

Shinkong Synthetic Fibers Corporation

Regulations for the Prevention of Insider Trading

(Revised by the Board of Directors in August 2024)

Article 1

In order to prevent insider trading, avoid violations of relevant insider trading regulations, protect investors, and safeguard the Company's rights and interests, these Regulations are formulated in accordance with Article 157-1 of the Securities and Exchange Act and relevant regulations of the competent authority.

Article 2

Any of the following persons who become aware of information that has a material impact on the Company's stock price shall not purchase or sell the Company's shares or other equity-type securities before such information is publicly disclosed or within eighteen (18) hours after public disclosure:

1. The Company's directors, supervisors, managers, and their spouses, minor children, and persons holding shares in their names, as well as natural persons designated to exercise duties pursuant to Paragraph 1, Article 27 of the Company Act, and their spouses, minor children, and persons holding shares in their names.
2. Shareholders holding more than ten percent (10%) of the Company's shares, and their spouses, minor children, and persons holding shares in their names.
3. Persons who obtain such information due to their occupation or control relationship.
4. Persons who no longer hold any of the statuses described in the preceding subparagraphs but for whom less than six (6) months have elapsed since the loss of such status.
5. Persons who obtain such information from any of the persons listed in Subparagraphs 1 through 4.

The persons listed in Subparagraph 1 above shall be prohibited from trading any issued securities of the Company they hold during the closed period of thirty (30) days prior to the announcement of the annual financial reports and fifteen (15) days prior to the announcement of each quarterly financial report.

Article 3

The term “information that has a material impact on the Company’s stock price” as referred to in the preceding article means information involving the Company’s finance, business, or the market supply and demand of the securities, public tender offers, which has a material impact on stock prices or has a significant influence on the investment decisions of reasonable investors, including but not limited to the following:

1. Matters specified in Article 7 of the Enforcement Rules of the Securities and Exchange Act.
2. The Company’s major fundraising or issuance or private placement of equity-type securities, capital reduction, merger, acquisition, demerger, share exchange, conversion, transfer, direct or indirect investment plans, or any material change to the foregoing matters.
3. The Company’s reorganization, bankruptcy, dissolution, or application for delisting or termination of trading on a securities exchange or at a securities firm, or any material change to the foregoing matters.
4. Circumstances where the Company’s directors are subject to provisional injunctions suspending the exercise of their duties, resulting in the Board of Directors being unable to exercise its powers, or where all independent directors are dismissed.
5. Occurrence of disasters, collective protests, strikes, environmental pollution, or other major events causing material damage to the Company, or orders from competent authorities to suspend work, suspend business, cease operations, revoke or annul relevant permits.
6. Dishonor of negotiable instruments, application for bankruptcy, reorganization, or other similar major events involving the Company’s related parties, major debtors, or their joint guarantors; or inability of the principal obligor for whom the Company has provided endorsement or guarantee to repay due negotiable instruments, loans, or other debts upon maturity.
7. Occurrence of major internal control fraud, non-arm’s-length transactions, or asset stripping within the Company.
8. Termination of part or all business dealings between the Company and major customers or suppliers.
9. Any of the following circumstances relating to the Company’s financial reports:
 - (1) Failure to publicly announce or file reports in accordance with Article 36 of the Securities and Exchange Act.

(2) Errors or omissions in prepared financial reports requiring correction and restatement pursuant to Article 6 of the Enforcement Rules of the Securities and Exchange Act.

(3) Issuance by certified public accountants of audit or review reports other than unqualified opinions or modified unqualified opinions, except where losses are permitted by law to be amortized over multiple years, or where first-quarter, third-quarter, or semiannual financial reports receive qualified opinions due to long-term equity investment amounts and gains or losses calculated based on unaudited or unreviewed financial statements of investees.

10. Significant discrepancies between publicly announced financial forecasts and actual results, or significant discrepancies between updated (revised) financial forecasts and original forecasts.

11. The Company's repurchase of its own shares.

12. Initiation or cessation of public tender offers for securities issued by public companies.

13. The Company's acquisition or disposal of major assets.

14. Issuance of overseas securities by the Company where major events requiring immediate disclosure or filing under the laws and regulations of the listing jurisdiction and its securities markets occur.

15. Other matters involving the Company's finance or business that have a material impact on the Company's stock price or a significant influence on the investment decisions of reasonable investors.

Article 4

The term "information involving the market supply and demand of the securities, having a material impact on stock prices or significant influence on investment decisions of reasonable investors" as referred to in the preceding article includes any of the following:

1. Commencement or termination of public tender offers for securities traded on a centralized securities exchange or at a securities firm.

2. Significant changes in shareholding structure of the Company or its controlling companies.

3. Circumstances such as tender offers, auctions, major defaults in settlement, changes to original trading methods, suspension of trading, restriction of trading, or termination of trading of securities traded on a centralized securities exchange or at a securities firm.

4. Other matters involving the market supply and demand of the securities that have a material impact on the Company's stock price or a significant influence on the investment decisions of reasonable investors.

Article 5

The point in time at which the information referred to in the preceding two articles is deemed to have occurred shall be the earliest of the date of occurrence of the fact, date of agreement, date of contract execution, date of payment, date of mandate, date of transaction, date of transfer of title, date of resolution by the Audit Committee or the Board of Directors, or any other date sufficient to determine the occurrence of such information.

Article 6

The public disclosure of information referred to in Article 3 shall mean disclosure by the Company through input into the Market Observation Post System.

The public disclosure of information referred to in Article 4 shall mean disclosure through any of the following methods:

1. Input by the Company into the Market Observation Post System.
2. Announcement on the Basic Market Information website of the Taiwan Stock Exchange Corporation.
3. Announcement on the Basic Market Information website of the Taipei Exchange.
4. Reports by two or more nationwide newspapers, nationwide television news programs, or electronic newsletters issued by the foregoing media.

Where information is disclosed through Subparagraph 4 above, the eighteen (18) hour period specified in the Securities and Exchange Act shall be calculated from the later of the time of newspaper distribution, first broadcast of television news, or input into electronic websites.

For newspapers, morning editions shall be deemed distributed at 6:00 a.m., and evening editions at 3:00 p.m.

Article 7

The handling and disclosure of internal material information by the Company shall be conducted in accordance with relevant laws, regulations, and the rules of the Taiwan Stock Exchange Corporation or the Taipei Exchange.

Article 8

Directors, supervisors, managers, and employees who become aware of the Company's internal material information shall not disclose such information to others.

Directors, supervisors, managers, and employees of the Company shall not inquire of or collect undisclosed internal material information unrelated to their duties from persons who are aware of such information, and shall not disclose undisclosed internal material information learned other than in the performance of their duties to others.

Where directors, supervisors, managers, or employees of the Company become aware of any leakage of internal material information, they shall promptly report the matter to the audit department.

Upon receipt of such report, the audit department shall formulate handling measures, may convene relevant departments to discuss handling, prepare records of the handling results for reference, and shall perform audits in accordance with its duties.

Article 9

The Company shall establish and maintain data files of insiders and shall report such information to the competent authority within the prescribed time limits and in the prescribed manner.

Article 10

These Regulations shall be implemented upon approval by the Board of Directors. Amendments hereto shall be implemented in the same manner.

Article 11

These Regulations were originally formulated on December 31, 2009, first amended on January 22, 2019, and second amended on August 6, 2024.