

Stock Code: 1466

# **Acelon Chemicals & Fiber Co., Ltd.**

2024 Annual General Meeting

# **Meeting Handbook**

June 21, 2024

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# Acelon Chemicals & Fiber Co., Ltd.

## Agenda for 2024 Annual General Meeting

One. Time: 09:00 am, June 21, 2024 (Friday)

Two. Venue: Friendship Hall at Puyan factory (No. 94, Fanjin Road, Puyan Township, Changhua County)

Three. Meeting method: Physical venue

Four. Chairperson's opening speech

Five. Matters to be reported:

Motion 1: The 2023 business report.

Motion 2: Audit Committee's review of the 2023 year-end report.

Six. Ratification topics:

Motion 1: Present the 2023 year-end report for ratification. (Proposed by the board of directors)

Motion 2: Present the proposal to make up for 2023 losses for ratification. (Proposed by the board of directors)

Seven. Election:

Motion 1: Propose to elect the 13th session of directors. (Proposed by the board of directors)

Eight. Other proposals:

Motion 1: Lift the restrictions on the non-compete clause of newly elected directors. (Proposed by the board of directors)

Nine. Extraordinary motions

Ten. Adjournment of meeting

## One. Matters to be reported:

### I. Summary:2023 business report.

- Description: (I) The Company's 2023 consolidated operating revenue was NT\$2,453,671 thousand (reporting currency), a decrease of NT\$331,755 thousand from NT\$2,785,426 thousand in 2022. The 2023 net loss after tax attributable to the owners of the parent was NT\$151,349 thousand, a decrease of NT\$84,605 thousand from the 2022 net income after tax attributable to the owners of the parent at NT\$66,744 thousand.
- (II) For the 2023 business report, please refer to Attachment 1.  
(Please refer to pp. 6-9 of the handbook)
- (III) Please kindly find the attached report for your reference.

### II. Summary:Audit Committee's review of the 2023 year-end report.

- Description: (I) The 2023 year-end report has been reviewed by the Audit Committee, and the Audit Committee's audit report has been issued. Please refer to Attachment 2.  
(Please refer to p. 9 of the handbook)
- (II) Please kindly find the attached report for your reference.

## Two. Ratification topics:

### I. Summary: Present the 2023 year-end report for ratification. (Proposed by the board of directors)

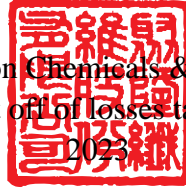
- Description: (I) The Company's parent-only financial report and consolidated financial report for 2023 have been audited by CPA Ching-Yi Chen and CPA Yong-Ren Tsao of EnWise CPAs & Co. We hereby attach the parent-only financial statements and consolidated financial statements together with the business report, and submit them to the Audit Committee for review. For the final record, please refer to Attachment 1 and 3.  
(Please refer to pp. 6-9 and pp. 11-31 of the handbook)
- (II) The documents submitted require ratification.

Resolution:

### II. Summary: Present the proposal to make up for 2023 losses for ratification. (Proposed by the board of directors)

- Description: (I) After the 2023 year-end reconciliation, the Company has to make up for the tax loss of NT\$151,349 thousand. The 2023 losses is shown as follows:

Acelon Chemicals & Fiber  
Set off of losses table



Unit: NT\$

Description	Amount	
Beginning undistributed earnings	(53,175,908)	
Add: Special surplus reserve for adjustment of asset revaluation surplus	27,876	Note: 1
Add: Net effect of remeasurement of defined-benefit plans	474,849	
Adjusted undistributed earnings	(52,673,183)	
Add: 2022 profit after tax (loss)	(151,349,006)	
Earnings available for distribution in the current period	(204,022,189)	
Ending undistributed earnings	(204,022,189)	

Chairman:  
Wen-Tung Chou



Managerial Officer:  
Wen-Tung Chou



Principal Accounting Officer:  
Feng-xiu Zhang



Note 1: Adjustment of asset revaluation surplus by IAS 16 for the year of 2023.

- (II) There was no profit in 2023, so no bonuses will be distributed to employees and directors, and no dividends will be issued.
- (III) The documents submitted require ratification.

Resolution:

### Three. Election:

I. Summary: Elect the 13th session of directors. (Proposed by the board of directors)

- Description: (I) The company's 12th board of directors' term will expire on August 19, 2024. In accordance with Article 12 of our company's articles of association, we hereby propose to the shareholders' meeting in 2024 to comprehensively elect eleven directors (including four independent directors).
- (II) The newly elected directors will take office after the end of the 2024 annual general meeting, and their term of office is three years, from June 21, 2024 to June 20, 2027. The term of office for the current directors shall extend until the new directors assume office.

- (III) According to Article 12 of the Company’s Articles of Incorporation, the election of independent directors has adopted the candidate nomination approach, in which shareholders make their election choices from the list of candidates. The list of candidates for the election of directors (including independent directors) has been approved by the board. The list of candidates of directors (including independent directors), please refer to Attachment 4. (Please refer to pp. 34-35 of the handbook)
- (IV) The election shall be conducted in accordance with the “Procedures for Election of Directors”.

Election results:

Four. Other proposals:

I. Summary: Propose the lifting of prohibitions on the non-compete clause of the Company’s board of directors for deliberation. (Proposed by the board of directors)

Description: (I) In accordance with Article 209 of the Company Act, a director who acts for himself or on behalf of another person within the Company’s scope of business shall explain to shareholders the essential content of the act and obtain their permission.

(II) It is proposed to request for a shareholder ratification on lifting restrictions on the non-compete clause of directors who may have invested in or operated other companies with the same or similar scopes of business as the Company, provided that they do not harm the Company’s interests. For information on independent director candidate who hold concurrent positions, please refer to the following table:

Order	Name	Concurrent Position in Other Companies
1	Honghou Investment Representative of legal person director: Wen-Tung Chou	1. Chairman: Acegreen Eco-material Technology Co., Ltd. Ace-Nature Biotechnology Co., Ltd. Ace-Profit Co., Ltd.
2	Ming-Yi Lai	1. Chairman: Ju Kang Lifestyle Business Co., Ltd. 2. Director: Acegreen Eco-material Technology Co., Ltd. Ace-Nature Biotechnology Co., Ltd. Honmyue Co., Ltd.
3	Chin Ying Fa Mechanical Industrial	1. Director: YC Inox, Co., Ltd. 2. Business Scope: International Trade
4	Shangcheng Investment Limited Company	1. Business Scope: Retail of fabrics, clothing, shoes, hats, umbrellas, and fashion accessories Wholesale of furniture, bedding, kitchenware, and installation products Retail of fabrics, clothing, shoes, hats, umbrellas, and fashion accessories Retail of furniture, bedding, kitchenware, and installation products

		Retail of daily necessities, other comprehensive retail, international trade Product design industry, fashion design industry
5	Shui-Chin Chen	1. Director: Taiwan Paiho Limited 2. Independent Director: Cheng Shin Rubber Industry Co., Ltd
6	Cheng-Pei Kuo	1. Director: Honmyue Co., Ltd.
7	Ai-hui Ke	1. Director: Zhengxing Plastic Products (Heyuan) Co., Ltd. Zhengxin Meinaiping (Heyuan) Co., Ltd. Independent Director of Gongsheng Insurance Broker (Stock) Company

(III) Submit the motion for deliberation.

Resolution:

Five. Extraordinary motions:

Six. Adjournment of meeting:



# Acelon Chemicals & Fiber

## One. 2023 business report

The Company's annual consolidated operating revenue is NT\$2,453,671 thousand, and the net loss after tax attributable to the owners' equity owners of the parent company is NT\$151,349 thousand. The following is a summary report on the operating results in 2023 and the business plan in 2024:

### I. 2023 business report

- (I) Operating results: Acelon's 2023 consolidated revenue was NT\$2,453,671 thousand, a decrease of NT\$331,755 thousand from NT\$2,785,426 thousand in 2022. The 2023 net loss after tax attributable to the owners of the parent was NT\$151,349 thousand, a decrease of NT\$84,605 thousand from the 2022 net income after tax attributable to the owners of the parent at NT\$66,744 thousand. The 2023 earnings per share after tax was NT\$(1.36).
- (II) Financial income and expenses and profitability analysis:

Items to be analyzed		Year	Financial analyses for the past five fiscal years					
			2019	2020	2021	2022	2023	
Capital structure (%)	Debt to asset ratio		54.67	53.82	52.34	54.24	58.04	
	Long-term fund to property, plant and equipment ratio		158.34	164.04	152.77	148.04	145.58	
Profitability	Return on total assets (%)		(2.20)	1.82	5.58	(1.08)	(3.37)	
	Return on equity (%)		(6.22)	2.59	10.68	(3.98)	(9.96)	
	Percentage of paid-in capital (%)	Operating income		(0.52)	1.33	21.40	(10.72)	(13.91)
		Net income before taxes		(10.29)	3.87	17.67	(5.78)	(14.65)
	Net margin (%)		(3.01)	1.54	4.99	(2.40)	(6.17)	
Earnings per share (NT\$)		(0.89)	0.38	1.60	(0.60)	(1.36)		

- (III) Research and development status: The expenses for the year is NT\$47,508 thousand, a decrease of 2.56% compared with NT\$48,756 thousand in the previous year.

### II. 2024 business plan overview

- (I) Business policy: Acelon adheres to the business philosophy of "Persistence in quality. Pursuit of excellence", and all employees continue to challenge themselves for growth amid the ever-changing business environment. We have continued to improve quality and strengthen R&D capabilities, collaborated with partners from other industries to jointly develop new products and extend product value chain, and focused on customer and sales mix to increase revenue. We have offered more specialized services and extended to industries that can create more value, so as to promote our transformation and competitive advantage to achieve sustainability goals.
- (II) Expected product and sales overview: In response to the market trend of high-mix low-volume, we retire unprofitable products, and actively improve production

technology and capacity to maintain the Company's advantages in manufacturing costs, so that the overall production and sales system can be more competitive.

- (III) R&D plan: In response to the transformation of the industry structure and the development trends of the market, the Company has been focusing on the development of functional products with existing materials and the research of new materials and new processes in recent years. These two fields are been developed in parallel in order to improve the Company's R&D capacity and competitive advantage to better prepare for the intermediate and long-term economic development.

Looking to the future, we will continue to develop products in the direction of "cycle sustainability", "innovation", and "uniqueness", creating a competitive advantage in green products to meet market demand. At the same time, we will gradually upgrade and transform through low-carbon production for upgrading and restructuring toward a smart factory, while also grasping the core strengths to enhance our overall competitiveness. We are dedicated to continuing to create the maximum value for shareholders with the goal of sustainability and mutual prosperity.

## Two. 2024 business plan overview

### I. Business guidelines

Our excellent research and development team continuously develops high value-added products, and is committed to the commercialization of new products. In terms of marketing, we develop sales channels for high value-added products, and hope to connect with brand owners to expand our business, so as to increase market share and product profitability. In terms of production management, we promote production strategies which can achieve the goal of reducing costs and improving quality, and make sustainable operations our goal.

The business policies we have set out for 2024 are listed as follows:

#### (I) Business aspect:

- (1) Develop long-term and loyal customers and improve service quality for stable business performance and co-create new business opportunities.
- (2) Develop channels of brand owners, align upstream, midstream and downstream partners, and improve differentiated product portfolios for better performance goals.
- (3) Expand sales of new products to increase profitability.
- (4) Accelerate development of latest products to be added to the product line.
- (5) Commit to the development of eco-friendly and sustainable products.

#### (II) Production and sales:

- (1) In response to the market trend of high-mix low-volume, eliminate unprofitable products and actively improve production technology and production capacity.
- (2) Products with general specifications are scheduled in plans for production to reduce the number of revisions, and those with special specifications have order volume requirements to reduce inventory.

#### (III) Production:

- (1) Improve production performance. (Including increase in AA grade rate, decrease in waste silk rate, increase in uptime)
- (2) Reduce contract manufacturing cost per unit and contract manufacturing expenses and increase production.
- (3) Improve quality and reduce customer complaints.
- (4) Consolidate and adjust production line to increase the production capacity of high-margin

- products. Increase production capacity of dyed yarn and functional products.
- (5) Continue to increase the production volume and variety of recycled products.
  - (6) The R&D Department continues to recruit new hires in response to clients' projects to improve gross profit.
  - (7) Continue to build the EMS smart factory manufacturing system and incorporate the use of APS system.

(IV) Management:

- (1) Introducing a digitalization project, including the implementation of a BI decision support system, the introduction of an E-learning digital learning system, and the phased rollout of MES manufacturing execution systems, gradually advancing towards digitalization and digital optimization goals.
- (2) Continue to use RPA (robotic process automation) tools to optimize processes and reduce routine work hours of employees in administrative units, further improving the efficiency of administrative operations.
- (3) Continuously promoting the second phase of the enterprise's organizational enhancement coaching project, focusing on comprehensive improvement from the production site to achieve organizational strengthening goals. The main activities of this phase are as follows:
  - ① Specific improvement - Apply QC story steps to implement improvement, further stabilizing quality and reducing cost.
  - ② Visual Management on the Production Site: Making management visible to all through openness and visual displays, aiming to achieve autonomous management by all staff and enhance production efficiency.

(V) Research and development:

- (1) In response to the transformation of the industry structure and the development trends of the fiber market, the Company has been focusing on the development of functional products with existing materials and the research of new materials and new processes in recent years. These two fields are being developed in parallel in order to improve the Company's R&D capacity and competitive advantage to better prepare for the intermediate and long-term economic development.
- (2) Future research development plan
  - ① Among the functional fibers of the existing materials, the high value-added products already on the market will be further promoted and improved by virtue of the brand to expand the market share. Improvements will be made to those still in the research and development process to make them enter the mass production on schedule.
  - ② Polyester can act as a good insulator. For traditional polyester fibers that are made into a fabric, the static generated by the friction of the fabric can accumulate on the surface of the clothes, which is difficult to remove. In a low temperature/low humidity environment, the accumulation of static is even more apparent, which can cause trouble to users. In some cases, it can cause harm, interfere with instruments and equipment and endanger the environment. Currently, we are moving toward the development of high-quality products, and fine denier yarn are our priority projects.
  - ③ At present, we began mass production of recycled cellulose products in 2023 and continue to expand the total product category. At the same time, we constantly develop new functional Lyocell products, such as super absorbent Lyocell (water absorption effect > 300%), in order to penetrate medical-related injuries Lyocell dressings have low elongation ( $E < 6\%$ ). Due to the low elongation of Lyocell ( $E < 6\%$ ), there will be a problem of low yield when weaving ATY or DTY at the back end, whether for ATY or

DTY. Given this, we will develop Lyocell with higher elongation ( $E > 10\%$ ) to enter the market of back-end weaving.

- ④ NMMO is currently used as a commercial solvent for dissolving cellulose, but NMMO has many drawbacks, such as the yellowish color of NMMO residue in yarn and low solid content, which makes it difficult to increase the spinning speed to reduce the cost. NMMO itself is also an unstable material, as it can crack during the dissolution and recycling processes, causing safety issues. New ionic liquids are currently being developed to resolve the issues of cellulose wet spinning, and subsequent process optimization will be carried out to achieve the goal of cost reduction.
- ⑤ In response to the issue of sustainable environment, the PET polyester yarn for outdoor use is based on recycled PET pellets to present the dope dye and water-repellent effect in the front end. This innovative and environmentally friendly re-PET yarn, in addition to using recycled PET ester pellets, water-repellent and dope dye are applied during the spinning section, so that this product has three major environmental protection elements (3-in-1), which can substantially eliminate the need for water resources, chemicals, electricity...of the dyeing and water repellent processing consumed at the back end, significantly reducing the overall textile process and optimizing the stereotype of the textile industry as a highly polluted industry. This product is an original product with revolutionary reform in the textile industry, and also environmentally friendly and practical.
- ⑥ In recent years, the issue of environmental protection and recycling has gradually become popular. The proportion of recyclable efficiency of products is the most important factor. At present, the biggest problem is how to distinguish the recyclability of recovered products. In general, as long as the materials are similar, basically, the ratio of recyclability will be greatly improved. At present, the T400 developed by BASF has traditionally monopolized the polyester elastic market in the elastic fabric market and there is no related product available for elastic nylon. Currently, TPU (i.e. OP yarn) is used for mechanical elastic plying. At present, TPU (i.e. OP yarn) is used to produce Nylon system elastic yarn by mechanical elasticity processing; however, this type of product cannot be easily recycled after production as they are composed of two different materials. Due to this, it is urgent to develop nylon products with elastic properties, which can reduce the amount of OP used, and the elastic nylon product can be recycled and reused. This is a new product to be actively developed at present.
- ⑦ To implement environmentally friendly production, not only do we use bio-based raw materials to reduce the use of petrochemical raw materials, but we also reduce the amount of water resources, chemicals, and electricity chemicals used in the manufacturing process. The trend of product reuse is taking hold in all industries, and the textile industry is no exception, with the focus of recycling being Fiber-to-Fiber. As Acelon Chemicals & Fiber is the 3rd largest nylon raw yarn and processed yarn manufacturer in the country, spinning of recycled yarn is also an issue that cannot be delayed. In addition to the recycling and reuse of yarn in textiles, the development of new high-quality products is also active. For example, physical or chemical modification of nylon so that nylon can be used not only in the yarn textile industry, but

also in industries other than textile to enhance its added value.

## II. Expected sales and its bases

Unit: Tonnes

Product type	Quantity	Basis
Nylon yarn	24,000	The estimated sales volume of each product in 2024 refers to the sales forecast and the recent status of production equipment and inventory.
Polyester yarn	3,200	
Nylon textured yarn	15,000	
Polyester textured yarn	3,000	
Composite textured yarn	1,050	
Polypropylene textured yarn	800	
Total	47,050	

## III. Important manufacturing and sales policies

- (I) Develop new composite fiber products and increase proportion of value-added products to meet market demand.
- (II) Set annual sales targets and accept suitable orders to achieve profitability.
- (III) Coordinate production and sales and improve capacity to meet market demand and changes.
- (IV) Reduce unplanned production and improve inventory control to meet the Company's target for inventory.
- (V) Improve production quality and pre-sales and after-sales services, reduce unnecessary customer complaints and quickly handle issues to reduce losses.
- (VI) Improve processes on credit checks and credit lines of customers to reduce the risk of abnormal bad debts.

In response to the ever-changing international political and economic environment, it is necessary to set proper business policies in advance and constantly review and adjust them in order to withstand abrupt impacts. By improving quality, accelerating development of new products and retiring unprofitable products, and understanding market trends, production technology, product differentiation and production of profitable products with a more active attitude, we will be able to move forward with robust business policies to achieve the goal of sustainable development.

Chairman:  
Wen-Tung Chou



Managerial Officer:  
Wen-Tung Chou



Principal Accounting Officer:  
Feng-xiu Zhang



## Audit Committee Report

We have reviewed the Company's 2023 business report, financial statements and earnings distribution proposal prepared by the board of directors. The financial statements have been audited by CPA Ching-Yi Chen and CPA Yong-Ren Tsao of EnWise CPAs & Co., and an independent auditor's report has been issued. The business report, financial statements, and loss appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for review.

For

Acelon Chemicals & Fiber Corporation 2024 Annual General Meeting

Acelon Chemicals & Fiber Co., Ltd.

Convener of Audit Committee: Shui-Chin Chen



March, 15, 2024

## Independent Auditor's Report

Acelon Chemicals & Fiber Co., Ltd.

### **Opinion**

We have audited the accompanying parent-only balance sheets of Acelon Chemicals & Fiber Corporation as of December 31, 2023 and 2022, and the related parent-only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, as well as the notes to the parent-only financial statements (including a summary of material accounting policies).

In our opinion, based on our audits and the reports of the other independent auditors, as described in the other matters section of our report, the parent-only financial statements present fairly, in all material respects, the standalone financial position of Acelon Chemicals & Fiber as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years ended December 31, 2023 and 2022, in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” .

### **Basis for Opinions**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing principles generally accepted. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Parent-Only Financial Statements section of our report. We are independent of Acelon Chemicals & Fiber in accordance with the Professional Ethics for Certified Public Accountant and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, 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-only financial statements of Acelon Chemicals & Fiber for the fiscal year 2023. These matters were addressed in the context of our audit of the

parent-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent-only financial statements of Acelon Chemicals & Fiber for the year ended December 31, 2023 are stated as follows:

I. Operating revenue recognized

The management level faces pressure on operational objectives, market scale and competition and asset impairment assessment on whether the revenue meets the operational objectives, and Acelon Chemicals & Fiber is in an industry susceptible to many factors such as market supply and demand, so they are all listed as key audit matters.

Our key audit procedures performed in response to the above matters are described as follows:

1. Test the effectiveness of the design and implementation of the internal control system for the sales and collection cycle, and assess whether the revenue recognition is appropriate.
2. Analyze the differences in two periods of sales to the top ten clients of Acelon Chemicals & Fiber, and assess the rationality.
3. Conduct the sales revenue transaction test for the top ten new sales customers in the current period, and verify whether the collection and reversal counterparties are consistent with the counterparties of the sales.
4. Analyze significant or unexpected changes and trends based on objective and independent data, compare sales revenue and returns in previous and current trends, cost of goods sold and gross profit in previous and current trends, and trends analysis of previous and current delivery volume.
5. Understand whether there is any material change in revenue during the period before and after the financial report date, and whether there is a material sales return or discount, and analyze the reasons.

II. Subsequent measurement of inventory

As of December 31, 2023, the net inventory of Acelon Chemicals & Fiber was NT\$568,302 thousand. As the introduction of new products may lead to material changes in market demand, or that the updates in production technology may make the original products no longer meet the market demand, the management must assess the loss in net realisable value



due to inventory write-off from inventory obsolescence. Since the amount of inventory is large, its obsolescence involves material judgments by the management, so it is listed as our one of our key audit matters.

Our key audit procedures performed in response to the above matters are described as follows:

1. Assess the internal control protocols of operating costs, check the transaction records and relevant source documents to determine the integrity of transaction records, the classification of inventory and operating costs, and reliability of inventory and records.
2. Spot check the purchase transaction records of the ending inventory, and test whether the unit price and calculation are correct.
3. Calculate the growth rates of inventory and cost of goods sold and compare them with the growth rate of operating income in the same period to see if the change trend is reasonable.
4. Check the reports related to the inventory age, analyze the changes in the inventory age, and assess whether the subsequent measurement of the inventory has been handled in accordance with its accounting policy.
5. Understand and assess the reasonableness of the net realisable value basis adopted by management.

### III. Impairment of property, plant and equipment

Acelon Chemicals & Fiber mainly produces nylon yarns, polyester yarns, processed yarns and other related products. Due to market saturation after long-term development, the sales momentum is easily affected by the economy. The recoverability of the book value of such assets depends on the forecast of future operating cash flow, discount rate and growth rate. These require significant judgments by the management and have a high degree of uncertainty in estimation. Therefore, they are listed as our key audit matters.

Our key audit procedures performed in response to the above matters are described as follows:

1. Obtained the asset impairment assessment statement or projected income statement prepared by Acelon Chemicals & Fiber for the business units to which the cash-generating units belong.

2. Assess the rationality of the management of Acelon Chemicals & Fiber in identifying signs of impairment, as well as the assumptions and sensitivities used, including the appropriateness of cash-generating units differentiated, cash flow forecasts, and discount rates.

### **Other Matters – Making Reference to the Audits of Component Auditors**

Among the investee companies included in the above-mentioned parent-only financial report, the financial statements of the invested affiliates have not been audited by us, but have been audited by other accountants. Therefore, in the opinions expressed by us on the abovementioned parent-only report, the amount listed in the financial statements of the invested affiliates is based on the audit report produced by other accountants. The balance of investments accounted for using equity method as of December 31, 2023 and 2022 was NT\$54,969 thousand and NT\$58,688 thousand, respectively, accounting for 2.2% and 2.3% of the total parent-only assets, respectively; the share of losses of associates recognized using the equity method from January to December 31, 2023 and 2022 was NT\$(2,270) thousand and NT\$(1,837) thousand, accounting for 1.4% and 3.0% of the parent-only comprehensive income, respectively.

### **Responsibilities of Management and Those Charged with Governance for the Parent-Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by the Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing Acelon Chemicals & Fiber's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent-Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether or not the parent-only financial statements as a whole are free from material misstatements, 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 auditing standards generally accepted will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-only financial statements.

As part of an audit in accordance with the auditing principles, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also conduct the following tasks:

1. Identify and assess the risks of material misstatement of the parent-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of the 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 or not 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 auditor' s report to the related disclosures in the parent-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor' s report. However, future events or conditions

may cause Acelon Chemicals & Fiber to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-only financial statements, including the accompanying notes, and whether the parent-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the invested associated using the equity method to express an opinion on the parent-only financial statements. We are responsible for the direction, supervision and performance of the audit for the invested associates. 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-only financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditor' s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EnWise CPAs & Co.  
CPA: Ching-Yi Chen

EnWise CPAs & Co.  
CPA: Yong-Ren Tsao

Securities and Futures Bureau of Financial  
Supervisory Commission, Executive Yuan  
Approval Document Number: (88)  
Tai-Tsai-Zheng (6) 55000

Securities and Futures Bureau of Financial  
Supervisory Commission, Executive Yuan  
Approval Document Number:  
Jin-Guan-Zheng (6) #0980018119

March 15, 2024

### Notice to Readers

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

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

# Acelon Chemicals & Fiber Co., Ltd.

## Parent-Only Balance Sheets

As of December 31, 2023 and 2022

Unit: NT\$ thousands

Assets			December 31, 2023		December 31, 2022	
Code	Description	Note	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4 and 6	\$ 101,908	4.1	\$ 203,066	8.1
1150	Notes receivable, net	4, 6, 7 and 8	65,866	2.6	55,520	2.2
1170	Accounts receivable, net	4, 5, 6 and 7	285,549	11.4	289,696	11.5
1200	Other receivables	6 and 7	14,481	0.6	39,520	1.6
130x	Inventories	4, 5 and 6	568,302	22.7	534,245	21.2
1410	Prepayments		54,900	2.2	54,171	2.1
1476	Other financial assets - Current	4 and 8	72,769	2.9	65,380	2.6
1479	Other current assets - Others		1,392	0.1	1,168	-
11xx	Total Current Assets		<u>1,165,167</u>	<u>46.6</u>	<u>1,242,766</u>	<u>49.3</u>
15xx	Non-current assets					
	Investments accounted for					
	using equity method	4 and 6	285,383	11.4	338,019	13.4
1600	Property, plant and equipment.	4, 5, 6 and 8	962,076	38.5	865,900	34.3
1755	Right-of-use assets	4 and 6	30,943	1.3	26,537	1.1
1780	Intangible assets	4 and 5	234	-	370	-
1840	Deferred tax assets	4, 5 and 6	35,271	1.4	22,849	0.9
1900	Other non-current assets	6	20,028	0.8	16,680	0.7
	Other financial assets -					
1980	Non-current	4 and 8	420	-	8,636	0.3
15xx	Total Non-Current Assets		<u>1,334,355</u>	<u>53.4</u>	<u>1,278,991</u>	<u>50.7</u>
	Total assets		<u>\$ 2,499,522</u>	<u>100.0</u>	<u>\$ 2,521,757</u>	<u>100.0</u>
Liabilities and equity			December 31, 2023		December 31, 2022	
Code	Description	Note	Amount	%	Amount	%
21xx	Current liabilities					
2100	Current borrowings	6, 7 and 8	\$ 335,579	13.4	\$ 322,864	12.8
2130	Contract liability - Current	6	4,128	0.2	9,711	0.4
2150	Notes payable		3,135	0.1	677	-
2170	Accounts payable		223,069	8.9	197,827	7.9
2200	Other payables	6	91,664	3.7	130,913	5.2
2250	Provisions - Current	4 and 6	5,624	0.2	5,618	0.2
2280	Lease liabilities - Current	4 and 6	6,147	0.3	4,844	0.2
	Long-term borrowings, current					
2322	portion	6, 7 and 8	60,918	2.4	75,340	3.0
2399	Other current liabilities - Others		8,319	0.3	2,763	0.1
21xx	Total Current Liabilities		<u>738,583</u>	<u>29.5</u>	<u>750,557</u>	<u>29.8</u>
25xx	Non-current liabilities					
	Non-current portion of					
2540	non-current borrowings	6, 7 and 8	285,365	11.4	145,476	5.8
2580	Lease liabilities - Non-current	4 and 6	24,683	1.0	21,414	0.8
	Net defined benefit liability,					
	non-current	5 and 6	3,877	0.2	4,973	0.2
2640	Guarantee deposits received	7	3,444	0.1	3,444	0.1
2645						
25xx	Total Non-current Liabilities		<u>317,369</u>	<u>12.7</u>	<u>175,307</u>	<u>6.9</u>
	Total Liabilities		<u>1,055,952</u>	<u>42.2</u>	<u>925,864</u>	<u>36.7</u>
	Equity					
3100	Capital	6	1,111,573	44.5	1,111,573	44.1
3200	Capital surplus	6	431,153	17.3	431,153	17.1
3300	Retained earnings	6				
3310	Legal reserve		18,308	0.7	18,308	0.7
3320	Special reserve		92,737	3.7	92,765	3.7
	Unappropriated retained					
	earnings (accumulated deficit)		(204,022)	(8.2)	(53,176)	(2.1)
3400	Others		(6,179)	(0.2)	(4,730)	(0.2)
	Total equity		<u>1,443,570</u>	<u>57.8</u>	<u>1,595,893</u>	<u>63.3</u>
	Total Liabilities and Equity		<u>\$ 2,499,522</u>	<u>100.0</u>	<u>\$ 2,521,757</u>	<u>100.0</u>

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chang

**Acelon Chemicals & Fiber Co., Ltd.**  
**Parent-Only Statement of Comprehensive Income**  
As of December 31, 2023 and 2022

Code	Description	Note	January 1 to December 31, 2023		January 1 to December 31, 2022	
			Amount	%	Amount	%
4000	Net revenue	4, 6 and 7	\$ 1,965,587	100.0	\$ 2,442,173	100.0
5110	Operating costs	6 and 7	1,944,881	98.9	2,270,908	93.0
5950	Gross profit (loss) from operations		20,706	1.1	171,265	7.0
	Operating expenses	7				
6100	Sales and marketing expenses		72,968	3.7	121,111	4.9
6200	Administrative expenses		44,968	2.3	58,372	2.4
6300	Research and development expenses		36,831	1.9	38,216	1.6
6000	Total operating expenses		154,767	7.9	217,699	8.9
6900	Net operating income (loss)		(134,061)	(6.8)	(46,434)	(1.9)
	Non-operating income and expenses					
7100	Interest income	7	6,202	0.3	2,373	0.1
7010	Other income	6 and 7	20,923	1.1	20,544	0.8
7020	Other benefits and losses	6	5,132	0.2	62,117	2.6
7050	Finance costs	4 and 6	(12,189)	(0.6)	(9,584)	(0.4)
7060	Share of the profit or loss of associates and joint ventures accounted for using the equity method	4 and 6				
	Total non-operating income and expenses		(49,897)	(2.5)	(90,095)	(3.7)
7000	Profit before tax (net loss)		(29,829)	(1.5)	(14,645)	(0.6)
7900	Tax expense (income)	4 and 6	(12,541)	(0.6)	5,665	0.2
8200	Profit (loss)		(151,349)	(7.7)	(66,744)	(2.7)
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8310	Gains (losses) on remeasurements of defined benefit plans		594	-	106,952	0.7
8311	Relevant income tax for items that will not be reclassified	6	(119)	-	(3,390)	(0.1)
8349	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(1,449)	(0.1)	4,004	0.1
8300	Other comprehensive income for the year (net)		(974)	(0.1)	17,566	0.7
8500	Total comprehensive income		\$ (152,323)	(7.8)	\$ (49,178)	(2.0)
	Earnings per Share (loss):					
9750	Basic earnings per share (loss)	6	\$ (1.36)		\$ (0.60)	
9850	Diluted earnings per share (loss)		\$ (1.36)		\$ (0.60)	

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou      Managerial Officer: Wen-Tung Chou      Principal Accounting Officer: Feng-Hsiu Chang

**Acelon Chemicals & Fiber Co., Ltd.**  
Parent-Only Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands

Description	Equity							Total equity
	Capital	Capital surplus	Retained earnings		Undistributed earnings (accumulated deficit)	Others	Exchange differences on translation	
			Legal reserve	Special reserve				
Balance on January 1, 2022	\$ 1,111,573	\$ 453,043	\$ -	\$ 17,269	\$ 183,077	\$ (8,734)	\$	\$ 1,756,228
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	18,308	-	(18,308)	-	-	-
Special reserve appropriated	-	-	-	75,502	(75,502)	-	-	-
Cash dividends of ordinary share					(89,267)			(89,267)
Cash dividends paid from capital surplus		(21,890)						(21,890)
Reversal of special reserve	-	-	-	(6)	6	-	-	-
2022 net profit (loss)	-	-	-	-	(66,744)	-	-	(66,744)
2022 other comprehensive income after tax	-	-	-	-	13,562	4,004		17,566
Balance on December 31, 2022	\$ 1,111,573	\$ 431,153	\$ 18,308	\$ 92,765	\$ (53,176)	\$ (4,730)	\$	\$ 1,595,893
Reversal of special reserve	-	-	-	(28)	28	-	-	-
2023 net profit (loss)	-	-	-	-	(151,349)	-	-	(151,349)
2023 other comprehensive income after tax	-	-	-	-	475	(1,449)		(974)
Balance on December 31, 2023	\$ 1,111,573	\$ 431,153	\$ 18,308	\$ 92,737	\$ (204,022)	\$ (6,179)	\$	\$ 1,443,570

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chang



**Acelon Chemicals & Fiber Co., Ltd.**  
**Parent-Only Statement of Cash Flows**  
**January 1 to December 31, 2023 and 2022**

Unit: NT\$ thousands

Description	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from operating activities		
Profit (loss) before tax	\$ (163,890)	\$ (61,079)
Adjustments		
Adjustments to reconcile profit (loss) that do not affect cash flows		
Depreciation expense	95,798	95,469
Amortization expense	21,262	12,554
Interest expense	12,189	9,584
Interest income	(6,202)	(2,373)
Gains or losses of financial assets at fair value measurement through profit or loss	-	3,634
Share of the profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	49,897	90,095
Losses on disposals of property, plant and equipment (gains)	465	555
Total adjustments	<u>173,409</u>	<u>202,250</u>
Changes in operating activities assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(10,346)	89,281
Decrease (increase) in accounts receivable	4,147	46,928
Decrease (increase) in other receivable	25,276	(1,801)
Decrease (increase) in inventories	(34,057)	(26,223)
Decrease (increase) in prepayments	(21,432)	(14,317)
Adjustments for decrease (increase) in other current assets	(224)	3,369
Total net change in assets related to operating activities	<u>(36,636)</u>	<u>97,237</u>
Changes in operating liabilities		
Increase (decrease) in notes payable	2,458	(431)
Increase (decrease) in accounts payable	25,242	(160,157)
Increase (decrease) in other payable	(11,208)	(46,333)
Adjustments for increase (decrease) in other current liabilities	5,556	1,437
Increase (decrease) in provisions	6	(1,701)
Contract liabilities - Current increase or decrease	(5,583)	1,655
Net defined benefit liability - Non-current increase or decrease	(502)	(15,969)
Total net movement in liabilities related to operating activities	<u>15,969</u>	<u>(221,499)</u>
Total net movement in operating activities assets and liabilities	<u>(20,667)</u>	<u>(124,262)</u>
Cash inflow (outflow) generated from operations	(11,148)	16,909
Interest received	5,965	2,796
Interest paid	(13,184)	(6,544)
Income tax refunded or paid	(647)	(647)
Net cash flows from (used in) operating activities	<u>(18,367)</u>	<u>13,547</u>

(To be continued in the next page)

**Acelon Chemicals & Fiber Co., Ltd.**  
**Parent-Only Statement of Cash Flows**  
**January 1 to December 31, 2023 and 2022**

(Continued from the previous page)

Unit: NT\$ thousands

Description	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flows from (used in) investing activities		
Other receivables - Related parties		130,000
Acquisition of investments accounted for using equity method		(2,812)
Acquisition of property, plant and equipment	(215,098)	(212,884)
Acquisition of intangible assets	(423)	(384)
Proceeds from disposal of property, plant and equipment	66	512
Other financial assets - Current increase or decrease	(7,389)	(17,507)
Other financial assets - Non-current increase or decrease	8,216	6
Decrease (increase) in refundable deposits	(5,481)	(374)
Decrease (increase) in other non-current assets	2,133	7,736
Dividends received from subsidiaries	1,290	2,364
Net cash flows from (used in) investing activities	<u>(216,686)</u>	<u>(93,343)</u>
Cash flows from (used in) financing activities		
Increase (decrease) in short-term loans	12,715	322,864
Repayments of bonds	-	(300,000)
Increase (decrease) in guarantee deposits received	-	12
Increase (decrease) in non-current portion of non-current borrowings	126,462	34,950
Cash dividends paid	-	(111,157)
Repayment of principal of lease liabilities	(5,282)	(4,955)
Net cash flows from (used in) financing activities	<u>133,895</u>	<u>(58,286)</u>
Increase (decrease) in cash and cash equivalents for the current period	(101,158)	(138,082)
Cash and cash equivalents at beginning of period	203,066	341,148
Cash and cash equivalents at end of period	<u>\$ 101,908</u>	<u>\$ 203,066</u>

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chang

## Independent Auditor's Report

Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries:

### **Opinion**

We have audited the accompanying consolidated balance sheets of Acelon Chemicals & Fiber Corporation as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, based on our audits and the reports of other independent auditors (please refer to the Other Information), the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acelon Chemicals & Fiber as of December 31, 2023 and 2022, and its financial performance and cash flows from January 1 to December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Statements by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

### **Basis for Opinions**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing principles generally accepted. 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 Acelon Chemicals & Fiber and its subsidiaries in accordance with the Professional Ethics for Certified Public Accountant and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and the audit reports of other accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Acelon Chemicals & Fiber and its subsidiaries of fiscal year 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements of Acelon Chemicals & Fiber and its subsidiaries for the year ended December 31, 2023 are stated as follows:

#### IV. Operating revenue recognized

The management level faces pressure on operational objectives, market scale and competition and asset impairment assessment on whether the revenue meets the operational objectives, and Acelon Chemicals & Fiber and its subsidiaries are in an industry susceptible to many factors such as market supply and demand, so they are all listed as key audit matters.

Our key audit procedures performed in response to the above matters are described as follows:

1. Test the effectiveness of the design and implementation of the internal control system for the sales and collection cycle, and assess whether the revenue recognition is appropriate.
2. Analyze the differences in two periods of sales to the top ten clients of Acelon Chemicals & Fiber and its subsidiaries, and assess the rationality.
3. Conduct the sales revenue transaction test for the top ten new sales customers in the current period, and verify whether the collection and reversal counterparties are consistent with the counterparties of the sales.
4. Analyze significant or unexpected changes and trends based on objective and independent data, compare sales revenue and returns in previous and current trends, cost of goods sold and gross profit in previous and current trends, and trends analysis of previous and current delivery volume.
5. Understand whether there is any material change in revenue during the period before and after the financial report date, and whether there is a material sales return or discount, and analyze the reasons.

#### V. Subsequent measurement of inventory

As of December 31, 2023, the net inventory of Acelon Chemicals & Fiber and its subsidiaries was NT\$704,461 thousand. As introducing new products may lead to material changes in market demand, or the updates in production technology may make the original products no longer meet the market demand, the management must assess the loss in net realisable value due to inventory write-off from inventory obsolescence. Since the amount of inventory is large, its obsolescence involves material judgments by the management, so it is listed as one of our key audit matters.

Our key audit procedures performed in response to the above matters are described as follows:

1. Assess the internal control protocols of operating costs, check the transaction records and relevant source documents to determine the integrity of transaction records, the classification of inventory and operating costs, and reliability of inventory and records.
2. Spot check the purchase transaction records of the ending inventory, and test whether the unit price and calculation are correct.
3. Calculate the growth rates of inventory and cost of goods sold and compare them with the growth rate of operating income in the same period to see if the change trend is reasonable.
4. Check the reports related to the inventory age, analyze the changes in the inventory age, and assess whether the subsequent measurement of the inventory has been handled in accordance with its accounting policy.
5. Understand and assess the reasonableness of the net realisable value basis adopted by management.

## VI. Impairment of property, plant and equipment

Acelon Chemicals & Fiber and its subsidiaries mainly produce nylon yarns, polyester yarns, processed yarns and other related products. Due to market saturation after long-term development, the sales momentum is easily affected by the economy. The recoverability of the book value of such assets depends on the forecast of future operating cash flow, discount rate and growth rate. These require significant judgments by the management and have a high degree of uncertainty in estimation. Therefore, they are listed as our key audit matters.

Our key audit procedures performed in response to the above matters are described as follows:

1. Obtained the asset impairment assessment statement or projected income statement prepared by Acelon Chemicals & Fiber and its subsidiaries for the business units to which the cash-generating units belong.
2. Assess the rationality of the management of Acelon Chemicals & Fiber and its subsidiaries in identifying signs of impairment, as well as the assumptions and sensitivities used, including the appropriateness of cash-generating units differentiated, cash flow forecasts, and discount rates.
3. We have obtained appraisal reports for part of the property from property appraisers, which will help the valuation of disposal of cash-generating units.

### **Other Matters – Making Reference to the Audits of Component Auditors**

Among the investee companies included in the above-mentioned consolidated financial report, the financial statements of the invested affiliates have not been audited by us, but have been audited by other accountants. Therefore, in the opinions expressed by us on the abovementioned consolidated report, the amount listed in the financial statements of the invested affiliates is based on the audit report produced by other accountants. The balance of investments accounted for using equity method as of December 31, 2023 and 2022 was NT\$54,969 thousand and NT\$58,688 thousand, respectively, accounting for 1.6% and 1.7% of the total consolidated assets, respectively; the share of losses of associates recognized using the equity method from January to December 31, 2023 and 2022 was NT\$(2,270) thousand and NT\$(1,837) thousand, accounting for 1.4% and 2.9% of the consolidated comprehensive income, respectively.

### **Other matters**

We have audited and expressed an unmodified opinion on the parent-only financial statements of Acelon Chemicals & Fiber as of and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission and for such internal control as management determines is necessary to enable the preparation of 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 Acelon Chemicals & Fiber and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing Acelon Chemicals & Fiber and its subsidiaries' financial reporting process.

### **Auditor' s Responsibilities for the Audit of the Consolidated Financial Statements**

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

As part of an audit in accordance with the auditing principles, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also conduct the following tasks:

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 the 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 and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast a significant doubt on the Company and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor' s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based

on the audit evidence obtained up to the date of our auditor' s report. However, future events or conditions may cause Acelon Chemicals & Fiber and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the invested associated using the equity method to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit for the invested associates. 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 for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditor' s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

EnWise CPAs & Co.  
CPA: Ching-Yi Chen

EnWise CPAs & Co.  
CPA: Yong-Ren Tsao

Securities and Futures Bureau of Financial  
Supervisory Commission, Executive Yuan  
Approval Document Number: (88)  
Tai-Tsai-Zheng (6) 55000

Securities and Futures Bureau of Financial  
Supervisory Commission, Executive Yuan  
Approval Document Number:  
Jin-Guan-Zheng (6) #0980018119

March 15, 2024

### Notice to Readers

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

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



## Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries

### Consolidated Balance Sheet As of December 31, 2023 and 2022

Unit: NT\$ thousands

Code	Assets Description	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
11XX	Current assets					
1100	Cash and cash equivalents	4 and 6	\$ 187,526	5.5	\$ 225,398	6.5
1150	Notes receivable, net	4, 6 and 8	70,358	2.0	57,759	1.7
1170	Accounts receivable, net	4, 5, 6 and 7	319,595	9.3	307,269	8.8
1200	Other receivables	5 and 6	14,402	0.4	10,070	0.3
130x	Inventories	4, 5 and 6	704,461	20.5	771,823	22.1
1410	Prepayments		73,791	2.1	70,107	2.0
1476	Other financial assets - Current	4 and 8	75,343	2.2	72,750	2.1
1479	Other current assets - Others		1,673	—	1,750	—
11xx	Total Current Assets		1,447,149	42.0	1,516,926	43.5
15xx	Non-current assets					
1510	Financial assets at fair value measurement through profit or loss -- Non-current	4 and 6	914	—	914	—
1550	Investments accounted for using equity method	4 and 6	54,969	1.6	58,688	1.7
1600	Property, plant and equipment.	4, 5, 6 and 8	1,803,323	52.4	1,786,914	51.2
1755	Right-of-use assets	4 and 6	30,943	0.9	26,537	0.8
1780	Intangible assets	4 and 5	2,288	0.1	2,573	0.1
1840	Deferred tax assets	4, 5 and 6	77,853	2.3	66,461	1.9
1980	Other financial assets - Non-current	4 and 8	420	—	8,636	0.2
1990	Other non-current assets	6	22,718	0.7	19,642	0.6
15xx	Total Non-Current Assets		1,993,428	58.0	1,970,365	56.5
	Total assets		\$ 3,440,577	100.0	\$ 3,487,291	100.0

(To be continued)

(Continued from the previous page)

## Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries

### Consolidated Balance Sheet

As of December 31, 2023 and 2022

Unit: NT\$ thousands

Code	Liabilities and equity		December 31, 2023		December 31, 2022	
	Description	Note	Amount	%	Amount	%
21XX	Current liabilities					
2100	Short-term borrowings	6, 7 and 8	\$ 335,599	9.7	\$ 334,473	9.6
2130	Contract liabilities - Current	6	17,684	0.5	10,467	0.3
2150	Notes payable		3,493	0.1	1,206	—
2170	Accounts payable		249,685	7.2	222,050	6.4
2200	Other payables	6	126,046	3.7	158,451	4.5
2230	Current tax liabilities	4 and 6	—	—	266	—
2250	Provisions - Current	4 and 6	6,820	0.2	6,763	0.2
2280	Lease liabilities - Current	4 and 6	6,147	0.2	4,844	0.1
2322	Long-term borrowings, current portion	6, 7 and 8	60,918	1.8	100,340	2.9
2399	Other current liabilities - Others		8,894	0.3	3,138	0.1
21xx	Total Current Liabilities		815,286	23.7	841,998	24.1
25XX	Non-current liabilities					
2540	Non-current portion of non-current borrowings	6, 7 and 8	1,131,599	32.9	1,001,451	28.7
2570	Deferred tax liabilities	4 and 6	18,130	0.5	18,130	0.5
2580	Lease liabilities - Non-current	4 and 6	24,683	0.7	21,414	0.6
2640	Net defined benefit liability - Non-current	6	3,877	0.1	4,973	0.2
2645	Guarantee deposits received		3,432	0.1	3,432	0.1
25xx	Total Non-current Liabilities		1,181,721	34.3	1,049,400	30.1
	Total Liabilities		1,997,007	58.0	1,891,398	54.2
31XX	Equity attributable to shareholders of the parent company					
3100	Capital	6	1,111,573	32.3	1,111,573	30.2
3200	Capital surplus	6	431,153	12.5	431,153	12.4
3300	Retained earnings	6				
3310	Legal reserve		18,308	0.6	18,308	0.5
3320	Special reserve		92,737	2.7	92,765	2.6
3350	Unappropriated retained earnings (accumulated deficit)		(204,022)	(5.9)	(53,176)	(1.5)
3400	Others		(6,179)	(0.2)	(4,730)	(0.1)
31xx	Total equity attributable to the parent company		1,443,570	42.0	1,595,893	45.8
	Total equity		1,443,570	42.0	1,595,893	45.8
	Total Liabilities and Equity		\$ 3,440,577	100.0	\$ 3,487,291	100.0

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chang

## Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries

### Consolidated Statement of Comprehensive Income

2023 and 2022

Unit: NT\$ in thousands; Earnings per share in NT\$

Code	Description	Note	January 1 to December 31, 2023		January 1 to December 31, 2022	
			Amount	%	Amount	%
4000	Net revenue	4, 6 and 7	\$ 2,453,671	100.0	\$ 2,785,426	100.0
5110	Operating costs	6	2,372,858	96.7	2,614,571	93.9
5950	Gross profit from operations		80,813	3.3	170,855	6.1
	Operating expenses					
6100	Sales and marketing expenses		115,578	4.7	160,408	5.8
6200	Administrative expenses		72,343	3.0	81,003	2.9
6300	Research and development expenses		47,508	1.9	48,756	1.7
6450	Expected gain or loss on credit impairment	4 and 6	(35)	—	(174)	—
6000	Total operating expenses		235,394	9.6	289,993	10.4
6900	Net operating income (loss)		(154,581)	(6.3)	(119,138)	(4.3)
	Non-operating income and expenses					
7100	Interest income		6,671	0.3	1,790	0.1
7010	Other income	6 and 7	19,766	0.8	20,987	0.8
7020	Other benefits and losses	6	4,661	0.2	60,998	2.2
7050	Finance costs	4 and 6	(37,107)	(1.5)	(27,012)	(1.0)
7060	Share of the profit or loss of associates and joint ventures using the equity method	4 and 6	(2,270)	(0.1)	(1,837)	(0.1)
7000	Total non-operating income and expenses		(8,279)	(0.3)	54,926	2.0
7900	Profit before tax (net loss)		(162,860)	(6.6)	(64,212)	(2.3)
7950	Tax expense (income)	6	(11,511)	(0.5)	2,532	0.1
8200	Profit (loss)		(151,349)	(6.1)	(66,744)	(2.4)
	Other comprehensive income:					
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined-benefit plans		594	—	16,952	0.6
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(119)	—	(3,390)	(0.1)
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences arising on translation of foreign operations		(1,449)	(0.1)	4,004	0.1
8300	Other comprehensive income for the year (net)		(974)	(0.1)	17,566	0.6
8500	Total comprehensive income		(152,323)	(6.2)	(49,178)	(1.8)
	Earnings per Share (loss):	6				
9750	Basic earnings per share (loss)		\$ (1.36)		\$ (0.60)	
9850	Diluted earnings per share (loss)		\$ (1.36)		\$ (0.60)	

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chan

## Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries

### Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands

Description	Equity attributable to shareholders of the parent company						Total equity
	Ordinary share	Capital surplus	Retained earnings		Undistributed earnings (accumulated deficit)	Others	
			Legal reserve	Special reserve			
Balance on January 1, 2022	\$ 1,111,573	\$ 453,043	\$ —	\$ 17,269	\$ 183,077	\$ (8,734)	\$ 1,756,228
Appropriation and distribution of retained earnings							
Legal reserve appropriated	—	—	18,308	—	(18,308)	—	—
Special reserve appropriated	—	—	—	75,502	(75,502)	—	—
Cash dividends of ordinary share	—	—	—	—	(89,267)	—	(89,267)
Cash dividends paid from capital surplus	—	(21,890)	—	—	—	—	(21,890)
Reversal of special reserve	—	—	—	(6)	6	—	—
2022 net income	—	—	—	—	(66,744)	—	(66,744)
2022 other comprehensive income	—	—	—	—	13,562	4,004	17,566
Balance on December 31, 2022	<u>\$ 1,111,573</u>	<u>\$ 431,153</u>	<u>\$ 18,308</u>	<u>\$ 92,765</u>	<u>\$ (53,176)</u>	<u>\$ (4,730)</u>	<u>\$ 1,595,893</u>
Reversal of special reserve	—	—	—	(28)	28	—	—
2023 net income	—	—	—	—	(151,349)	—	(151,349)
2023 other comprehensive income	—	—	—	—	475	(1,449)	(974)
Balance on December 31, 2023	<u>\$ 1,111,573</u>	<u>\$ 431,153</u>	<u>\$ 18,308</u>	<u>\$ 92,737</u>	<u>\$ (204,022)</u>	<u>\$ (6,179)</u>	<u>\$ 1,443,570</u>

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chan

## Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries

### Consolidated Cash Flow Statement

January 1 to December 31, 2023 and 2022

Unit: NT\$ thousands

Description	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from operating activities:		
Profit (loss) before tax	\$ (162,860)	\$ (64,212)
Adjustments:		
Adjustments to reconcile profit (loss) that do not affect cash flows		
Depreciation expense	185,733	186,246
Amortization expense	22,034	13,624
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(35)	(174)
Finance costs	37,107	27,012
Interest income	(6,671)	(1,790)
Net losses of financial assets at fair value measurement through profit or loss	—	(3,634)
Losses on disposals of property, plant and equipment (gains)	465	555
Share of the profit or loss of associates and joint ventures using the equity method	2,270	1,837
Total adjustments	240,903	223,676
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(12,599)	90,901
Decrease (increase) in accounts receivable	(12,291)	44,628
Decrease (increase) in other receivable	(4,081)	51,556
Decrease (increase) in inventories	67,362	(64,364)
Decrease (increase) in prepayments	(24,708)	(10,872)
Adjustments for decrease (increase) in other current assets	77	2,885
Total changes in operating assets	13,760	114,734
Changes in operating liabilities		
Contract liabilities - Current increase or decrease	7,217	739
Increase (decrease) in notes payable	2,287	(471)
Increase (decrease) in accounts payable	27,635	(162,014)
Increase (decrease) in other payable	(9,323)	(48,699)
Provisions - Current increase or decrease	57	(1,850)
Adjustments for increase (decrease) in other current liabilities	5,756	1,433
Net defined benefit liability - Non-current increase or decrease	(502)	(15,969)
Total changes in operating liabilities	33,127	(226,831)
Total changes in operating assets and liabilities	46,887	(112,097)
Cash inflow (outflow) generated from operations	124,930	47,367
Interest received	6,420	1,790
Interest paid	(37,843)	(27,899)
Income tax refunded or paid	(266)	(1,459)
Net cash flows from (used in) operating activities	93,241	19,799

(To be continued in the next page)

## Acelon Chemicals & Fiber Co., Ltd. and Subsidiaries

### Consolidated Cash Flow Statement

January 1 to December 31, 2022 and 2021

(Continued from the previous page)

Unit: NT\$ thousands

Description	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	\$ —	\$ (2,812)
Proceeds from disposal of investments accounted for using equity method	—	—
Acquisition of property, plant and equipment	(220,307)	(228,382)
Proceeds from disposal of property, plant and equipment	66	512
Decrease (increase) in refundable deposits	(5,478)	(400)
Acquisition of intangible assets	(423)	(384)
Other financial assets -- Current increase or decrease	(2,593)	(16,710)
Other financial assets - Non-current increase or decrease	8,216	6
Decrease (increase) in other non-current assets	2,100	6,571
Net cash flows from (used in) investing activities	<u>(218,419)</u>	<u>(241,599)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	1,126	246,936
Repayments of bonds	—	(300,000)
Increase (decrease) in non-current portion of non-current borrowings	91,462	321,324
Cash dividends paid	—	(111,157)
Increase or decrease in principal of lease liabilities	(5,282)	(74,383)
Net cash flows from (used in) financing activities	<u>87,306</u>	<u>82,720</u>
Increase (decrease) in cash and cash equivalents for the current period	(37,872)	(139,080)
Cash and cash equivalents at beginning of period	225,398	364,478
Cash and cash equivalents at end of period	<u>\$ 187,526</u>	<u>\$ 225,398</u>

(Please refer to the attached Notes to the Parent-Only Financial Statements)

Chairman: Wen-Tung Chou

Managerial Officer: Wen-Tung Chou

Principal Accounting Officer: Feng-Hsiu Chang

# Acelon Chemicals & Fiber Co., Ltd

## 2024 Annual General Meeting

### List of Director Candidates

Title	Candidate	Education Background and Work Experience	Current Position	Number of Shares Held
Director	Honghou Investment Representative of legal person director: Wen-Tung, Chou	Chung Hsing University EMBA Corporate Leaders Group Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	7,431,983 shares
Director	Min-Yi, Lai	Master of Business Administration from National Changhua University of Education Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	6,046,913 shares
Director	Ya-Hui Shih	Department of Business Administration, Kinki University, Japan Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	2,158,027 shares
Director	Chin Ying Fa Mechanical Industrial	Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	2,669,077 shares
Director	Shangcheng Investment Limited Company	Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	4,958,000 shares
Director	Wen-PO Yang	Department of Hydraulic and Ocean Engineering, Tamkang University Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	704,606 shares
Director	Ping-Yi Chou	Master's in Finance from the University of Utah, USA Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	2,634,219 shares
Independent Director	Shui-Chin Chen(Note)	Accounting Department, Soochow University Master's in Business Administration from National Chung Cheng University Master's in Business Administration, CEO Program, from Tunghai University	Practicing Accountant at Deloitte Tawan Practicing Accountant at Yuansheng Accounting Firm Independent Director and Compensation Committee Member at Merida Industry Co., Ltd. Independent Director and Compensation Committee Member at Cheng Shin Rubber	0 share

			Industry Co., Ltd. Independent Director and Compensation Committee Member at Sanne Group Holding Co., Ltd. Director at aiwan Paiho Limited Supervisor at Linco Technology Co., Ltd. Supervisor at Buffalo Machinery BUFFALO MACHINERY. (Taiwan) Co., Ltd.	
Independent Director	Wan-zhong Chen(Note)	Director of Acelon Chemicals& Fiber Corp	Director of Acelon Chemicals& Fiber Corp	0 share
Independent Director	Cheng-Pei Kuo (Note)	Master's degree from Institute of Textile Engineering at Feng Chia University Director at Honmyue Enterprise President at Honmyue Enterprise Taiwan Silk & Filament Weaving Industrial Association/ Executive director, supervisor, director Taiwan Man-Made Fiber Industries Association/Director	Director at Honmyue Enterprise President at Honmyue Enterprise Taiwan Silk & Filament Weaving Industrial Association/ Executive director Taiwan Man-Made Fiber Industries Association/Director	0 share
Independent Director	Ai-hui Ke(Note)	Accounting Department, Tunghai University Executive Vice President and Chief Operating Officer at Jawaytek Co., Ltd. Audit Department Manager at KPMG Taiwan, Certified Public Accountants"	Director of Zhengxing Plastic Products (Heyuan) Co., Ltd. Director of Zhengxin Meinaiping (Heyuan) Co., Ltd. Independent Director of Gongsheng Insurance Broker (Stock) Company Chief Operating Officer and Chief of Financial Officer: Jiawei Life Co., Ltd.	0 share

Note: Has not served as an independent director of the company for three consecutive sessions.



  
Acelon Chemicals & Fiber Co., Ltd.  
Articles of Incorporation

Chapter 1. General Provisions

Article 1: The Company is organized in accordance with the provisions of the Company Act and is named 聚隆纖維股份有限公司 and Acelon Chemicals & Fiber Corporation in English.

Article 2: The Company is engaged in the following business activities:

01. C301010 Yarn Spinning Mills
02. C302010 Weaving of Textiles
03. C303010 Manufacture of non-woven fabrics
04. C399990 Other Textile and Products Manufacturing
05. CI01010 Rope, Cable and Net Manufacturing
06. A101020 Growing of Crops
07. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
08. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
09. F113010 Wholesale of machinery
10. F113020 Wholesale of Electrical Appliances
11. F113030 Wholesale of precision instruments
12. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
13. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
14. F213010 Retail Sale of Electrical Appliances
15. F213040 Retail sales of precision instruments
16. F213080 Retail Sale of Machinery and Tools
17. C306010 Wearing apparel
18. C307010 Clothing Accessories
19. C801120 Manufacture of Man-made Fibers
20. C802090 Manufacture of Cleaning Preparations
21. C802100 Cosmetics Manufacturing
22. C802110 Cosmetic Pigment Manufacturing
23. CH01010 Sporting goods manufacturing
24. CI01020 Rug and Felt Manufacturing
25. CJ01010 Hat Manufacturing
26. CK01010 Footwear Manufacturing
27. CL01010 Umbrella Manufacturing
28. CN01010 Furniture and Decorations Manufacturing
29. F106010 Wholesale of Hardware
30. F106020 Wholesale of Daily Commodities
31. F106060 Wholesale of Pet Food and Supplies
32. F107030 Wholesale of Cleaning Supplies
33. F108040 Wholesale of Cosmetics

- 34. F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- 35. F120010 Wholesale of Refractory Materials
- 36. F206020 Retail Sale of daily commodities
- 37. F206050 Retail Sale of Pet Food and Supplies
- 38. F207030 Retail Sales of Cleaning Supplies
- 39. F208040 Retail Sale of Cosmetics
- 40. F212050 Retail Sale of Petroleum Products
- 41. F217010 Retail Sale of Fire Safety Equipment
- 42. F220010 Retail Sale of Refractory Materials
- 43. F301010 Department stores
- 44. F399990 Retail sale of Other Integrated
- 45. F401010 International Trade
- 46. I101110 Textile Consulting
- 47. I401010 General advertisement service
- 48. I501010 Product Designing
- 49. I502010 Clothing Designing
- 50. C305010 Printing, Dyeing, and Finishing
- 51. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- 52. D101060 Self-usage power generation equipment utilizing renewable energy industry

Article 2-1: (Deleted)

Article 3: The Company is headquartered in Changhua County, Taiwan, and may establish local and foreign branches as deemed necessary, subject to the board of directors' resolution.

Article 3-1: The Company may provide external endorsement due to the needs of the business activities covered in Article 2.

Article 3-2: If the Company serves as a limited liability shareholder of another company, the total amount of such external investment is not subject to the 40% limit rule of the Company's paid-in capital as specified in Article 13 of the Company Act, provided that it is approved by the board.

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

## Chapter 2. Shares

Article 5: The Company has an authorized capital of 3 billion New Taiwan Dollars in three hundred million shares. Each share has a face value of ten New Taiwan Dollars. The board of directors is authorized to raise share capital in multiple issues.

Article 6: The share certificates of the Company are all name-bearing, and signed or stamp-sealed by directors representing the Company, and are issued upon the authentication by the bank permitted by law to serve as the registrar for the issuance of stocks. The Company may be exempted from printing actual stock certificates once the shares are issued to the public. However, they shall be registered with the Taiwan Depository and Clearing Corporation.

Article 7: Changes in the shareholder register cannot be made within 60 days prior to shareholder general meetings, 30 days prior to extraordinary meetings or 5 days before the Company's decision on dividend or bonus distribution or other ex dates.

### Chapter 3. Shareholder Meetings

- Article 8: Meetings of shareholders include the annual general meeting of shareholders (AGM) and the extraordinary general meeting of shareholders (EGM). The former shall be convened at least once a year within six (6) months after the end of each accounting year; and the latter shall be convened by law where necessary. Proceedings of shareholder meetings shall be conducted in accordance with the Company's "Rules of Procedures for Shareholders Meetings".
- Article 8-1: Shareholder meetings may be held by teleconferencing or other means announced by the Ministry of Economic Affairs.
- Article 9: Shareholders who are unable to attend the shareholder meeting may issue a proxy form stating the scope of their authorization in accordance with Article 177 of the Company Act to entrust their proxy with the meeting attendance and shall comply with the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies promulgated by the securities authority.
- Article 10: Each share represents one vote unless it is restricted or does not have the voting rights as specified by the Company Act.
- Article 11: Unless otherwise regulated by relevant laws, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.
- Article 11-1: If the shareholder meeting is convened by the board, the meeting will be chaired by the chairman in accordance with Paragraph 3, Article 208 of the Company Act. For a meeting that is convened by those with the convening authority outside of the board, the meeting should be chaired by the ones with convening authority.
- Article 11-2: Shareholder meeting resolutions shall be compiled into detailed meeting minutes, and relevant matters are subject to Article 183 of the Company Act. Meeting minutes may also be disseminated by way of public announcements.

### Chapter 4. Directors and Audit Committee

- Article 12: The Company has seven to eleven seats of directors who are elected based on their capacity to act. The term of service is three years, and they can be re-elected to continue their service. However, the total number of registered shares held by all directors shall not be less than a certain percentage of the company's total issued shares, and the percentage of shares in the preceding paragraph shall be determined in accordance with the regulations of the competent authority.
- There should be at least 3 independent directors among the abovementioned directors, accounting for no less than 1/5 of the board seats.
- The election of directors (including independent directors) has adopted the candidate nomination approach, in which shareholders make their election choices from the list of candidates. The professional qualifications, shareholding, part-time restrictions, determination of independence, nominations and other rules to be followed regarding the election of independent directors shall be handled in accordance with laws and regulations of the securities authority. The election of independent and non-independent directors should be held together, and the number of people elected is counted separately.

- Article 13: Directors constitute the board of directors. The board may set up various functional committees to exercise the powers of directors, and directors elect one person among themselves as the chairman in accordance with Article 208 of the Compact Act. The chairman internally presides shareholder meetings and the board of directors, and externally represents the company. If the chairman asks for leave or fails to exercise rights and responsibilities for any reason, a representative shall be assigned in accordance with the provisions of Article 208 of the Company Act.
- Article 13-1: If the board loses more than one-third of its directors, the board of directors shall convene an extraordinary general meeting within 60 days to elect new members for the shortfall. In which case, the newly elected members shall serve the remaining term of the existing board.
- Article 13-2: The Company establishes an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall be composed of all independent directors and shall not be less than three persons. One of them shall be the convener, and at least one shall have accounting or financial expertise. The performance of their functions shall be determined by the Securities and Exchange Act and the relevant laws and regulations.
- Article 14: The functions and powers of the board of directors are as follows:
- I. Proposal to amend the Company's articles of incorporation.
  - II. The establishment and abolition of branches.
  - III. Approval of the annual budget, review of the annual final accounts and review and supervision of the implementation of the annual business plan.
  - IV. Proposal for the distribution of surplus or make-up for the loss.
  - V. Approval of the Company's reinvestment in other businesses or transfer of shares.
  - VI. The selection and dismissal of the Company's certified public accountant shall be decided by the board of directors; technical, operational and management consultants and lawyers shall be selected and dismissed by the chairman authorized by the board of directors.
  - VII. Proposal to transfer, sell, lease, pledge, mortgage or dispose of all or major parts of the Company's property.
  - VIII. If the Company applies to a financial institution or a third party for financing, guarantee, acceptance, or any other credit and debt financing, the amount more than NT\$50 million (inclusive) shall require the board's approval. If the amount is less than NT\$50 million, it shall be reported in the next most recent board meeting for review.
  - IX. Capital expenditures exceeding NT\$100 million (inclusive) shall be subject to the board's approval. If the amount is less than NT\$100 million, it shall be reported in the next most recent board meeting for review.
  - X. The acts of endorsement, guarantee and acceptance in the Company's name with an amount more than NT\$50 million shall require the board's approval. If the amount is less than NT\$50 million, it shall be reported in the next most recent board meeting for review.
  - XI. Approval of significant transactions between the Company and its related parties.

- XII. The acquisition, assignment, grant and lease of know-how and patent rights, and the approval, revision and termination of technical collaboration contracts.
- XIII. For the approval of important contracts or major issues, the board of directors shall convene meetings once a quarter and convene extraordinary meetings when necessary. The convening of the board shall be handled in accordance with Article 203 of the Company Act.
- XIV. The remuneration of directors is subject to Article 196 of the Company Act. The board is authorized to determine the remuneration based on their level of participation in and contribution to the Company's operation. The remuneration follows the standards among the industry peers. The remuneration of the chairman shall be calculated based on the income received from the president. The remuneration of the remaining directors shall be paid at a standard that does not exceed the highest salary of the company's employee salary scale.

Article 15: A notice of the reasons for convening a board meeting shall be given to each director at least 7 days before the meeting is convened. However, in the event of an emergency, a board meeting may be called on short notice. The notice of the convening of the board meeting can be made in writing, e-mail or fax.

Board meetings shall be conducted in accordance with the Company's "Board Meeting Rules of Procedures". Directors who are unable to attend the meetings may issue a proxy form to appoint another director to attend the meeting. One director may accept only one proxy form.

## Chapter 5. Managerial Officers and Employees

- Article 16: The Company shall establish positions of managerial officers (including president), and the appointment, dismissal and remuneration shall comply with Article 29 of the Company Act. The salary and remuneration of the managerial officers needs to be reviewed by the Salary and Remuneration Committee and then submitted to the board of directors for approval. The remuneration, salary, rewards, year-end bonuses, etc. of other employees are reviewed by the president authorized by the board, and are paid based on their contribution to the Company's operations and the standard of other industry peers."
- Article 17: (Deleted).

## Chapter 6. Accounting

- Article 18: The remuneration of the Company's directors, managerial officers and other employees shall be paid regardless of whether the Company is profitable for the year. The Company shall purchase liability insurance policies for directors.
- Article 19: The Company shall, at the end of each fiscal year, have the board prepare (I) Business report, (II) Financial statements, (III) Proposals for earnings distribution or set off of losses and other documents and submit them to the annual general meeting and request for the ratification of the reports at the meeting.
- Article 19-1: 3-5% of the profit of the current year is distributable as employee remuneration and no higher than 4% of the profit of the current year is distributable as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for the losses, before using the remaining profit for distribution of

remuneration.

Employee bonus may be paid in stock or cash, and director bonus can only be paid in cash. The employees to whom the Company distributes remuneration, issues restricted stock award, share subscription warrants, subscription of new shares and transfers repurchased shares should be those who meet the criteria of being in the Company or affiliated companies of which the Company has more than 50% of the ownership.

Matters related to the payment of employee remuneration and directors' remuneration are handled in accordance with relevant laws and regulations, determined by the board, and reported to the shareholder meetings.

Article 20: The surplus income of the Company after the annual final accounts is distributed to the following accounts in their respective order:

I. Withholding taxes.

II. Make up for past losses.

III. Allocated 10% as legal reserve. If the legal reserve has reached the total share capital, no further allocations will be conducted.

IV. Allocated or reversed special reserve.

V. The surplus is added to the accumulated undistributed earnings of the previous year to become the earnings available for distribution. The board reserves part of the earnings to meet the need of business operations, and then drafts a distribution proposal. The allocation in the form of issuing new shares should be proposed to the shareholder meeting for resolution. Pursuant to Paragraph 5, Article 240 of the Company Act, the Company may authorize the board of directors to distribute dividends, profit-sharing, legal reserve and capital reserve (subject to compliance with Article 241 of The Company Act) wholly or partially in cash. Such decisions must be approved in a board meeting with at least two-thirds of directors present and supported by more than half of attending directors, and reported during a shareholder meeting afterwards.

Article 20-1: In order to meet the needs of sustainable operations, capital expansion and healthy development, and in consideration of maximizing shareholder value, the Company's dividend policy shall appropriately distribute stock dividends and cash dividends in accordance with the Company's future capital expenditure budget and capital needs. The cash dividends shall not be less than 10% of the total dividend distributed for the year. The board is authorized to set the actual distribution percentage in accordance with the Company's capital status and capital budget situation.

## Chapter 7. Supplementary Articles

Article 21: Any outstanding issues not specified in the Articles of Incorporation are to be handled in accordance with the Company Act and the relevant regulations.

Article 22: The Articles of Incorporation was formulated on July 19, 1988.

The 1st amendment was made on February 24, 1989.

The 2nd amendment was made on July 12, 1989.

The 3rd amendment was made on February 13, 1990.

The 3rd amendment was made on February 13, 1990.

The 4th amendment was made on November 9, 1990.

The 5th amendment was made on May 26, 1991.  
The 6th amendment was made on November 16, 1991.  
The 7th amendment was made on April 15, 1992.  
The 8th amendment was made on May 26, 1992.  
The 9th amendment was made on May 16, 1993.  
The 10th amendment was made on May 11, 1994.  
The 11th amendment was made on April 7, 1995.  
The 12th amendment was made on April 9, 1996.  
The 13th amendment was made on April 18, 1997.  
The 14th amendment was made on January 6, 1998.  
The 15th amendment was made on May 2, 1998.  
The 16th amendment was made on August 25, 2000.  
The 17th amendment was made on June 20, 2001.  
The 18th amendment was made on June 28, 2002.  
The 19th amendment was made on June 18, 2003.  
The 20th amendment was made on June 10, 2005.  
The 21st amendment was made on June 13, 2006.  
The 22nd amendment was made on June 22, 2007.  
The 23rd amendment was made on June 5, 2008.  
The 24th amendment was made on June 25, 2010.  
The 25th amendment was made on May 18, 2011.  
The 26th amendment was made on May 3, 2012.  
The 27th amendment was made on May 30, 2014.  
The 28th amendment was made on May 25, 2015.  
The 29th amendment was made on May 27, 2016.  
The 30th amendment was made on June 20, 2017.  
The 31st amendment was made on December 19, 2018.  
The 32nd amendment was made on June 28, 2019.  
The 33rd amendment was made on August 20, 2021.  
The 34th amendment was made on June 29, 2022.

## Acelon Chemicals & Fiber Co., Ltd.

### Rules of Procedure for Shareholder Meetings (A-3 Edition)

- Article 1 : The Rules were stipulated in accordance with the Rules Governing the Conduct of Shareholders Meetings by Public Companies promulgated on August 4, 1997, Article 182-1 of the Company Act and Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Unless otherwise stipulated by laws and regulations, the Rules shall prevail.
- Article 2 : Shareholders who hold more than 1% of the total shares on the book closure date can apply to the Company in writing for motions at the general meeting of shareholders. Each shareholder is entitled to proposing one motion, and each motion is limited to 300 words, and the scope of motion must be a matter that can be resolved at the shareholder meeting. Motions cannot be included in the meeting by the board if they involve any of the circumstances in Paragraph 4, Article 172-1 of the Company Act. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy attendance and participate in the discussion.
- The Company shall announce, before the book closure date of the annual general meeting, the conditions, places and time within which shareholders' proposals are accepted. The timing of acceptance must not be less than 10 days.
- The Company shall provide an attendance register for the attending shareholders to sign in, or have the attending shareholders turn in their attendance cards as to sign in.
- The number of shares in attendance is counted based on the attendance register or the submitted attendance cards.
- Article 3 : Attendance and voting at a shareholders meeting shall be calculated based on the number of shares.
- Article 4 : Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9 am or later than 3 pm.
- Article 5 : The chairman should chair the shareholder meeting convened by the board. The Vice-chairman is to chair the meeting on behalf of the chairman if the chairman takes the day off or for any reason cannot exercise the power. The chairman is to appoint a managing director on behalf of the vice-chairman if there is no vice-chairman or if the vice-chairman cannot attend the meeting due to the aforementioned reasons. A director is appointed if there is no managing director. In the event that the chairman does not appoint anyone, the managing directors or the directors are to recommend one person.



For a shareholder meeting that is convened by those with the convening authority outside of the board, the meeting should be chaired by the ones with convening authority.

Article 6 : Attorneys, accountants or other relevant personnel appointed by the Company may attend the shareholder meeting as non-voting delegates.

Staff handling administrative affairs of the shareholder's meeting shall wear identification cards or armbands.

Article 7 : The Company shall make an uninterrupted audio and video recording of the entire meeting of shareholders, and the recorded materials shall be retained for at least one year.

Article 8 : The chair is to call the meeting to order at the designated meeting time, but is to announce a postponement if the attending shareholders represent less than half of the total issued shares. The number of postponements is limited to two times, totaling no more than 1 hour. If the quorum is not met after two postponements 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, Article 175 of the Company Act.

If the attending shareholders represent more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholders vote in accordance with Article 174 of the Company Act.

Article 9 : The board should set the agenda for the meetings that it convenes. The meeting should be carried out based on the agenda, and should be not changed without the resolution of the shareholders.

The regulations of the preceding paragraph may be applied to a meeting of shareholders convened by a party 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 chairperson violates the rules of procedure by declaring the meeting ended, a new chairperson of the meeting may be elected by a resolution to be adopted by a majority of the voting rights represented by the shareholders attending the said meeting to continue the proceedings of the meeting.

Article 10 : Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order to give the speech.

The attending shareholders are considered to offer no statement if they only provide the statement slips without speaking. In the event that the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

When a present shareholder is making a statement, other shareholders shall not speak unless permitted by the chairperson and the speaking shareholder. Violators shall be halted by the chairperson.

Article 11 : Each shareholder shall not make more than two statements for the same proposals without the chairperson's agreement, and each statement shall not exceed five minutes.

If the shareholder's statement violates the rules or exceeds the scope of the issue, the chairperson shall halt the statement.

Article 12 : Corporate entities that have been appointed as proxy attendants can only appoint one representative to attend shareholder meeting.

The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one person giving speech for a motion.

Article 13 : After an attending shareholder speaks, the chairperson shall personally answer or designate a person to answer.

Article 14 : The chair is to stop discussion and announce for a vote for the motion that is close to the level to be decided by votes. In addition to being voted by ballot, motions are considered passed if shareholders express no objection after being consulted by the chair, and are considered passed with the same effectiveness as by voting. Shareholders have one vote per share.

Article 15 : The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have shareholder status.

Voting results shall be made known on-site immediately and recorded in writing.

Article 16 : During the meeting the chairperson shall announce a recess at set times.

Article 17 : Unless otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

Article 18 : For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the voting order. If one of the motions has been passed, the other motions are viewed as denied and no more voting will be conducted.

Article 19 : The chair is to direct proctors (or security guards) to help maintain order in the meeting. The proctors (or security personnel) help maintaining order at the meeting place shall wear an armband bearing the word "Proctor."

Article 20 : Any outstanding issues not specified in the Rules of Procedures are to be handled in accordance with the Company Act and the related regulations.

The formulation of the Rules is resolved by the board before being reported to the shareholder meeting for approval implementation, and likewise for amendment.

## Acelon Chemicals & Fiber Co., Ltd. Procedures for Election of Directors (A-5 Edition)

- Article 1 The Procedures have been established in accordance with Article 21 and 41 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” to ensure fairness, justice, and transparency in the election of directors.
- Article 2 Unless otherwise specified by law or the Articles of Incorporation, election of the Company’s directors shall proceed according to the procedures stated herein.
- Article 3 Directors of the Company shall be elected in consideration of the overall board allocation. All board members shall possess the knowledge, skills, and characters needed to exercise their duties. The board as a whole shall possess the following skills:
- I. Ability to make operational judgments.
  - II. Accounting and financial analysis.
  - III. Business administration.
  - IV. Crisis management.
  - V. Industry knowledge.
  - VI. Vision of the global market.
  - VII. Leadership.
  - VIII. Decision making.
- More than half of the Company’s board members shall consist of persons who are neither a spouse nor a second-degree relative or closer to any director.
- Article 4 Independent directors are subject to the eligibility criteria specified in Articles 2, 3 and 4 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” Elections of independent directors are subject to compliance with Articles 5, 6, 7, 8 and 9 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and Article 24 of “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
- Article 5 The election of the Company’s directors shall adopt the nomination approach in accordance with Article 192-1 of the Company Act and the provisions of Article 12 of the Articles of Incorporation.
- If the Company has less than five active directors at any given time due to dismissal, a by-election shall be held in the upcoming shareholder meeting to fill the open position. However, if the shortfall amounts to one-third of the minimum seats mentioned in the Articles of Incorporation, the Company shall convene an extraordinary shareholder meeting within the next 60 days to elect candidates for the shortfall.
- If the number of independent directors falls short of the requirements stated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held

in the upcoming shareholder meeting. If all independent directors have been dismissed from duty, the Company shall convene an extraordinary shareholder meeting within the next 60 days to elect candidates for the shortfall.

- Article 6 Elections of the Company's directors shall proceed using the one-name cumulative method. Each share is vested with voting rights equal to the number of directors to be elected. These voting rights may be concentrated on one candidate or spread across multiple candidates.
- Article 7 The board of directors or the person with the right to convene the meeting shall produce ballots in quantities that match the number of directors to be elected, and apply weight before distributing them to shareholder meeting participants. Conference pass serial number can be printed on the ballot for identification purpose instead of the voter's name.
- Article 8 The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9 Before the election begins, the chairperson shall appoint several shareholders to undertake the roles of ballot examiner and ballot counter to assist in the election. The ballot box will be made available by the board of directors, and shall be opened for inspection by the ballot examiner prior to voting.
- Article 10 Ballots are considered void in any of the following circumstances:  
I. Not using the ballots prepared by the board or the person with the right to convene the meeting.  
II. Casting of blank ballot into the ballot box.  
III. Ballots with illegible writing or are altered.  
IV. The candidate's name filled does not match with that on the list of director candidates upon verification.  
V. Ballots contain writing other than the number of voting rights allocated.
- Article 11 Ballots are to be counted openly immediately after voting. The chairperson will announce the outcome of the vote, including the names of elected directors and the number of votes received. All ballots used should be held in proper custody by the Company for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of the Company Act, the abovementioned documents must be retained until the end of the litigation.
- Article 12 These Rules are to be announced and implemented after being approved by the shareholder meeting, and likewise for the revision.

The revision for the A-5 Edition of the Procedures has been approved by the board at the meeting held on 2022.05.09, and approved at the shareholder meeting held on 2022.06.29.

# Acelon Chemicals & Fiber Co., Ltd.

## Directors' Shareholding Ownership



- I. The Company's paid-in capital is NT\$1,111,573,200 and the Company has issued a total of 111,157,320 shares.
- II. Pursuant to Article 26 of the Securities and Exchange Act, directors are required to maintain an aggregate holding of at least 8,000,000.
- III. As of the book closure date of the shareholder meeting, the number of shares held by each individual and all directors as recorded in the shareholder register is as follows:

### Shareholding of Each Director and All Directors as a Whole

Date of record: April 23, 2024

Title	Account Name	Number of shares	Ownership
Chairman	Honghou Investment Representative of legal person: Wen-Tung Chou	7,431,983	6.69%
Director	Ming-Yi Lai	6,046,913	5.44%
Director	Dihao Trading Legal person representative: Yi-Sheng Lin	2,929,082	2.64%
Director	Chin Ying Fa Mechanical Industrial Legal person representative: Yu-Long Shih	2,669,077	2.40%
Director	Ya-Hui Shih	2,158,027	1.94%
Director	Ping-Yi Chou	2,634,219	2.37%
Director	Wen-Po Yang	704,606	0.63%
Independent Director	Shui-Chin Chen	0	0%
Independent Director	Wan-Chung Chen	0	0%
Independent Director	Ji-Fu Lin	0	0%
Independent Director	Cheng-Pei Kuo	0	0%
Overall Directors' Shareholding Position		24,573,907	22.11%

## Other supplementary notes

### Status of acceptance of shareholder proposals at the shareholder general meeting

- (I) According to Article 172-1 of the Company Act, shareholders who hold over 1% of the total issued shares may propose motions in writing in the Company's shareholder general meeting. Each shareholder is limited to one issue in the motion containing less than 300 words.
- (II) The annual general meeting for the year accepts shareholders' proposals between April 15, 2024 and April 24, 2024, which has been announced on the MOPS in accordance with the law.
- (III) The Company has not yet received any shareholders' proposals.