

Shinkong Synthetic Fibers Corporation

Procedures for Handling Material Inside Information

Approved by the Board of Directors on November 7, 2022

Chapter I General Provisions

Article 1

For the purpose of establishing sound mechanisms for the handling and disclosure of material inside information of the Company, preventing improper disclosure of information, and ensuring the consistency and accuracy of information released by the Company to external parties, these Procedures are hereby formulated for compliance.

Article 2

The handling and disclosure of material inside information by the Company shall be conducted in accordance with relevant laws, regulations, orders, the rules of the Taiwan Stock Exchange Corporation, and these Procedures.

Article 3

The persons subject to these Procedures include the directors, managerial officers, and employees of the Company. Any other persons who become aware of the Company's material inside information due to their status, profession, or controlling relationship shall be urged by the Company to comply with the relevant provisions of these Procedures.

Article 4

The term "material inside information" as used in these Procedures refers to material information as defined under the Securities and Exchange Act, relevant laws and regulations, and the rules of the Taiwan Stock Exchange Corporation.

Article 5

The unit responsible for material inside information of the Company shall be the Finance Department, whose duties include the following:

1. Drafting and revising these Procedures.
2. Accepting inquiries, deliberating matters, and providing advice related to the handling of material inside information and these Procedures.
3. Accepting and handling reports related to the leakage of material inside information.
4. Safekeeping all documents, files, and electronic records related to these Procedures.
5. Other matters related to these Procedures.

Chapter II Confidentiality Procedures for Material Inside Information

Article 6

The directors, managerial officers, and employees of the Company shall perform their duties with the care of a good administrator and the duty of loyalty, act in accordance with the principle of good faith, and comply with confidentiality policies.

Directors, managerial officers, and employees who are aware of the Company's material inside information shall not disclose such information to any other person.

Directors, managerial officers, and employees of the Company shall not inquire of or collect undisclosed material inside information unrelated to their duties from persons who are aware of such information, nor shall they disclose undisclosed material inside information learned other than in the course of performing their duties to any other person.

Article 7

When documents and files containing material inside information are transmitted in writing, by email, or by other electronic means, appropriate protective measures shall be adopted.

Documents and files containing material inside information shall be stored in secure locations.

Article 8

The Company shall ensure the establishment of information barriers as stipulated in the preceding two articles and shall adopt the following measures:

1. Implement appropriate information barrier control measures and conduct periodic testing.
2. Strengthen the custody and confidentiality measures for undisclosed material inside information documents and files.

Article 9

External institutions or personnel participating in mergers and acquisitions, important memoranda, strategic alliances, other business cooperation plans, or the execution of important contracts with the Company shall execute confidentiality agreements and shall not disclose any material inside information of the Company obtained thereby to any other person.

Chapter III Procedures for Disclosure of Material Inside Information

Article 10

The Company shall adhere to the following principles when disclosing material inside information externally:

1. Information disclosure shall be accurate, complete, and timely.
2. Information disclosure shall be supported by appropriate grounds.
3. Information shall be disclosed fairly.

Article 11

Unless otherwise provided by law or regulation, the disclosure of material inside information by the Company shall be handled by the Company's spokesperson or deputy spokesperson, and the order of substitution shall be confirmed. Where necessary, the responsible person of the Company may directly handle such disclosure.

The content disclosed by the spokesperson or deputy spokesperson shall be limited to the scope authorized by the Company. Except for the responsible person, spokesperson, and deputy spokesperson, no Company personnel shall disclose material inside information externally without authorization.

Article 11-1

Where major resolutions adopted by the Company or significant events occurring meet the requirements of the Taiwan Stock Exchange Corporation regarding the verification and public disclosure of material information by listed companies, or where further assessment determines that such resolutions or events have a material impact on the Company's financial condition, business operations, shareholders' equity, or securities prices, the Company shall promptly disclose such material information within the time limits prescribed by law in accordance with the preceding article.

Article 11-2

For major resolutions or significant events of the Company that meet the requirements of the Taiwan Stock Exchange Corporation regarding verification and public disclosure of material information by listed companies, the responsible unit shall, at the latest prior to the occurrence of the event, complete a "Material Information Disclosure Application Form." After approval by the unit 主管, the application shall be submitted to the designated unit responsible for material information for review and verification and to the spokesperson for approval. The designated unit shall prepare the content of the material information disclosure and complete a "Material Information Assessment Checklist." Prior to the statutory disclosure deadline, the disclosure shall be reviewed by the spokesperson and, after approval by the Chairman, released. However, routine operational information of the Company may be approved by the President prior to release.

Article 12

The Company shall retain the following records regarding the disclosure of material information externally. Such records shall be preserved by the designated unit in written or electronic form for at least five years:

1. The personnel responsible for disclosure and the date and time of disclosure.
2. The Material Information Disclosure Application Form and the Material Information Assessment Checklist.
3. The content of the disclosed material information and approval documents.

4. Other relevant information.

Article 13

If media reports are inconsistent with the information disclosed by the Company, the Company shall immediately clarify the matter on the Market Observation Post System or disclose material information for clarification in accordance with regulations.

Chapter IV Handling of Abnormal Situations

Article 14

If directors, managerial officers, or employees of the Company become aware of any leakage of material inside information, they shall promptly report the matter to the designated unit and the internal audit department.

Upon receiving such a report, the designated unit shall formulate response measures and, if necessary, convene relevant departments such as internal audit to discuss handling measures. The internal audit department shall also conduct audits in accordance with its duties.

Article 15

In any of the following circumstances, the Company shall investigate the responsibility of the relevant personnel and take appropriate legal action:

1. Any Company personnel who disclose material inside information externally without authorization or violate these Procedures or other applicable laws or regulations.
2. Any spokesperson or deputy spokesperson who makes external statements in violation of these Procedures or other applicable laws or regulations.
3. Any external person who leaks the Company's material inside information, thereby causing damage to the Company's property or interests, in which case the Company shall pursue legal responsibility through appropriate channels.

Chapter V Internal Control and Internal Education and Promotion

Article 16

These Procedures shall be incorporated into the Company's internal control system. Internal auditors shall periodically review compliance therewith and prepare audit reports to ensure the effective implementation of the procedures for handling material inside information.

Article 17

The Company shall periodically provide written or other forms of education and promotion regarding these Procedures and relevant laws and regulations to directors, managerial officers, and employees. Appropriate education shall be provided in a timely manner to newly appointed directors, managerial officers, and employees.

Chapter VI Supplementary Provisions

Article 18

These Procedures shall be implemented upon approval by the Board of Directors. The same shall apply to any amendments hereto.