reversed special earnings reserve is consolidated into undistributed surplus before being distributed. If there is a balance, it is consolidated into the accumulated undistributed earnings in the previous year. The board may propose a profit distribution proposal, depending on the actual situation, and request the shareholders meeting to determine the distribution of dividends to shareholders.

The Company's dividend policy is in line with the current and future development plans and considers the investment environment, long-term financial planning and shareholders' equity. The annual dividend distribution is mainly in the form of cash and it may be distributed in the form of stock. However, the proportion of stock dividends is not higher than 95% of the total dividends.

Chapter 8 Supplementary Provisions

41. The investments by Taiwan's expatriates overseas and foreigners in the Company are subject to the relevant laws and regulations.
42. The internal organization and the specific work procedures are determined by the board.
43. The Company may provide mutual guarantee to business partners. The total amount committed to investees is not limited to 40% of the paid-in capital.
44. Any outstanding matters of these Articles of Incorporation shall be administrated according to the Company Act.
45. These Articles of Incorporation were established at the originator meeting in accordance with the law on March 10, 1955; The 1st amendment was made on August 29, 1957; The 2nd amendment was made on July 2, 1958; The 3rd amendment was made on November 27, 1961; The 4th amendment was made on April 13, 1962; The 5th amendment was made on April 23, 1963; The 6th amendment was made on November 29, 1963; The 7th amendment was made on December 4, 1964; The 8th amendment was made on February 17, 1965; The 9th amendment was made on December 30, 1965; The 10th amendment was made on May 23, 1967; The 11th amendment was made on October 23, 1967; The 12th amendment was made on December 26, 1967; The 13th amendment was made on May 20, 1969; The 14th amendment was made on June 2, 1971; The 15th amendment was made on March 23, 1973; The 16th amendment was made on March 19, 1974; The 17th amendment was made on May 9, 1975; The 18th amendment was made on September 24, 1976; The 19th amendment was made on April 15, 1977; The 20th amendment was made on April 17, 1978; The 21st amendment was made on April 20, 1979; The 22nd amendment was made on April 23, 1980; The 23rd amendment was made on April 21, 1981; The 24th amendment was made on January 15, 1983; The 25th amendment was made on June 18, 1983; The 26th amendment was made on June 21, 1986; The 27th amendment was made on June 24, 1988; The

28th amendment was made on June 24, 1989; The 29th amendment was made on June 15, 1991; The 30th amendment was made on June 13, 1992; The 31st amendment was made on June 18, 1994; The 32nd amendment was made on June 24, 1995; The 33rd amendment was made on June 15, 1996; The 34th amendment was made on June 20, 1998; The 35th amendment was made on June 23, 2000; The 36th amendment was made on June 21, 2002; The 37th amendment was made on June 25, 2004; The 38th amendment was made on June 28, 2005; The 39th amendment was made on June 19, 2009; The 40th amendment was made on June 13, 2012; The 41st amendment was made on June 19, 2013; The 42nd amendment was made on June 9, 2015; The 43rd amendment was made on June 8, 2016; The 44th amendment was made on June 8, 2017; The 45th amendment was made on July 29, 2021.

China Man-Made Fiber Rules of Procedure for Shareholders Meetings

The amendment was resolved in the shareholder's meeting on July 29, 2021

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

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

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

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

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so

proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

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

A proposal submitted by shareholders must not exceed 300 Chinese characters. Any proposal containing more than 300 Chinese characters will not be included in the agenda. A shareholder who has submitted a proposal must attend the regular shareholders' meeting in person or by proxy and participate in the discussion of his or her proposal.

The Company shall notify the shareholder submitting the proposal of the status of his or her proposal before the date when the notice of the shareholders' meeting is sent, and include the proposals that have met the requirements in this article in the meeting notice. The Board shall provide reasons for not including a shareholder's proposal in the agenda at the shareholders' meeting.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

Article 5 The place of meeting of shareholders should be at the Company's or any suitable location or for shareholders to attend the meeting conveniently; also, the meeting of shareholders shall not be started before 9:00 or after 15:00.

Article 6 The Company shall specify in the meeting notice the time for shareholder sign-in, the sign-in location and other matters.

The shareholders' meeting admission time referred to above should be at least thirty minutes before the meeting in session; it should be clearly indicated at the admission place and with the adequate and qualified personnel to handle it.

The shareholders or their representatives (hereinafter referred to as the "shareholders") shall attend the shareholders' meeting with the evidence of the attendance card, attendance register, or other attendance documents; the proxy solicitors should bring proof of identity with them for examination.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing

in.

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

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

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 The Company should have the entire meeting of shareholders taped in audio or video recording and stored for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The shareholding attendance is based on the attendance registry or the signature cards submitted, plus the votes exercised in writing or by electronic means.

The chairperson shall announce start of the meeting when the time is up and shall, meanwhile, promulgate the relevant information regarding the number of non-voting shareholders and the total number of shares represented by present shareholders. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the shareholding of the attending shareholders remaining do not constitute more than one third of the total number of shares issued after the two postponements, the Chairperson

may announce to have the meeting aborted.

If the shareholdings of the attending shareholders are not more than half of the total number of shares issued after two postponements but more than one third of the total number of shares issued, a pseudo-resolution can be resolved in accordance with Paragraph 1, Article 175 of the Company Act; also, shareholders should be informed regarding the pseudo-resolution with another meeting of shareholders to be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

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

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

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

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to

attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 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.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.

Shareholders after exercising their votes in writing or by electronic means wish to attend the meeting of shareholders in person shall have the intension of exercising votes in writing or by electronic means revoked the same way of exercising their votes two days prior to the meeting commencement date. For overdue revocations, the votes exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting,

the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. The motion resolved by the Chairperson's consulting the attending shareholders without dissent is deemed as passed and with the same effect as voting.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14 At the moment while shareholders elect directors, the election shall be duly conducted in consonance with the relevant election rules enacted by the Company. The election outcome shall be announced on-the-spot, including the list of elected directors, voting powers attempt to promote corporate governance as won by them in the election; list of unsuccessful director candidates and the voting power obtained thereby.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15 Shareholder resolutions shall be recorded in minutes, affixed with the signature or seal of the chairman of the meeting and distributed to each shareholder within 20 days from the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The minutes of the meeting shall record the date, venue, name of the chairman, method of resolution, essentials of the meeting process and voting results (including the number of voting rights). When there is an election of directors, the number of votes received by each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of the Company.

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

For the resolutions reached in the meeting of shareholders that involved laws

and regulations or the material information defined by the Taiwan Stock Exchange Corporation, the Company shall, within the specified time, have the information uploaded to MOPS.

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

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

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.