

FORMOSA TAFFETA CO., LTD.

2024 ANNUAL SHAREHOLDERS' MEETING

MEETING HANDBOOK

(This English translation is prepared in compliance with the Chinese version and is for reference purposes only. If there are any inconsistency between the Chinese original and this translation, the Chinese version shall prevail.)

JUNE 21, 2024

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FORMOSA TAFFETA CO., LTD.

2024 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

- I. Call Meeting to Order
- II. Chairman's Speech
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Extraordinary Motions
- VII. Meeting Adjourned

FORMOSA TAFFETA CO., LTD.

2024 ANNUAL SHAREHOLDERS' MEETING AGENDA

Time: 10:00 a.m., Friday, June 21, 2024

Venue: No. 317, Shiliu Rd., Douliu City, Yunlin County, Taiwan

Method of convening shareholders meeting: Physical Shareholders Meeting

I. Report Items

1. 2023 Business Report
2. Audit Committee's Review Report on the Company's 2023 Financial Statements
3. Report on 2023 Compensation of Employees and Directors
4. Report of the Distribution of Cash Dividends for 2023

II. Ratification Items

1. 2023 Business Report and Financial Statements
2. Proposal for Distribution of 2023 Earnings

III. Discussion Items

1. To distribute cash from capital surplus.
2. To amend the Articles of Incorporation of the Company.
3. To release the Director from non-competition restrictions.

Report Items

1. The business status of fiscal year 2023, referred to the Business Report (on page 4 of this Handbook.)
2. The Company's Audit Committee members reviewed the 2023 Business Report and Financial Statements and issued their Review Report (on page 10 of this Handbook) according to the applicable laws.
3. Report on 2023 Compensation of Employees and Directors:
The pre-tax profit prior to deducting employees' compensation and directors' compensation is NT\$ 487,970,772 with no accumulated loss. 0.2% of that profit, NT\$ 975,942 is allocated as employees' compensation and another 0.1%, NT\$ 487,971, as directors' compensation in accordance with Article 30 of Articles of Incorporation. The total amount of the aforementioned employees' and directors' compensation is NT\$ 1,463,913, all of which is to be distributed in cash.
4. Report of the Distribution of Cash Dividends for 2023:
In accordance with Article 31 of the Articles of Incorporation of the Company, the Board of Directors approved to distribute cash dividends for a total of NT\$ 438,012,806 on March 8, 2024, which was NT\$ 0.26 per share approximately. The record date for distribution of cash dividends will be approved by the Board of Directors.

Formosa Taffeta Co., Ltd.

2023 Annual Business Report

1. 2023 Business Performance

The Company's consolidated revenue dropped by 17.92%, from NT\$ 34,722.66 million in 2022 to NT\$ 28,501.51 million in 2023, a decrease of NT\$ 6,221.15 million, with consolidated pretax profit reducing by 85.13%, from NT\$ 3,706.21 million in 2022 to NT\$ 550.96 million in 2023, a decrease of NT\$ 3,155.25 million.

2. 2023 Business Status

In 2023, despite subsidence of the pandemic and resumption of global travel and outdoor activities, the world was still overshadowed by inflation, geopolitical conflict and unclear business outlook, dampening consumers' purchasing power and confidence index, which led to sluggish demand on the end consumption market, continuing high inventory in industrial supply chain, and thus curtailing branded customers' purchasing momentum.

Faced with stiff challenges quarter after quarter, the company adjusted product mix timely, employed environment-friendly materials and new processing technologies, in response to global demand for low-carbon textiles, to develop environment-friendly niche functional products, flexibly deployed the advantage of the five factories in Taiwan, China, and Vietnam, strengthened strategic collaboration with branded customers, and consolidated supply chain, alleviating the adverse impact on the company's operation.

3. 2024 Business Plan and Outlook

Business plans and outlooks for the seven major products in 2024 are as follows:

(1) Filament woven fabrics:

There are four end markets for the company's filament woven fabrics: sportswear, outdoor performance wear, casual wear, and umbrella. In 2023, the inflation put a damper on consumers' spending willingness and demands on the apparel markets in the

U.S. and Europe, blocking inventory reduction. Despite the demands upturn, thanks to branded customers' continuous promotional sales campaigns and adjustment of inventory levels, overall purchasing power remained sluggish.

In 2024, although the uncertain factors in the global market remain, the alleviation of inflation and holding of Olympics and soccer matches will boost demands on apparel markets and return branded customers' inventories to healthy level. Orders are still expected to pick up.

The company continues deepening strategic partnership with branded customers, integrating product operating platforms, actively pushing applications on the three end markets of sportswear, outdoor performance wear, and casual wear, developing differentiated products with high added value, so as to augment market competitiveness, and utilizing the advantages of the five factories in Taiwan, China, and Vietnam in line with the supply-chain integration strategy to shorten delivery time, plus introduction of AI and automated equipment to enhance production efficiency and lower failure cost, thereby attaining the 2024 business target and consolidating the company's leading position in the woven fabric market.

(2) Tire cord fabric:

To cope with port congestions during the pandemic, tire manufacturers and dealers placed excessive orders to sustain sales, leading to pseudo market demands and increasing raw-material and tire inventories. With inflation dampening demands on the end market, inventory level stayed high in 2023, as a result of which equipment utilization rate of the tire industry remained low, ranging only 30-50%, especially in the high-end bike tire sector, which eroded the profits of tire cord fabric.

In 2024, inventory reduction will still be the priority task on the global tire cord fabric market in the first half, before expected gradual recovery of market demands in the second half. The Tire Cord Business Division will develop various tire cord fabrics with

high added value and environment-friendly tire cord fabric using ocean-recycled PA6, along with active market promotion. Sales of environment-friendly tire cord fabric are expected to pick up starting from the second quarter, following passage of tests by major international bike and tire manufacturers.

(3) Gas stations:

As of the end of 2023, Formosa Petroleum Station had had 105 gas stations, making it the fifth largest gas-station brand in Taiwan, thanks to its effort in services, marketing, and management over the past years. Formosa Petroleum Station still managed to remain profitable, despite high oil prices, inflation, and competition from new energy cars.

In 2024, Formosa Petroleum Station will continue evaluating individual station's performance and lease duration. In addition, given fluctuation in international oil prices, the company will intensify control of oil-tank storage level flexibly. Effort will be intensified to increase the number of contracted customers. The number of gas stations with self-service, numbering 95 now, will be increased further, according to performance. Moreover, it will introduce plural payment methods, push sales of leisure and travel products and auto accessories via B2C channel and social media, and offer various training courses to station workers, in order to attain public safety, quality service, and standardized management, thereby creating a convenient and safe oil-filling and consumption environment for customers.

(4) Functional yarn:

In 2023, due to demand shrinkage, caused by continuing inventory attrition, price decline of various short-fiber materials, and dropping demands of sportswear brand for dedicated composite yarns, sales decreased by 19.5% from 2022. To cope with rapid market changes, the company adjusted product mix flexibly, thereby enabling the factory to run at full capacity and keeping full sales, plus rigorous control of production cost. Although the profit dropped by 73.3% from 2022, remains profitable.

In 2024, with effort of branded customers for inventory reduction nearing its end, market demands will recover gradually. Given continuing optimization of product mix and stable sales growth of industrial protective products, sales and profits are expected to grow in the year.

(5)Special fabrics:

In 2023, sales of medical fabric decreased with end of the pandemic, and anti-static fabric remained flat; however, demands for flame-retardant petroleum work clothes picked up, Aramid fabric was successfully sold to the market, including bid for military clothes in Europe, sales of clean-room clothes increased, due to expansion of semiconductor plants, and sales of KEVLAR fabric for use as reinforced ship material, rubber base fabric, and prepreg fabric for bullet-proof helmets all picked up. The sales grew by 3% from 2022.

In 2024, in response to customers' demands and market trend, flame-retardant fabric for petroleum work clothes adding flexibility will hit the market and demands for anti-germ and anti-static electricity fabric will increase. The company will strive to win bids for work clothes and servicemen and policemen uniforms, tap the markets for multi-function flame-retardant fabric at low- and medium-price level, and cut production cost via strategic collaboration with material suppliers, in order to attain the 2024 business performance target.

(6)Carbon-fiber composite materials:

In 2023, when excessive order placement by bike and sports-equipment manufacturers resulted in high inventories and robotic arm- and mining vehicle-related demands with high added value had yet to resume pre-pandemic level, sales were sustained by demands related to ships and yachts, drones, autos, and reinforced materials for architectural structures, via collaboration with dealers. The sales decreased by 38% from 2022.

In 2024, in line with market demands, the company will

collaborate with resin manufacturers in developing general-purpose resin prepreg fabric and with bike manufacturers in testing new resins, with an eye on future orders. In addition, the company keeps tapping the Chinese and Southeast Asian market further, and continue developing special fabrics and engaging in tests for prepreg fabrics, along with major customers, in order to augment product competitiveness. Meanwhile, having passed third-party certification, the company expects to land orders for multi-axis fabric from domestic and overseas yacht manufacturers and will endeavor to expand share of exports, by meeting customers' various needs and intensifying new product development and market applications.

(7) Plastic bags:

In 2023, by focusing on shipment to the high-margin Japanese market, supplemented with orders from the American market, the company's factory was running at full capacity. Sales grew by 4.2% from 2022.

In 2024, the company expects to boost profit level, via strategic order reception, flexible maneuvering of capacities, attention on changes in material costs and exchange rates, and rigorous control of production cost.

4. Conclusion

In 2024, faced with the ever changing challenges in the global economy, the company will adjust its pace timely, consolidate supply-chain relationship and utilize the advantages of the three factories in Taiwan, China, and Vietnam, developing differentiated products with high added value at the Taiwan factory, while assuring sufficient capacities at overseas factories, so as to shorten delivery time and win customer trust.

In addition, the company will take advantage of AI technology, optimize production flow, intensify sustainability competitiveness, while, in line with global carbon abatement current, pushing equipment renovation and energy-conservation, emission-reduction measures and,

in collaboration with supply-chain partners, utilizing recyclable regenerated materials and developing environment-friendly products, so as to create plural values and march towards the vision of low-carbon sustainability.

In 2024, the company will strive to meet the challenge of attaining the performance targets quarter after quarter, in order to offer shareholders good investment returns and attain continuing growth, so as to fulfill corporate social responsibility and march towards sustainable development.

Chairman: Wong, Wen-Yuan

President: Lee, Ming-Chang

In-charge Accountant: Lee, Shu-Ming

FORMOSA TAFFETA CO., LTD.
The Audit Committee's Review Report

The Company's 2023 Business Report, Financial Statements, including Consolidated and Parent Company Only ones, and Earnings Distribution Proposal have been prepared by the Board of Directors. An audit of the Financial Statements was conducted by the CPAs of PricewaterhouseCoopers Taiwan (PwC), and the audit reports were issued by PwC. The Audit Committee members of Formosa Taffeta Co., Ltd. reviewed the Business Report, Financial Statements, and Earnings Distribution Proposal and determined the information to be correct and accurate. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please be advised accordingly.

Formosa Taffeta Co., Ltd.
Chairman of the Audit Committee:

Lin, Sheng-Chung

March 8, 2024

Ratification Items

Proposal 1

Proposal: To accept the 2023 business report and financial statements

Proposed by the Board of Directors

Explanation:

1. The preparation of the Company's 2023 Consolidated and Parent Company Only Financial Statements were completed; the same were reviewed by the Audit Committee and approved by the Board of Directors on March 8, 2024 and audited by independent auditors, CPA Mr. Han-Chi Wu and CPA Ms. Man-Yu Juanlu, of PwC. The aforesaid Financial Statements together with the Business Report were reviewed by the Audit Committee, and the Audit Committee's Review Report form is presented.
2. Please refer to page 4 through page 9 of this Handbook for the aforementioned Business Report, and page 17 through page 30 for the Financial Statements. Please approve the Business Report and the Financial Statements.

Resolution:

Ratification Items

Proposal 2

Proposal: To accept the proposal for distribution of 2023 earnings

Proposed by the Board of Directors

Explanation:

Please refer to page 31 of this Handbook for the 2023 Earnings Distribution Proposal, reviewed by the Audit Committee members of Formosa Taffeta Co., Ltd. and approved by the Board of Directors on March 8, 2024. Please approve the Earnings Distribution Proposal.

Resolution:

Discussion Items

Proposal 1

Proposal: To distribute cash from capital surplus. Please discuss and resolve.

Proposed by the Board of Directors

Explanation:

1. The Company proposes to allocate NT\$ 404,319,513 from the capital surplus from gain on disposal of shares to distribute in cash according to the shares held by each shareholder.
2. As of April 23, 2024, the outstanding shares of the Company amount to 1,684,664,637 shares. The cash distribution to common shareholders is NT\$ 0.24 per share. While the amount of distributed cash dividends to each individual shareholder is less than 1 dollar, it will be rounded to the nearest dollar.

Resolution:

Discussion Items

Proposal 2

Proposal: Amendment to the Articles of Incorporation of the Company.
Please discuss and resolve.

Proposed by the Board of Directors

Explanation:

In response to conform to the needs of commercial practice, the Articles of Incorporation of the Company is proposed to be amended. The comparison table for articles before and after amendment is hereby attached. Please determine whether the amendments are reasonable.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
Article 31	Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend . For remaining surplus incorporated with the accumulated earning in previous years, the Board of Directors shall	Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary. <u>However, when the accumulated legal reserve amounts to the paid-in capital, this shall not apply.</u> For remaining surplus incorporated with the	To amend the regulation of legal capital reserve in accordance with Article 237 of the Company Act.

Article	Article before Amendment	Article after Amendment	Reason for Amendment
	prepare the proposal concerning the appropriation of net profits is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting. (below omitted)	with the accumulated earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting. (below omitted)	
Article 35	(omitted)	The <u>49th amendment is added to the existing Article on June 21, 2024.</u>	Add the date of amendment and execution to the Article.

Resolution:**Discussion Items****Proposal 3**

Proposal: To release the Director from non-competition restrictions.

Proposed by the Board of Directors

Explanation:

1. According to Article 209 of the Company Act, a Director doing anything for himself/herself or on behalf of another person that is within the scope of the Company's business, shall explain the essential contents of such an act at the Shareholders' Meeting and secure Shareholders' approval.
2. The representative of juristic person director, Lee, Chien-Kuan, who is representative of Formosa Chemicals & Fibre Corporation, is as the same or similar duty in other companies within the scope of the Company's business is as follow. Based on the interest of the Company without impairment, it is proposed to release the non-competition restrictions for approval following Article 209 of the Company Act.

Name	Positions In Other Company
Lee, Chien-Kuan (Representative of Formosa Chemicals & Fibre Corporation)	Director of Schoeller Textil AG.

Resolution:

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items		Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(20) and 7	\$ 28,501,509	100	\$ 34,722,655	100
5000	Operating costs	6(5)(24)(25) and 7	(25,971,071)	(91)	(30,953,904)	(89)
5900	Net operating margin		2,530,438	9	3,768,751	11
	Operating expenses	6(24)(25) and 7				
6100	Selling expenses		(1,574,256)	(6)	(1,757,329)	(5)
6200	General and administrative expenses		(695,473)	(2)	(741,597)	(2)
6450	Impairment gain and reversal of impairment loss	12(2)	19,927	-	-	-
6000	Total operating expenses		(2,249,802)	(8)	(2,498,926)	(7)
6900	Operating profit		280,636	1	1,269,825	4
	Non-operating income and expenses					
7100	Interest income	6(21)	161,348	1	55,498	-
7010	Other income	6(22)	728,356	3	1,726,347	5
7020	Other gains and losses	6(23)	(139,483)	(1)	244,042	1
7050	Finance costs	6(26)	(348,880)	(1)	(221,691)	(1)
7060	Share of (loss) profit of associates and joint ventures accounted for using the equity method	6(6)	(131,020)	(1)	632,193	2
7000	Total non-operating income and expenses		270,321	1	2,436,389	7
7900	Profit before income tax		550,957	2	3,706,214	11
7950	Income tax expense	6(27)	(106,403)	-	(301,233)	(1)
8200	Profit for the year		\$ 444,554	2	\$ 3,404,981	10

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FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Other comprehensive income	6(19)				
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial gains on defined benefit plans		\$ 274,859	1	\$ 43,056	-
8316 Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income		502,824	2	(8,640,330)	(25)
8320 Share of other comprehensive loss of associates and joint ventures accounted for using the equity method		(4,639)	-	(274,172)	(1)
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		773,044	3	(8,871,446)	(26)
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		(197,960)	(1)	502,918	2
8370 Share of other comprehensive income of associates and joint ventures accounted for using the equity method		90,645	-	134,679	-
8360 Other comprehensive (loss) income that will be reclassified to profit or loss		(107,315)	(1)	637,597	2
8300 Total other comprehensive income (loss) for the year		\$ 665,729	2	(\$ 8,233,849)	(24)
8500 Total comprehensive income (loss) for the year		\$ 1,110,283	4	(\$ 4,828,868)	(14)
Profit attributable to:					
8610 Owners of the parent		\$ 444,554	2	\$ 3,404,981	10
8620 Non-controlling interest		-	-	-	-
		\$ 444,554	2	\$ 3,404,981	10
Comprehensive income (loss) attributable to:					
8710 Owners of the parent		\$ 1,110,283	4	(\$ 4,828,868)	(14)
8720 Non-controlling interest		-	-	-	-
		\$ 1,110,283	4	(\$ 4,828,868)	(14)
		Before Tax	After Tax	Before Tax	After Tax
Basic and diluted earnings per share (in dollars)	6(28)				
Profit attributable to common shareholders of the parent		\$ 0.29	\$ 0.26	\$ 2.17	\$ 2.02
Assuming shares held by subsidiaries are not deemed as treasury stock:					
Profit attributable to common shareholders of the parent		\$ 0.29	\$ 0.26	\$ 2.16	\$ 2.02

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items		Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 22,011,079	100	\$ 26,182,568	100
5000	Operating costs	6(4)(22) and 7	(20,209,838)	(92)	(23,424,921)	(89)
5900	Gross profit from operations		1,801,241	8	2,757,647	11
	Operating expenses	6(22)(23) and 7				
6100	Selling expenses		(1,317,729)	(6)	(1,437,115)	(6)
6200	Administrative expenses		(487,840)	(2)	(522,101)	(2)
6450	Impairment gain and reversal of impairment loss	12(2)	10,751	-	-	-
6000	Total operating expenses		(1,794,818)	(8)	(1,959,216)	(8)
6900	Net operating income		6,423	-	798,431	3
	Non-operating income and expenses					
7100	Interest income	6(18)	131,265	-	44,300	-
7010	Other income	6(19)	685,749	3	1,698,964	6
7020	Other gains and losses	6(20)	(52,424)	-	300,318	1
7050	Finance costs	6(23)	(199,493)	(1)	(123,143)	-
7070	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(5)	(85,013)	-	924,432	4
7000	Total non-operating income and expenses		480,084	2	2,844,871	11
7900	Profit before income tax		486,507	2	3,643,302	14
7950	Income tax expense	6(24)	(41,953)	-	(238,321)	(1)
8200	Profit for the year		\$ 444,554	2	\$ 3,404,981	13

(Continued)

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

Items	Notes	Year ended December 31			
		2023		2022	
		AMOUNT	%	AMOUNT	%
Other comprehensive income	6(16)				
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Actuarial gains on defined benefit plan		\$ 274,859	1	\$ 43,056	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		502,824	2	(8,640,330)	(33)
8330 Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(4,639)	-	(274,172)	(1)
8310 Other comprehensive income that will not be reclassified to profit or loss		773,044	3	(8,871,446)	(34)
Other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		(197,960)	(1)	592,034	3
8380 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		90,645	1	45,563	-
8360 Other comprehensive (loss) income that will be reclassified to profit or loss		(107,315)	-	637,597	3
8300 Other comprehensive income (loss) for the year		\$ 665,729	3	(\$ 8,233,849)	(31)
8500 Total comprehensive income (loss) for the year		\$ 1,110,283	5	(\$ 4,828,868)	(18)
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>
9750 Basic and diluted earnings per share	6(25)	\$ 0.29	\$ 0.26	\$ 2.17	\$ 2.02
Assuming shares held by subsidiaries are not deemed as treasury stock:					
Basic and diluted earnings per share		\$ 0.29	\$ 0.26	\$ 2.16	\$ 2.02

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,241,157	6	\$ 5,477,800	7
1120	Current financial assets at fair value through other comprehensive income	6(2)	1,113,183	2	1,225,249	2
1136	Current financial assets at amortized cost	6(3)	112,616	-	113,122	-
1150	Notes receivable, net	6(4)	57,123	-	72,548	-
1160	Notes receivable - related parties	7	5,930	-	8,147	-
1170	Accounts receivable, net	6(4)	2,052,898	3	2,691,404	4
1180	Accounts receivable - related parties	7	165,150	-	216,868	-
1200	Other receivables	7	235,943	-	322,665	-
130X	Inventory	6(5)	7,857,822	11	9,510,710	13
1410	Prepayments		456,686	1	391,733	1
1470	Other current assets		180,912	-	179,359	-
11XX	Total current assets		16,479,420	23	20,209,605	27
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	32,750,338	46	32,135,448	43
1535	Non-current financial assets at amortised cost	6(3)	737,706	1	44,092	-
1550	Investments accounted for using the equity method	6(6)	8,964,468	12	9,621,779	13
1600	Property, plant and equipment	6(7) and 8	10,888,643	15	11,529,353	15
1755	Right-of-use assets	6(8)	1,116,643	2	1,108,999	1
1760	Investment property, net	6(9)	517,243	1	551,629	1
1840	Deferred income tax assets	6(27)	108,521	-	102,189	-
1900	Other non-current assets		101,800	-	106,741	-
15XX	Total non-current assets		55,185,362	77	55,200,230	73
1XXX	Total assets		\$ 71,664,782	100	\$ 75,409,835	100

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FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(10) and 8	\$ 2,251,094	3	\$ 3,035,088	4
2110	Short-term notes and bills payable	6(11)	-	-	1,299,227	2
2120	Financial liabilities at fair value through profit or loss - current	6(12)	479	-	2,826	-
2150	Notes payable		123,448	-	160,641	-
2160	Notes payable - related parties	7	122,578	-	186,804	-
2170	Accounts payable		689,330	1	900,287	1
2180	Accounts payable - related parties	7	840,061	1	1,070,847	1
2200	Other payables	6(13) and 7	1,070,454	2	1,126,487	2
2230	Current income tax liabilities		55,562	-	324,210	-
2280	Current lease liabilities		155,278	-	141,747	-
2399	Other current liabilities		367,709	1	385,601	1
21XX	Total current liabilities		5,675,993	8	8,633,765	11
Non-current liabilities						
2540	Long-term borrowings	6(14)	10,400,000	15	9,600,000	13
2570	Deferred income tax liabilities	6(27)	325,778	-	325,309	-
2580	Non-current lease liabilities		761,491	1	752,771	1
2600	Other non-current liabilities		149,548	-	330,775	1
25XX	Total non-current liabilities		11,636,817	16	11,008,855	15
2XXX	Total liabilities		17,312,810	24	19,642,620	26
Equity attributable to owners of parent						
	Share capital	6(16)				
3110	Common stock		16,846,646	23	16,846,646	22
	Capital surplus	6(17)				
3200	Capital surplus		1,340,129	2	1,338,658	2
	Retained earnings	6(18)				
3310	Legal reserve		9,318,813	13	8,974,316	12
3320	Special reserve		2,214,578	3	2,214,578	3
3350	Unappropriated retained earnings		7,756,015	11	9,908,042	13
	Other equity interest	6(19)				
3400	Other equity interest		16,894,855	24	16,504,039	22
3500	Treasury stocks	6(16)	(19,064)	-	(19,064)	-
31XX	Equity attributable to owners of the parent		54,351,972	76	55,767,215	74
3XXX	Total equity		54,351,972	76	55,767,215	74
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant event after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 71,664,782	100	\$ 75,409,835	100

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	4(2) and 6(1)	\$ 3,151,948	5	\$ 4,135,598	6
1120	Current financial assets at fair value through other comprehensive income	6(2)	1,113,183	2	1,225,249	2
1150	Notes receivable, net	6(3)	57,123	-	72,548	-
1160	Notes receivable due from related parties, net	7	5,930	-	8,147	-
1170	Accounts receivable, net	6(3)	1,158,182	2	1,647,730	3
1180	Accounts receivable due from related parties, net	7	121,744	-	174,169	-
1200	Other receivables		161,650	-	218,777	-
130X	Inventories	6(4)	4,956,047	7	5,766,666	8
1410	Prepayments		44,880	-	41,039	-
1470	Other current assets		190,303	-	189,465	-
11XX	Total current assets		10,960,990	16	13,479,388	19
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	32,750,338	48	32,135,448	45
1550	Investments accounted for using equity method	6(5)	17,630,463	26	18,430,889	26
1600	Property, plant and equipment	6(6) and 7	5,689,678	8	5,865,967	8
1755	Right-of-use assets	6(7)	849,017	1	826,970	1
1760	Investment property, net	7	433,722	1	463,132	1
1840	Deferred tax assets	6(24)	108,521	-	102,190	-
1990	Other non-current assets		92,353	-	94,969	-
15XX	Total non-current assets		57,554,092	84	57,919,565	81
1XXX	Total assets		\$ 68,515,082	100	\$ 71,398,953	100

(Continued)

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current liabilities								
2100	Current borrowings	6(8)	\$	-	-	\$	14,035	-
2110	Short-term notes and bills payable	6(9)		-	-		1,299,227	2
2120	Current financial liabilities at fair value through profit or loss	6(10)		479	-		2,826	-
2150	Notes payable			115,455	-		127,398	-
2160	Notes payable to related parties	7		122,578	-		186,163	-
2170	Accounts payable			395,495	1		550,969	1
2180	Accounts payable to related parties	7		751,960	1		1,024,264	2
2200	Other payables	7		838,122	1		885,027	1
2230	Current tax liabilities			42,202	-		294,218	1
2280	Current lease liabilities			153,623	-		140,194	-
2399	Other current liabilities			190,005	1		168,653	-
21XX	Total current liabilities			2,609,919	4		4,692,974	7
Non-current liabilities								
2540	Non-current portion of non-current borrowings	6(11)		10,400,000	15		9,600,000	13
2570	Deferred tax liabilities	6(24)		325,778	1		325,309	1
2580	Non-current lease liabilities			707,870	1		697,547	1
2670	Other non-current liabilities			119,543	-		315,908	-
25XX	Total non-current liabilities			11,553,191	17		10,938,764	15
2XXX	Total liabilities			14,163,110	21		15,631,738	22
Equity								
	Share capital	6(13)						
3110	Ordinary share			16,846,646	24		16,846,646	24
	Capital surplus	6(14)						
3200	Capital surplus			1,340,129	2		1,338,658	2
	Retained earnings	6(15)						
3310	Legal reserve			9,318,813	14		8,974,316	12
3320	Special reserve			2,214,578	3		2,214,578	3
3350	Unappropriated retained earnings			7,756,015	11		9,908,042	14
	Other equity interest	6(16)						
3400	Other equity interest			16,894,855	25		16,504,039	23
3500	Treasury shares		(	19,064)	-	(	19,064)	-
3XXX	Total equity			54,351,972	79		55,767,215	78
	Commitments and contingent liabilities	9						
	Subsequent events	11						
3X2X	Total liabilities and equity		\$	68,515,082	100	\$	71,398,953	100

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
		Retained Earnings					Other Equity Interest			
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
Notes										
<u>Year ended December 31, 2022</u>										
Balance at January 1, 2022		\$ 16,846,646	\$ 1,301,769	\$ 8,772,558	\$ 2,214,578	\$ 8,349,494	(\$ 1,443,502)	\$ 26,221,380	(\$ 19,064)	\$ 62,243,859
Profit for the year		-	-	-	-	3,404,981	-	-	-	3,404,981
Other comprehensive income (loss)		-	-	-	-	39,695	637,597	(8,911,141)	-	(8,233,849)
Total comprehensive income (loss)		-	-	-	-	3,444,676	637,597	(8,911,141)	-	(4,828,868)
Appropriations of 2021 earnings	6(18)									
Legal reserve		-	-	201,758	-	(201,758)	-	-	-	-
Cash dividends		-	-	-	-	(1,684,665)	-	-	-	(1,684,665)
Paid expired cash dividends transferred to capital surplus	6(17)	-	(21)	-	-	-	-	-	-	(21)
Expired cash dividends transferred to capital surplus		-	3,537	-	-	-	-	-	-	3,537
Adjustment of cash dividends paid to consolidated subsidiaries acquired	6(17)	-	2,193	-	-	-	-	-	-	2,193
Change in the net interest of associates recognized under the equity method	6(17)(19)	-	31,180	-	-	(207)	-	207	-	31,180
Disposal of equity instruments at fair value through other comprehensive income	6(2)	-	-	-	-	502	-	(502)	-	-
Balance at December 31, 2022		\$ 16,846,646	\$ 1,338,658	\$ 8,974,316	\$ 2,214,578	\$ 9,908,042	(\$ 805,905)	\$ 17,309,944	(\$ 19,064)	\$ 55,767,215
<u>Year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 16,846,646	\$ 1,338,658	\$ 8,974,316	\$ 2,214,578	\$ 9,908,042	(\$ 805,905)	\$ 17,309,944	(\$ 19,064)	\$ 55,767,215
Profit for the year		-	-	-	-	444,554	-	-	-	444,554
Other comprehensive income (loss)		-	-	-	-	277,277	(107,315)	495,767	-	665,729
Total comprehensive income (loss)		-	-	-	-	721,831	(107,315)	495,767	-	1,110,283
Appropriations of 2022 earnings	6(18)									
Legal reserve		-	-	344,497	-	(344,497)	-	-	-	-
Cash dividends		-	-	-	-	(2,526,997)	-	-	-	(2,526,997)
Adjustment of cash dividends paid to consolidated subsidiaries acquired	6(17)	-	3,290	-	-	-	-	-	-	3,290
Paid expired cash dividends transferred to capital surplus	6(17)	-	(383)	-	-	-	-	-	-	(383)
Expired cash dividends transferred to capital surplus	6(17)	-	4,004	-	-	-	-	-	-	4,004
Change in the net interest of associates recognized under the equity method	6(17)	-	(5,440)	-	-	(2,364)	-	2,364	-	(5,440)
Balance at December 31, 2023		\$ 16,846,646	\$ 1,340,129	\$ 9,318,813	\$ 2,214,578	\$ 7,756,015	(\$ 913,220)	\$ 17,808,075	(\$ 19,064)	\$ 54,351,972

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Capital Reserves					Retained Earnings			Other Equity Interest				
	Notes	Ordinary share	Treasury share transactions	Changes in ownership interests in subsidiaries	Donated assets received	Changes in equity of associates and joint ventures accounted for using equity method	Others	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Year ended December 31, 2022														
Balance at January 1, 2022		\$ 16,846,646	\$ 38,773	\$ 1,650	\$ 2,032	\$ 1,249,276	\$ 10,038	\$ 8,772,558	\$ 2,214,578	\$ 8,349,494	(\$ 1,443,502)	\$ 26,221,380	(\$ 19,064)	\$ 62,243,859
Profit for the year		-	-	-	-	-	-	-	-	3,404,981	-	-	-	3,404,981
Other comprehensive income (loss)	6(16)	-	-	-	-	-	-	-	-	39,695	637,597	(8,911,141)	-	(8,233,849)
Total comprehensive income (loss)		-	-	-	-	-	-	-	-	3,444,676	637,597	(8,911,141)	-	(4,828,868)
Appropriations of 2021 earnings:														
Legal reserve		-	-	-	-	-	-	201,758	-	(201,758)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	-	(1,684,665)	-	-	-	(1,684,665)
Paid expired cash dividends transferred to capital surplus		-	-	-	-	-	(21)	-	-	-	-	-	-	(21)
Adjustment of cash dividends paid to consolidated subsidiaries acquired		-	2,193	-	-	-	-	-	-	-	-	-	-	2,193
Expired cash dividends transferred to capital surplus		-	-	-	-	-	3,537	-	-	-	-	-	-	3,537
Change in the net interest of associates recognized using the equity method		-	-	-	-	31,180	-	-	-	(207)	-	207	-	31,180
Disposal of equity instruments at fair value		-	-	-	-	-	-	-	-	502	-	(502)	-	-
Balance at December 31, 2022		\$ 16,846,646	\$ 40,966	\$ 1,650	\$ 2,032	\$ 1,280,456	\$ 13,554	\$ 8,974,316	\$ 2,214,578	\$ 9,908,042	(\$ 805,905)	\$ 17,309,944	(\$ 19,064)	\$ 55,767,215
Year ended December 31, 2023														
Balance at January 1, 2023		\$ 16,846,646	\$ 40,966	\$ 1,650	\$ 2,032	\$ 1,280,456	\$ 13,554	\$ 8,974,316	\$ 2,214,578	\$ 9,908,042	(\$ 805,905)	\$ 17,309,944	(\$ 19,064)	\$ 55,767,215
Profit for the year		-	-	-	-	-	-	-	-	444,554	-	-	-	444,554
Other comprehensive income (loss)	6(16)	-	-	-	-	-	-	-	-	277,277	(107,315)	495,767	-	665,729
Total comprehensive income (loss)		-	-	-	-	-	-	-	-	721,831	(107,315)	495,767	-	1,110,283
Appropriations of 2022 earnings:														
Legal reserve		-	-	-	-	-	-	344,497	-	(344,497)	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	-	(2,526,997)	-	-	-	(2,526,997)
Adjustment of cash dividends paid to consolidated subsidiaries acquired		-	3,290	-	-	-	-	-	-	-	-	-	-	3,290
Paid expired cash dividends transferred to capital surplus		-	-	-	-	-	(383)	-	-	-	-	-	-	(383)
Expired cash dividends transferred to capital surplus		-	-	-	-	-	4,004	-	-	-	-	-	-	4,004
Change in the net interest of associates recognized using the equity method		-	-	-	-	(5,440)	-	-	-	(2,364)	-	2,364	-	(5,440)
Balance at December 31, 2023		\$ 16,846,646	\$ 44,256	\$ 1,650	\$ 2,032	\$ 1,275,016	\$ 17,175	\$ 9,318,813	\$ 2,214,578	\$ 7,756,015	(\$ 913,220)	\$ 17,808,075	(\$ 19,064)	\$ 54,351,972

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 550,957	\$ 3,706,214
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(9)(24)	1,376,878	1,378,658
Impairment gain and reversal of impairment loss	12(2)	(19,927)	-
Interest expense	6(8)(26)	348,880	221,691
Interest income	6(21)	(161,348)	(55,498)
Dividend income	6(22)	(456,688)	(1,509,242)
(Gain) loss on valuation of financial liabilities	6(12)(23)	(2,347)	2,826
Share of loss (profit) of associates and joint ventures accounted for using the equity method	6(6)	131,020	(632,193)
Gain on disposal of investments	6(23)	-	(6,196)
(Gain) loss on disposal and scrap of property, plant and equipment	6(23)	(5,231)	9,555
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		15,425	(14,593)
Notes receivable - related parties		2,217	358
Accounts receivable, net		658,747	871,069
Accounts receivable - related parties		51,718	(10,744)
Other receivables		90,385	(104,055)
Inventory		1,660,303	(1,594,865)
Prepayments	(	78,185)	156,169
Other current assets	(	1,553)	(40,933)
Changes in operating liabilities			
Notes payable	(	37,193)	(60,643)
Notes payable - related parties	(	64,226)	(155,177)
Accounts payable	(	210,957)	(192,829)
Accounts payable - related parties	(	230,786)	103,701
Other payables	(	96,239)	11,650
Other current liabilities	(	17,892)	(109,299)
Other non-current liabilities		93,632	(41,032)
Cash inflow generated from operations		3,597,590	1,934,592
Interest received		159,743	49,720
Cash dividends received		1,052,241	2,070,077
Interest paid	(	333,896)	(201,380)
Income tax paid	(	382,972)	(228,931)
Net cash flows from operating activities		4,092,706	3,624,078

(Continued)

FORMOSA TAFFETA CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost		(\$ 693,108)	(\$ 94,305)
Return of capital upon dissolution of financial assets at fair value through other comprehensive income		-	502
Acquisition of investment accounted for using the equity method		-	(523)
Proceeds from disposal of subsidiary		-	27,857
Acquisition of property, plant and equipment	6(29)	(687,417)	(852,287)
Disposal of property, plant and equipment		24,132	12,263
(Decrease) increase in other non-current assets		(3,392)	24,868
Guarantee deposits (received) paid		(4,279)	389
Net cash flows used in investing activities		(1,364,064)	(881,236)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(30)	(783,994)	(132,139)
(Decrease) increase in short-term notes and bills payable	6(30)	(1,299,227)	999,286
Increase in long-term borrowings		15,800,000	14,500,000
Payment of long-term borrowings		(15,000,000)	(14,600,000)
Payment of lease principal		(162,797)	(156,771)
Cash dividends paid		(2,470,288)	(1,645,984)
Net cash flows used in financing activities		(3,916,306)	(1,035,608)
Effect of foreign exchange rate		(48,979)	66,094
Net (decrease) increase in cash and cash equivalents		(1,236,643)	1,773,328
Cash and cash equivalents at beginning of year	6(1)	5,477,800	3,704,472
Cash and cash equivalents at end of year	6(1)	\$ 4,241,157	\$ 5,477,800

The accompanying notes are an integral part of these consolidated financial statements.

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 486,507	\$ 3,643,302
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation (including depreciation on investment property)	6(6)(7)(21)	797,060	807,510
Expected credit gain	12(2)	(10,751)	-
Interest expense	6(23)	199,493	123,143
Interest income	6(18)	(131,265)	(44,300)
Dividend income	6(19)	(456,688)	(1,509,242)
(Gain) loss on valuation of financial liabilities	6(20)	(2,347)	2,826
Share of loss (profit) of associates and joint ventures accounted for using the equity method	6(5)	85,013	(924,432)
Gain on disposal and scrap of property, plant and equipment	6(20)	(13,759)	(6,460)
Realized gain on disposal and scrap of property, plant and equipment, net	6(20)	-	(1,572)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		15,425	(14,593)
Notes receivable - related parties		2,217	359
Accounts receivable, net		500,299	421,921
Accounts receivable - related parties		52,425	(8,673)
Other receivables		61,113	(40,525)
Inventories		810,619	(1,374,574)
Prepayments		(3,841)	112,632
Other current assets		(838)	(35,387)
Changes in operating liabilities			
Notes payable		(11,943)	(3,292)
Notes payable to related parties		(63,585)	(132,238)
Accounts payable		(155,474)	(96,570)
Accounts payable to related parties		(272,304)	301,549
Other payables		(59,345)	(2,171)
Other current liabilities		21,352	31,491
Other non-current liabilities		78,494	(43,306)
Cash inflow generated from operations		1,927,877	1,207,398
Interest received		129,336	50,170
Dividends received		1,057,996	2,068,840
Interest paid		(194,075)	(112,449)
Income tax paid		(301,890)	(143,638)
Net cash flows from operating activities		2,619,244	3,070,321

(Continued)

FORMOSA TAFFETA CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Return of capital upon dissolution of financial assets at fair value through other comprehensive income		\$ -	\$ 502
Acquisition of investment accounted for using the equity method		-	(216,504)
Acquisition of property, plant and equipment	6(26)	(486,895)	(424,858)
Proceeds from disposal of property, plant and equipment		23,693	11,280
Decrease (increase) in other non-current assets		2,616	(5,131)
Net cash flows used in investing activities		(460,586)	(634,711)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(27)	(14,035)	(17,201)
(Decrease) increase in short-term notes and bills payable	6(27)	(1,299,227)	999,286
Payment of lease principal		(158,758)	(152,733)
Increase in long-term borrowings	6(27)	15,800,000	14,500,000
Payment of long-term borrowings	6(27)	(15,000,000)	(14,600,000)
Payment of cash dividends		(2,470,288)	(1,645,963)
Net cash flows used in financing activities		(3,142,308)	(916,611)
Net (decrease) increase in cash and cash equivalents		(983,650)	1,518,999
Cash and cash equivalents at beginning of year	6(1)	4,135,598	2,616,599
Cash and cash equivalents at end of year	6(1)	<u>\$ 3,151,948</u>	<u>\$ 4,135,598</u>

The accompanying notes are an integral part of these parent company only financial statements.

FORMOSA TAFFETA CO., LTD
Earnings Distribution Proposal
For the year of 2023

Unit : NT\$

Items	Amount	Items	Amount	Explanation
Available for Distribution:		Distribution Items:		
(1) Unappropriated retained earnings of previous years	7,036,548,163	(1) Appropriation of legal reserve	71,946,671	1. The Company's registered capital is \$16,846,646,370, and shares for distribution are 1,684,664,637.
(2) Net profit after tax of current year	444,554,492	(2) Distribution of dividends and bonus in cash (\$0.26 per share)	438,012,806	2. Pursuant to Article 31 of Articles of Incorporation of the Company, the distribution of cash dividends is authorized to the Board of Directors to resolve and report to the shareholders' meeting.
Plus: Other comprehensive income reclassified to unappropriated retained earnings of current year	277,276,746	(3) Unappropriated retained earnings carried forward to next year	7,246,055,392	3. The Company plans to distribute dividends of NT\$0.26 per share for the current year; all of which are cash dividends.
Minus: Other Adjustments	-2,364,532			4. All distributed dividends and bonus are from net profit after tax of 2023.
				5. While the amount of distributed cash dividends to each individual shareholder is less than 1 dollar, it will be rounded to the nearest dollar.
				6. Other comprehensive income reclassified to unappropriated retained earnings of current year, which are adjustment for actuarial pension valuation and disposal of financial assets at fair value through other comprehensive income.
				7. Adjustments for adjusting unappropriated retained earnings according to IAS is the change of share under equity method.
Total	7,756,014,869	Total	7,756,014,869	

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Formosa Taffeta Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Formosa Taffeta Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Valuation of allowance for uncollectible accounts

Description

Refer to Note 4(12) for accounting policy on financial assets impairment, Note 5(1) for accounting estimates and assumption uncertainty in relation to accounts receivable, and Note 6(4) for details of allowance for uncollectible accounts. As of December 31, 2023, the Group's accounts receivable and allowance for uncollectible accounts amounted to NT\$2,052,898 thousand and NT\$43,494 thousand, respectively.

The Group assesses the collectability of accounts receivable based on historical experience, known reason or existing objective evidence. For those accounts which are considered uncollectible, the Group recognizes impairment with a credit to accounts receivable. The Group examines the reasonableness periodically. As the estimation of allowance for uncollectible accounts is subject to management's judgement, and given the significance of accounts receivable and allowance for uncollectible accounts to the financial statements, we considered the valuation of allowance for uncollectible accounts a key audit matter.

How our audit addressed the matter

Our procedures in relation to management's assessment of the allowance for uncollectible accounts included:

- A. Evaluating the reasonableness of the estimates used by management to estimate the expected credit losses of accounts receivable and obtaining relevant supporting documents, including: forward looking adjustments, accounting disputes, overdue status, post-account collections and indications that show that the customer cannot repay the loan as scheduled;

- B. Assessing the adequacy of allowance for uncollectible accounts estimated by management to confirm whether the provision policy on allowance for uncollectible accounts has been consistently applied in the comparative periods of financial statements and testing the related assessment to confirm the accuracy of ageing analysis of accounts receivable; and
- C. Testing collections after the balance sheet date to check the adequacy of allowance for uncollectible accounts.

Valuation of inventory

Description

Refer to Note 4(14) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for description of allowance for inventory valuation losses. As of December 31, 2023, the Group's inventory and allowance for market value decline and obsolete and slow-moving inventories amounted to NT\$8,682,299 thousand and NT\$824,477 thousand, respectively

The Group is primarily engaged in fiber dyeing and finishing, manufacturing and sales of curtains. As the textile manufacturing market is competitive, there is higher risk of incurring loss on inventory valuation. The Group recognizes inventories at the lower of cost and net realizable value, and the net realizable value is calculated based on the average price less estimated selling expenses. Since the calculation of net realizable value involves subjective judgement and uncertainty and the inventory is material to the financial statements, we considered the valuation of inventory a key audit matter.

How our audit addressed the matter

Our procedures in relation to management's assessment of the allowance for inventory valuation losses included:

- A. Assessing the reasonableness of policies and procedures on allowance for inventory valuation loss, including the reasonableness of classification of inventory in determining the net realizable value;

- B. Understanding the inventory management procedures, examining and participating in annual physical count and assessing the effectiveness of inventory management and inventory classification determined by management; and
- C. Checking the method in calculating the net realizable value of inventory and assessing the reasonableness of allowance for valuation loss.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method, which statements reflect total assets (including investments accounted for using the equity method) of NT\$10,739,174 thousand and NT\$12,023,782 thousand, constituting 15% and 16% of consolidated total assets as of December 31, 2023 and 2022, respectively, and operating income of NT\$4,689,027 thousand and NT\$5,964,462 thousand, constituting 16% and 17% of consolidated total operating income for the years then ended, respectively, and comprehensive loss were (NT\$133,977) thousand and (NT\$33,760) thousand, constituting (12%) and 1% of total comprehensive (loss) income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Formosa Taffeta Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the financial statements.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are

free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the

current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Juanlu, Man-Yu

Wu, Han-Chi

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Formosa Taffeta Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Formosa Taffeta Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies. In our opinion, based on our audits and the reports of other independent auditors (refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the

Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Valuation of allowance for uncollectible accounts

Description

Refer to Note 4(10) for accounting policy on financial assets impairment, Note 5(1) for accounting estimates and assumption uncertainty in relation to accounts receivable, and Note 6(3) for details of allowance for uncollectible accounts. As of December 31, 2023, the Company's accounts receivable amounted to NT\$1,158,182 thousand, net of allowance for bad debts amounting to NT\$20,927 thousand.

The Company assesses the collectibility of accounts receivable based on historical experience, known reason or existing objective evidence. For those accounts which are considered uncollectible, the Company recognizes impairment with a credit to accounts receivable. The Company examines the reasonableness periodically. As the estimation of allowance for uncollectible accounts is subject to management's judgement, and given the significance of accounts receivable and allowance for uncollectible accounts to the financial statements, we considered the valuation of allowance for uncollectible accounts a key audit matter.

How our audit addressed the matter

Our procedures in relation to management's assessment of the allowance for uncollectible accounts included:

- A. Evaluating the reasonableness of the estimates used by management to estimate the expected credit losses of accounts receivable and obtaining relevant supporting documents, including: forward looking adjustments, accounting disputes, overdue status, post-account collections and indications that show that the customer cannot repay the loan as scheduled;
- B. Assessing the adequacy of allowance for uncollectible accounts estimated by management to confirm whether the provision policy on allowance for uncollectible accounts has been consistently applied in the comparative periods of financial statements and testing the related assessment to confirm the accuracy of ageing analysis of accounts receivable; and

- C. Testing collections after the balance sheet date to check the adequacy of allowance for uncollectible accounts.

Valuation of inventory

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for description of allowance for inventory valuation losses. As of December 31, 2023, the Company's inventory and allowance for market value decline and obsolete and slow-moving inventories amounted to NT\$5,528,308 thousand and NT\$572,261 thousand, respectively.

The Company is primarily engaged in fiber dyeing and finishing, manufacturing and sales of curtains. As the textile manufacturing market is competitive, there is higher risk of incurring loss on inventory valuation. The Company recognizes inventories at the lower of cost and net realizable value, and the net realizable value is calculated based on the average price less estimated selling expenses. Since the calculation of net realizable value involves subjective judgement and uncertainty and the inventory is material to the financial statements, we considered the valuation of inventory a key audit matter.

How our audit addressed the matter

Our procedures in relation to management's assessment of the allowance for inventory valuation losses included:

- A. Assessing the reasonableness of policies and procedures on allowance for inventory

valuation loss, including the reasonableness of classification of inventory in determining the net realizable value;

- B. Understanding the inventory management procedures, examining and participating in annual physical count and assessing the effectiveness of inventory management and inventory classification determined by management; and
- C. Checking the method in calculating the net realizable value of inventory and assessing the reasonableness of allowance for valuation loss.

Other matter - audits of the other independent auditors

We did not audit the financial statements of certain investments accounted for under the equity method. The balance of these investments accounted for under the equity method amounted to NT\$7,920,382 thousand and NT\$8,486,274 thousand, both constituting 12% of total assets as of December 31, 2023 and 2022, respectively, and comprehensive income was (NT\$239,972) thousand and NT\$14,907 thousand, constituting (22%) and (1%) of total comprehensive (loss) income for the years then ended, respectively. The financial statements of these investees were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to these investees is based solely on the audit reports of the other independent auditors.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error. In preparing the parent company only financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance, including members of the Audit Committee, are responsible for overseeing the Company’s financial reporting process.

Auditors’ responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Juanlu, Man-Yu

Wu, Han-Chi

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 8, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Articles of Incorporation of Formosa Taffeta Co., Ltd.

Amended by the Annual Shareholders' Meeting on June 16, 2023

Chapter 1 General Provisions

Article 1: The Company shall be incorporated as a company limited by shares under the Company Act and its name is “Formosa Taffeta Co., Ltd.”.

Article 2: The scope of business of the Company shall be as follows:

1. Production and selling of nylon taffeta and polyester fabric
2. Production and selling of umbrella ribs and tire cord fabric
3. Processing and selling of high polymer production and so on
4. Processing and selling of cotton yarn, artificial cotton yarn, synthetic fiber yarn, mixed yarn, woven cloth, commodities after dyeing and finishing, garments, bed sheets, bedspread and the like
5. Production and selling of articles of protective fabric, including (1) bulletproof vest/jacket/helmet/shield/mask, durable cloth, commodities made of composite materials (sports equipment, finishing tackle); (2) industrial coveralls, like fabric that is acid/alkali/fire/heat resistant, and commodities processed with aforementioned fabric, like fire-fighting coat, boiler suit, chemical industrial coveralls; (3) cleanroom articles (sterile gown, operating suit, medical covering cloth, antistatic clothes, etc.) and clean suits
6. Designing, manufacturing and selling of IT related software, hardware and components
7. Operation of the sight-seeing /recreation areas, children's amusement park, parks, camping sites, swimming pools, skating rink, zoo and comprehensive athletic field and rental business of equipment of aquatics and yachts

8. Operation of hotels and affiliated restaurants
9. Buying and selling of native producer, crafts, groceries, articles and apparel
10. Acting as an agent and a producer of various domestic and foreign culture & art performances
11. Gas stations to sell gasoline, diesel kerosene, and small packages of petroleum commodities; selling of goods of automobiles/motorcycles, services of lubrication, simple repair & maintenance, car washing, periodic outsourced automobile inspections, setup of vending machines, and operations of convenient stores and parking lots
12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3: The Company has its head office in Yunlin County and shall, as necessary, establish its subsidiaries upon the resolutions of the Board of Directors.

Article 4: Public announcements of the Company shall be published in accordance with Article 28 of the Company Act.

The total investment amount of the Company may exceed forty percent of the paid-in capital. The Company may provide guarantees for related parties.

Chapter 2 Shares

Article 5: The total capital of the Company shall be in the amount of 16,846,646,370 New Taiwan Dollars, divided into 1,684,664,637 shares, at a par value of 10 New Taiwan Dollars per share, issued in full.

Article 6: The Company may be exempted from printing any share certificates in accordance with relevant regulations. However, those shares shall be registered in a centralized securities depository enterprise.

Article 7: The shareholders shall submit their seal specimen to the Company for record. Afterward, the shareholders shall receive the dividend or exercise their rights in writing against the specimen kept by the Company. In the event that the seal specimen is lost or stolen, the shareholders shall fill out the application of lost seal with detailed share certificate numbers and shares and submit the same along with identity documents and copies, new seal specimen and share certificates to the Company for registration. The new seal card will be replaced upon approval and will be effective on the next day of completed registration. When preceding replacement of seal specimen is entrusted to others or managed by communication, the individual shareholder shall also have the seal certificate issued by the Householder Registration Office enclosed; while the application shall be enclosed by the corporate shareholders.

Article 8: (deleted)

Article 9: (deleted)

Article 10: (deleted)

Article 11: No transfer of share certificates shall be permitted within 60 days prior to regular shareholders' meeting, 30 days prior to a special shareholders' meeting, or within 5 days prior to the record day on which a dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

Article 12: The Company holds two types of shareholders' meetings. Regular meetings shall be convened by the Board of Directors within 6 months after the close of each fiscal year, and notices of those meetings shall be given to shareholders 30 days in advance. Special meetings shall be convened pursuant to Company Act as necessary, and notices of those meetings shall be given to shareholders 15 days in advance.

The meeting notice and public announcement of those meetings shall specify reasons for convening a meeting; they can be given in electronic form with the consent of the addressee

Article 13: If a shareholder is unable to attend a meeting, the shareholder may, in accordance with the Article 177 of the Company Act, show the proxy and appoint a representative to attend it.

Article 14: The chairman of the board of directors shall preside over the shareholders' meetings; in the Chairman's absence, the Chairman shall designate one director to act on his behalf. If no such designation is made by the chairperson, the directors shall select one person from among themselves to serve as chair.

Article 15: Each share of stock owned by shareholders shall be entitled for one vote, except for those shares without voting rights as set forth in Article 179, paragraph 2 of the Company Act.

Article 16: Resolution passed by shareholders, such shareholders holding not less than half of the Shares held by all Shareholders attending that meeting, and such meeting attended by Shareholders holding not less than half of all issued Shares of the Company.

Article 17: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting. Minutes shall include a summary of the essential points of the proceedings and the results of the meeting and be signed by or sealed with the chop of the chairman of the meeting and delivered to each shareholder within 20 days after that meeting. The electronic method may be adopted for the production and delivery of such minutes. Such minutes, together with the attendance list and proxies, shall be filed in the Company. The distribution of preceding meeting minutes may be replaced with the announcement made on the MOPS.

Chapter 4 Directors

Article 18: 9~11 directors shall be elected for the Company at the shareholders' meeting from the nominees listed in the roster of candidates under the candidate nomination system. Their terms of office shall be three years; they shall be eligible for re-election.

The Company shall have at least three independent directors among the directors above. The matters regarding method of nomination and other matters shall be conducted in accordance with the Company Act and related regulations of competent authority for securities.

The Company shall have the Audit Committee organized by all independent directors in accordance with Article 14-4 of the Securities Exchange Act. For matters regarding the competence and related events, the Company shall follow the Securities Exchange Act and other relevant laws and regulations.

The Board of Directors is authorized to determine the compensation of directors according to their degree of participation and contribution with normal standard in the same industry.

The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship.

Article 19: When the number of Directors falls short by one-third of the total number of Directors elected, the Company shall convene a meeting for election of Directors immediately. In respect of a Director who is elected to fill a vacancy, the term of office of such Director shall not exceed the term that remained when the person who has ceased to be a Director ceased to hold.

Article 20: In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of

out-going directors shall be extended until the time new directors have been elected and assumed their office.

Article 21: The Board shall be formed pursuant to a resolution adopted by a majority vote of a meeting of the board of directors attended by over two-thirds or more of all the directors. The directors shall elect among them one Chairman, and may elect a vice chairman of the board. The Chairman represents the Company externally.

Article 22: The Company operational guidelines and other important issues shall be resolved to in the meeting of the board of directors. The first meeting of each term of the board of directors shall be convened by the director; the Chairman shall convey and preside the remaining meetings. In case the chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the way of how to designate a representative to act in his/her behalf shall conform to Article 208 of Company Act.

The Board of the Directors may authorize the Chairman to exercise functions of the Board during the adjourned period.

Except for the material interest or related parties transactions involved to be resolved by the Board of Directors pursuant to the laws of related articles, the content of authorization is as follows:

1. Approve all important contracts.
2. Approve the mortgage loan of real estate and other loans.
3. Approve acquisition or disposal of the general assets and real estate.
4. Assign the directors and supervisors of the investee.
5. Approve the record date of capital increment or reduction and divided distribution.

Article 23: The resolutions of the Board of Directors of the Company shall be adopted by a majority vote of the shareholders' present, who

represent more than one-half of the total number of voting shares. If any Director of the Board of the Company cannot attend the meeting for any cause, he/she may issue a written proxy, stating the scope of the authorized power, to other directors for attending the meeting. However, a director may accept the appointment to act as the proxy with extinct extent of authorization of one other director only. In case a meeting of the Board of Directors is proceeded via visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.

In calling a meeting of the Board of Directors, the notice with reasons specified shall be given to all directors within 7 days in advance. However, the meeting may be convened anytime for emergency events. The notice of the meeting of the Board of Directors may be made in writing, email or facsimile.

Article 24: Minutes shall be taken of the proceedings of the meeting of the board of directors. Minutes shall record the date, the place of the meeting, the name of the chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and results of the meeting, and be signed by or sealed with the chop of the chairman of the meeting and delivered to each shareholder within 20 days after that meeting. Minutes, together with the attendance list and proxies, shall be filed in the Company.

Article 25: (deleted)

Chapter 5 Managers

Article 26: The Company may have one or more managerial personnel; appointment and discharge and the remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act.

Article 27: (deleted)

Article 28: (deleted)

Article 29: The fiscal year of the Company shall be from January 1 to December 31 every year. After the close of each fiscal year, the Board of Directors shall prepare following statements and records and submit the same to the general meeting of shareholders for ratification:

1. The business report;
2. The financial statements; and
3. The surplus earning distribution or loss off-setting proposals.

Chapter 6 Accounting

Article 30: When allocating the net profits for each fiscal year, the Company shall set aside 0.05% to 0.5% of the balance of pre-tax profit prior to deducting employees' and directors' compensation as employees' compensation and 0.5% of that at most as directors' compensation. However, the Company's accumulated losses shall have been covered.

The resolution of employees' and directors' compensation shall conform to Article 235-1 of the Company Act.

Article 31: Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulated earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the

shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting.

Preceding special earning reserves include:

1. The earning reserved recognized for special purpose
2. Investment income recognized under the equity method
3. 3The net assessment income recognized due to financial product transactions, however, when the accumulated amount is reduced, the equal amount of special earning reserve shall be reduced simultaneously and up to the reserved number.
4. Other special earning reserve pursuant to laws and regulations

The Company is in matured phase of business cycle with stable profit every year. The dividend policies adopt the combination of cash dividend, capital increment by earning and by capital reserve. At least 50% of distributable earning deducted by the legal and special reserve shall be distributed, and the cash dividend shall be prioritized. Meanwhile, the percentage of capital increment by earning and capital reserve shall not exceed 50% of all dividend in that year.

Chapter 7 Additional provision

Article 32: Organizational regulations and rules of the Company are stipulated by the Board of Directors.

Article 33: Matters not provided for in these Articles of Incorporation shall be governed by the Company Act and other relevant laws.

Article 34: The employee welfare committee may spend no more than 10% of the employee welfare fund of that fiscal year on purchase of the Company's odd lots and government bonds if the fund is more than the budget for employee welfare.

Article 35: These Articles of Incorporation were adopted on March 16, 1973. The 1st Amendment was on April 7, 1973; 2nd Amendment on June 10, 1973; 3rd Amendment on March 11, 1974; 4th Amendment on

Dec. 20, 1974; 5th Amendment on May 31, 1975; 6th Amendment on March 31, 1976; 7th Amendment on June 28, 1977; 8th Amendment on April 3, 1978; 9th Amendment on Dec. 14, 1978; 10th Amendment on March 20, 1979; 11th Amendment on Nov. 19, 1979; 12th Amendment on March 18, 1980; 13th Amendment on Feb. 28, 1981; 14th Amendment on Sep. 10, 1981; 15th Amendment on Feb. 26, 1982; 16th Amendment on Feb. 26, 1983; 17th Amendment on Feb. 14, 1984; 18th Amendment on March 15, 1985; 19th Amendment on April 30, 1986; 20th Amendment on April 28, 1987; 21st Amendment on May 3, 1988; 22nd Amendment on May 3, 1989; 23rd Amendment on May 4, 1990; 24th Amendment on May 2, 1991; 25th Amendment on May 4, 1992; 26th Amendment on May 7, 1993; 27th Amendment on April 28, 1994; 28th Amendment on May 10, 1995; 29th Amendment on May 13, 1996; 30th Amendment on May 13, 1997; 31st Amendment on May 15, 1998; 32nd Amendment on June 3 1999; 33rd Amendment on June 2, 2000; 34th Amendment on May 24, 2001; 35th Amendment on June 14, 2002; 36th Amendment on June 13, 2003; 37th Amendment on June 11, 2004; 38th Amendment on June 17, 2005; 39th Amendment on June 29, 2006; 40th Amendment on June 28, 2007; 41st Amendment on June 27, 2008; 42nd Amendment on June 26, 2009; 43rd Amendment on June 29, 2010; 44th Amendment on June 26, 2012; 45th Amendment on June 27, 2013; 46th Amendment on June 24, 2016; 47th Amendment on June 24, 2022, the articles in related with addition of Audit Committee and deletion of Supervisors will be applied upon the expiry of the term of office of Supervisors selected in the shareholders' meeting on June 26, 2014, 48th amendment is added to the existing Article on June 16, 2023.

Rules of Procedure for Shareholders' Meetings of Formosa Taffeta Co., Ltd.

Amended by the Annual Shareholders' Meeting on July 30, 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 the Corporate Governance Best Practice Principles for Taiwan Stock Exchange Corp ("TWSE")/Taipei Exchange ("TPEX") 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.

A notice to convene an annual shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date; while a notice may be given to registered shareholders who own less than 1,000 shares of nominal stocks no later than 30 days prior to the scheduled meeting date in the form of a public announcement on the Market Observation Post System (MOPS) of the TWSE. A notice to convene a special shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. A public notice may be given to registered shareholders who own less than 1,000 shares of nominal stocks no later than 15 days prior to the scheduled meeting date in the form of a public announcement on the MOPS of the TWSE.

To convene a shareholders' meeting, the Company shall prepare a meeting handbook. The Company shall prepare electronic versions of a shareholders' meeting notice and proxy forms, and causes 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 MOPS no later than 30 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. The Company shall prepare electronic versions of a shareholders' meeting handbook and supplemental meeting materials and upload them to the MOPS no later than 21 days prior to the scheduled Annual Shareholders' Meeting date or no later than 15 days prior to the scheduled Special Shareholders' Meeting date. In addition, the Company shall also have prepared a shareholders' meeting handbook and supplemental meeting materials and made them available for review by shareholders at any time no later than 15 days prior to the scheduled Shareholders' Meeting date. The Meeting Agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent engaged by the Company as well as being distributed on-site at the meeting place.

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.

Election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application to be delisted from public offering, lifting of non-competition restriction of directors, capital increase by retained earnings, capital increase by capital reserve, dissolution, merger, or demerger of the corporation, or any matter under Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extraordinary motion.

Where the meeting agenda has specified general re-elections of the directors and the terms of the directors' office, the terms of office of the directors shall not be altered by raising an extraordinary

motion or any other method upon the completion of the general elections at the shareholders' meeting.

A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a proposal for discussion at an annual shareholders' meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the Meeting Agenda. In addition, when the circumstances of any subparagraph of paragraph 4 of Article 172-1 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, and the providing procedure shall be in accordance with Article 172-1 of the Company Act.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce that it will receive shareholder proposals, the method of receiving such proposals (whether written or in electronic form), and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

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

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the Shareholders' Meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

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 power authorized to the proxy.

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 no later than 5 days prior to the Shareholders' Meeting date. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to revoke the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights in writing or by way of electronic transmission, a written notice of proxy rescission shall be submitted to the Company no later than 2 days prior to the meeting date. If the rescission 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.

Article 6: The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations 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.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

Shareholders and their proxies (collectively, "shareholders") shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company shall not

impose arbitrary requirements on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Solicitors soliciting proxy forms shall also bring identification documents for verification.

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 Chairman. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Managing Director to act as chair, or, if there are no Managing Directors, one of the Directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the Managing Directors or the Directors shall select from among themselves one person to serve as chair. When a Managing Director or a Director serves as chair, as referred to in the preceding paragraph, the Managing Director or Director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman, and the Chairman who chairs the way can appoint the Vice Chairman, Managing Director or Director of familiar company's business to direct the proceeding agenda of shareholders' meeting, that a majority of the Directors attend in person, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the Shareholders Meeting minutes. If a shareholders' meeting is convened by a party having the convening right 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, 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 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 9: Quorum at shareholders' meetings shall be calculated based on numbers of shares. The quorum shall be calculated according to the shares indicated by the sign-in cards handed in plus the number of shares whose voting rights are exercised in writing or by way of electronic transmission.

The Chair shall call the meeting to order at the appointed meeting time and meanwhile shall announce the related information about the total number of shares held by shareholders having no voting right and the total number of shares represented by the shareholders present at the meeting. 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 1 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.

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 paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the

tentative resolution and another shareholders' meeting shall be convened within 1 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 a shareholders' meeting is convened by the Board of Director, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extraordinary motions and amendment to original proposals) shall be decided by voting on a case-by-case basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party having the convening right that is not the Board of Directors.

The Chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the Chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by a majority of the votes represented by the attending shareholders, and then continue 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 and shall also arrange ample time for a vote.

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 on 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.

In case a director of the Company has created a pledge on the Company's shares more than half of the Company's shares being held by him/her/it at the time he/she/it is elected, the voting power of the excessive portion of shares shall not be exercised.

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

With the exception of a trust enterprise or a stock agency approved

by the competent authority for securities, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of voting shares, otherwise, the portion of excessive voting rights shall not be counted.

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 paragraph 2 of Article 179 of the Company Act.

When the Company convenes a shareholders' meeting, shareholders shall exercise their voting rights by electronic means and may exercise their voting rights in writing. When voting rights are exercised in writing or by way of electronic transmission, the method for exercising the voting rights shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights in writing or by way of electronic transmission 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.

A shareholder intending to exercise voting rights in writing or by way of electronic transmission under the preceding paragraph shall deliver a written declaration of intent to the Company no later than 2 days prior to the scheduled shareholders' meeting date. When duplicate declarations of intent are delivered, the one received earliest by the Company shall prevail, except when a declaration is made to revoke the earlier declaration of intention.

After a shareholder has exercised voting rights in writing or by way of electronic transmission, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to rescind 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, no later than 2 days prior to the scheduled shareholders' meeting date. If the notice of rescission is submitted after that time, the voting rights already exercised in writing or by way of

electronic transmission shall prevail. When a shareholder has exercised voting rights both in writing or by way of electronic transmission 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 adoption of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the Chair or a person designated by the Chair shall announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

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.

In addition to the proposals on the meeting agenda, when a shareholder wishes to propose an extraordinary motion, the shareholder's voting rights shall represent at least 1% or more of the Company's total issued shares.

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: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those

elected and not elected as directors, and the numbers of votes with which they were elected and not elected.

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 1 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: 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 a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weight of the votes), and the number of weighted votes each candidate received in case of a Directors' elections, and 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. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under TWSE regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

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 venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to postpone or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: These Rules and any amendments hereto, shall be implemented after adoption by shareholders' meetings.

Formosa Taffeta Co., Ltd.
Current Shareholdings of Directors

Title	Name	Shareholding (share)
Chairman	Formosa Chemicals & Fibre Corporation Representative: Wong, Wen-Yuan	630,022,431
Director	Formosa Chemicals & Fibre Corporation Representative: Hong, Fu-Yuan	630,022,431
Director	Formosa Chemicals & Fibre Corporation Representative: Lee, Ching-Fen	630,022,431
Director	Formosa Chemicals & Fibre Corporation Representative: Lee, Ming-Chang	630,022,431
Director	Formosa Chemicals & Fibre Corporation Representative: Lee, Chien-Kuan	630,022,431
Director	Formosa Chemicals & Fibre Corporation Representative: Chen, Kun-Yuan	630,022,431
Director	Chuanghua County Shu-Wang Lai's Private Social Welfare Charity Foundation Representative: Lee, Man-Chun	4,151,942
Director	Hsieh, Ming-Der	15,548,068
Independent Director	Lin, Sheng-Chung	0
Independent Director	Kuo, Nein-Hsiung	0
Independent Director	Kuo, Chia-Chi	3,000

Note: According to Article 26 of Securities and Exchange Act, the minimum shareholdings of the Company's Directors are 40,431,952 shares. As of April 23, 2024, the actual shareholdings of the Company's Directors are 649,725,441 shares.

Information regarding the Proposed Employees' and Directors' Compensation Adopted by the Board of Directors of the Company:

1. Amounts of employees' cash compensation, stock compensation, and Directors' compensation:	
Employees' cash compensation	NT\$ 975,942
Employees' stock compensation	NT\$ 0
Directors' cash compensation	NT\$ 487,971
2. Shares of the proposed employees' stock profit sharing bonus and the percentage of the share amount to that of all stock dividend:	
Shares of employees' stock compensation	0 share
Percentage of the share amount to that of all stock dividends capitalization	0%

The above-listed amounts of employees' and directors' compensation are consistent with the proposed ones adopted by the Board of Directors of the Company.

Effect upon Business Performance and Earnings Per Share of the Company by the Stock Dividend Distribution Proposed at the 2024 Annual Shareholders' Meeting:

Not applicable since the Company does not propose the stock dividend distribution to the 2024 Annual Shareholders' Meeting and is not required to prepare its financial forecast information.