



2025 ANNUAL REPORT FAR EASTERN NEW CENTURY

2025

Stock Code 1402 APR 15, 2026



S&P Global
The Sustainability
Yearbook 2025
Industry Mover



S&P Global
The Sustainability
Yearbook 2025
Member



CDP Climate
Change A-list

Telecommunications



遠傳 5G



SALOMON



Property Development



A' DESIGN AWARD & COMPETITION

Production Business

Cement



Garden City

Retail

Focusing on Sustainable
Development Goals



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Overseas Securities Exchange

None

Corporate Website

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I. Letter to Shareholders

Dear Shareholders,

Standing at the vanguard of its 77th year, Far Eastern New Century Corporation (FENC) remains anchored in the pragmatism of an industrialist, guided by the strategic acumen of an entrepreneur, and inspired by the benevolent spirit of a philanthropist. We steadfastly uphold our founding motto: "Sincerity, Diligence, Thrift, Prudence, and Innovation." In an era defined by geopolitical turbulence, the relentless tide of Artificial Intelligence (AI), tariff shocks, and the imperative of net-zero transition, the Company has fortified its operational bedrock through visionary deployment, technological ingenuity, and profound digital transformation, maintaining remarkable composure and resilience amidst sweeping global paradigm shifts.

In 2025, the global political-economic landscape is defined by intense volatility. The United States' reciprocal tariff policies are sweeping the world, elevating the U.S.–China trade rivalry into a global standoff and placing structural pressure on supply chains and international security frameworks. Politically, the protracted stalemate of the Russia-Ukraine war and frequent spillover conflicts in the Middle East have continually disrupted energy supplies, maritime security, and global economic operations, triggering a significant surge in worldwide military expenditures. Strategic competition between the U.S. and China has further intensified, extending deeply into defense, technology, energy, and industrial policy domains. In the United States, the "Trump 2.0 MAGA" initiative and the U.S. reciprocal tariff policy announced on "Liberation Day" are being aggressively pursued, leveraging tariffs and targeted investment strategies to reshape supply chains, accelerate the reshoring of manufacturing and technology, and refocus energy policy toward independence and fossil fuel prioritization. Concurrently, the United States is tightening export controls on high-end AI chips and expanding its strategic posture in rare earth resources and digital finance, thereby amplifying economic volatility and policy uncertainty ahead of the 2026 midterm elections. Meanwhile, China is systematically implementing its "15th Five-Year Plan," prioritizing technological breakthroughs, green transition, and industrial upgrading, while introducing "anti-involution" measures to recalibrate industrial order, correct capacity imbalances, and fortify national security and economic resilience amid rising external uncertainties, even as it deepens its economic and trade nexus with the Global South and emerging markets. In parallel, Japan is confronting a confluence of political and economic turbulence alongside depreciation pressure on the yen and, under the leadership of its first female Prime Minister, Sanae Takaichi, is prioritizing defense and economic security while strengthening autonomy in critical industries—a strategic direction poised to reshape Northeast Asian regional stability and supply chain configurations. Europe, by contrast, faces anemic growth momentum as multiple nations enter election cycles, complicating consensus on key political and economic issues, straining EU policy coordination, and heightening the risk that political realignments in France, Germany, and the UK may undermine the consistency of security, fiscal, and industrial policies, thereby forcing difficult trade-offs among economic pressures, climate commitments, the Russia–Ukraine crisis, and energy mandates. Within this complex global environment, Taiwan, leveraging its indispensable role in semiconductor and AI hardware manufacturing, remains the undisputed core of the global technology supply chain and a vital pillar of economic growth; nevertheless, amid escalating geopolitical tensions, it must prudently navigate mounting external political pressures and systemic risks.

Economically, the rising prevalence of reciprocal tariffs and trade protectionism, driven by recent U.S. trade and industrial policy initiatives, has reshaped the global trade environment and added greater complexity into international commerce. Volatility in energy and commodity prices has intensified, with oil prices influenced by Middle Eastern geopolitical developments and OPEC production decisions, posing sustained challenges to corporate operational stability. From a monetary policy perspective, the U.S. Federal Reserve has initiated a rate-cut cycle, prompting structural adjustments in capital flows and asset allocation; nevertheless, interest rate and foreign exchange volatility remain elevated, and divergent currency trends continue to weigh on global financial markets. Export-oriented economies are experiencing margin pressures as exchange rate fluctuations, reciprocal tariffs, and ongoing diversification of customer supply chains drive higher operating costs. Against this backdrop of heightened costs, volatility, and uncertainty, corporate operational resilience and risk management capabilities are facing increasingly stringent tests.

Letter to Shareholders

Technologically, the rapid advancement of artificial intelligence (AI) is reshaping industrial competition and business models, with sustained competitiveness increasingly dependent on the mastery of critical technologies. As AI infrastructure grows, the stability, capacity, and energy reliability of power systems have become essential enablers for scalable AI deployment and investment efficiency. Environmentally, the formal implementation of the European Union's Carbon Border Adjustment Mechanism (CBAM) has positioned low-carbon manufacturing processes, green supply chains, and enhanced climate disclosures as key prerequisites for participation in global markets. In parallel, the adoption of IFRS Sustainability Disclosure Standards (IFRS S1 and S2) requires companies to disclose short-, medium-, and long-term sustainability- and climate-related risks and opportunities, enabling stakeholders to more comprehensively assess financial performance alongside sustainability considerations. Furthermore, the rising electricity demand associated with high-performance computing and AI applications is driving adjustments in global energy strategies, leading major economies to re-evaluate the roles of fossil fuels and nuclear power in maintaining energy security.

In an era defined by rapid transformation, competition is omnipresent. FENC resolutely adheres to its mission: "Through innovative thinking, advanced technology, and strong management, we aspire to be a leading global supplier of high value-added polyester and textile materials, maximizing the value of diverse assets and contributing to societal progress and human well-being." The Company drives digital transformation and operational upgrading with prudence and steady progress. Sustainability at its core, technology as its engine, and innovation as its driving force, FENC is well positioned to seize emerging opportunities amid turbulence and cultivate robust, long-term growth momentum.

Operating Results

The strategic blueprints of the Company's three major business segments optimize asset allocation and elevate operating performance, systematically driving improvements in ROE and overall corporate value. The Production Business strengthens its global competitiveness through diversified geographic deployment, vertical integration, technological innovation, and green transformation; the Property Development Business effectively revitalizes land resources to unlock substantial development value; and the Investment Business delivers stable and growing returns, reflecting the Company's core strength as a premier industrial holding enterprise. In 2025, consolidated revenue reached NT\$ 254.1 billion and consolidated net income of NT\$ 16.9 billion. Net income attributable to shareholders of the Company reached NT\$ 7.83 billion, with earnings per share (EPS) of NT\$ 1.55 under IFRS. The 25th Board of Directors, at its 8th meeting, proposed a cash dividend of NT\$ 1.25 per share, representing a cash dividend yield of approximately 4%.

Production Business: Advancing High-End Technologies, Consolidating Core Advantages

1. Integrated Operations and Diversified Global Footprint

Operating with a global perspective, FENC has extended its footprint from Taiwan to China, Vietnam, Japan, the United States, and Southeast Asia, establishing a comprehensive production and sales network across Asia and the Americas to form a highly resilient regional supply chain. Through vertically integrated operations spanning feedstock (Tier 5), polymer chips (Tier 4), filament (Tier 3), fabric (Tier 2), and apparel (Tier 1), the Company is among the few enterprises globally with a fully integrated, end-to-end polyester and textile value chain. This integration enables agile responses to market fluctuations and effectively mitigates challenges arising from tariffs, energy cost volatility, and the growing need for localized production. In recent years, FENC has increased its overseas capacity to consolidate its competitive position. It has established a leading position in recycled PET (rPET) for food packaging in Japan; the fully integrated plant in Vietnam has progressively completed the rollout of production lines

and product certifications; and capacity expansion plans in the United States are progressing steadily, alongside ongoing optimization of logistics across Asia and the Americas. Looking ahead, FENC will leverage Taiwan as a high-value-added R&D hub, aligning with industry trends and market demand to formulate disciplined investment strategies. This approach aims to build an optimal global production and sales network that balances agility and resilience, thereby supporting sustainable, long-term growth.

2. High-Value Innovative Materials and World-Class Brand Strength

The Company has cultivated a highly synergistic transnational R&D network, comprising the Far Eastern Group R&D Center, the Sharon Center in the U.S., and the Shanghai R&D team. By establishing the “Innovation Direct to Market (IDM)” center, FENC has developed a comprehensive global R&D ecosystem focused on key domains such as advanced polyester, environmental sustainability, and energy efficiency and carbon reduction. These R&D achievements have generated substantial commercial value, with a cumulative total of 939 patents secured, demonstrating strong technological capabilities. Recent innovations have garnered international recognition: FENC® Thermobionic—a bio-mimetic thermoregulating knitted fabric—and FENC® LoopFlex—a high-stretch, mono-material recyclable fabric—were awarded the Platinum and Gold Awards, respectively, at the 2025 A' Design Award in Italy, underscoring the Company's strengths in functional textiles and sustainable materials. In material and process innovation, through a strategic cross-border partnership with French biotech innovator Carbios and global brand Salomon, FENC has successfully developed high-performance footwear utilizing bio-enzymatic recycling technology—an achievement recognized with the prestigious ITMF International Collaboration Award, with FENC being the only Taiwanese company honored this year. Furthermore, FENC® TopGreen® AirTek PU applies CO₂-based non-isocyanate polyurethane (PU) technology, reducing carbon emissions by 58% compared to conventional PU. This innovation has received multiple international accolades, including Second Prize in the “Best CO₂ Utilisation 2025” Innovation Award (Germany)—making FENC the first Asian company to receive this recognition since its inception—and the Gold Award in the Source Management category under the Outstanding Circulation Enterprise Awards, presented by the Resource Circulation Administration, Ministry of Environment, Taiwan. These R&D achievements have been successfully adopted by international brands and major sporting events. The Company provided jersey fabrics for 22 national teams for the 2026 World Cup, with 12 teams qualifying for the final tournament, significantly enhancing global market visibility and reinforcing the Company's leadership in material science and sustainable innovation.

3. Green Technology Deployment and Industrial Upgrading

As a global leader in the sustainable polyester industry, FENC has upheld a long-standing commitment to the circular economy for nearly 40 years, spearheading the industry's green transition through core materials technologies and becoming the world's largest supplier of food-grade rPET. The Company is expanding its global green capacity footprint across Taiwan, China, Japan, the United States, Vietnam, the Philippines, and Malaysia, establishing a low-carbon supply chain spanning Asia and the Americas. This optimized capacity scale provides solid support for the growing demand for recycled materials from leading international brands. Starting in 2025, the rPET plant in Vietnam and the Phase 1 new plant in Malacca are expected to commence commercial production in phases, while expansion plans in China and the Philippines are progressing. Notably, the new Malacca plant reinforces the ASEAN “bottle-to-bottle” circular ecosystem and marks the first application of a Double ESG Loan in overseas plant construction and operations. Concurrently, the Taiwanese subsidiary issued Green Commercial Paper (Green CP) to support rPET capacity expansion and renewable energy utilization, translating sustainability commitments into tangible industrial impact. On the product and technology front, FENC anchors its development in the 5R strategy (Refillable, Reduce, Replace, Renewable, Recycle), further developing key circular economy technologies—including rPET materials, mechanical and chemical recycling, and carbon resource utilization—and extending applications across Land (B2B bottle-to-bottle recycling/T2T textile-to-textile recycling), Sea (ocean waste recycling), and Air (carbon capture and utilization). In collaboration with international brands to co-develop high-value-added recycled materials,

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FENC has successfully introduced mono-material sports shoes and airbag fibers, earning prestigious Red Dot and iF Design awards. The Company has also passed SGS verification in accordance with the EU EN 15343:2007 standard, demonstrating strong competitiveness in green materials. In 2025, green products accounted for more than 40% of the Production Business revenue, with the proportion of green raw material usage trending upward. The Company has established key transition targets for 2030, including a 50% reduction in greenhouse gas emissions and achieving a 50% share for both green product revenue and green raw material usage in the Production Business. By deepening circular technologies, broadening low-carbon and non-toxic product offerings, and fostering transnational supply chain synergies, FENC plays a key role in driving global green industrial upgrading and sustainable transformation.

4. ESG-Driven Sustainable Development and Corporate Competitiveness

Upholding the core philosophy of “Empowering Possibilities and Sustainability,” FENC fully integrates sustainable governance into its operational and investment decisions, continuously creating long-term environmental and social value. The Company’s sustainability performance has received broad international recognition. In addition to being included in the Dow Jones Best-in-Class Emerging Markets Index for the first time in 2025—becoming the first and only Taiwanese industrial conglomerate selected—FENC was also listed in the S&P Global Sustainability Yearbook 2025 and 2026, and was named an “Industry Mover” in the industrial conglomerate category in 2025, reflecting significant progress in its sustainability performance. In governance and risk management, FENC is included in the MSCI Selection Indexes and the FTSE4Good Emerging Index, and has been recognized in the Sustainalytics ESG Risk Rating. In climate action, the Company has adopted SBTi and internal carbon pricing mechanisms, becoming the world’s first polyester and synthetic fiber company to have its GHG emissions reduction targets validated under the 1.5°C pathway of the Science Based Targets initiative (SBTi). Having achieved its 2025 carbon reduction targets ahead of schedule, the Company was named to the CDP Climate Change A List. In sustainable finance, the Company has issued over 50 sustainable financial instruments and is the only company in Taiwan to have issued all four types of sustainable development bonds, earning prestigious recognitions including the TCSA, GCSA, Adam Smith Awards Asia, The Asset AAA Sustainable Finance Awards, and FinanceAsia’s Asia’s Best Managed Company Awards. These achievements were also presented at the COP29 Blue Zone international conference, further reinforcing the Company’s position as a leading ESG benchmark enterprise.

Investment Business: Flexible and Diversified Investments Driving Stable Returns

FENC further expands and diversifies strategic portfolio, with a broad footprint across petrochemical and energy, polyester materials, cement and building materials, retail, financial services, transportation, telecom and technology, construction, hotels, and philanthropies. Its ten listed companies together form a comprehensive corporate ecosystem encompassing livelihood, infrastructure, and digital services. As the Group’s parent company, FENC closely monitors global industrial and technological trends, strategically allocating capital to sectors with sustainable competitive advantages to effectively mitigate cyclical risks and enhance Group-wide synergies. Key investments demonstrate solid fundamentals and resilient profitability, delivering recurring earnings and dividend contributions. In alignment with the Group’s digital transformation strategy, the telecommunications business has further strengthened its deployment in 5G and enterprise private networks, while expanding into value-added areas such as cloud computing, cybersecurity, AIoT, smart cities, and smart healthcare. Synergies from the integration with Asia Pacific Telecom are increasingly materializing, supporting improved operational efficiency and profitability. The cement business focuses on Taiwan, China, and key overseas markets, addressing

regional infrastructure demand through differentiated market approaches and disciplined cost management, maintaining stable operations and strong resilience. Amid evolving consumer behavior and the repositioning of physical retail channels, the retail business is upgrading channel quality and customer experience. By introducing curated and diversified offerings—including dining, entertainment, and thematic exhibitions—it further strengthens competitiveness in core commercial districts. With investment assets accounting for over 40% of the Company's total assets, this portfolio provides a solid foundation for long-term value creation and supports overall performance and shareholder returns.

Property Development Business: Revitalizing Land Resources and Enhancing Asset Value

FENC actively pursues the revitalization of its land resources to enhance returns on its assets. Far Eastern Resource Development Corporation was established to lead the development, leasing, sales, and management of land across Taiwan, unlocking new value from its land assets. The Company currently holds approximately 560,000 pings of land in Taiwan, with over 200,000 pings available for development. Primarily located in the Greater Taipei metropolitan area and key transportation hubs, these assets offer solid long-term appreciation potential. The Property Development Business adopts a professional and zoned operating strategy, encompassing diverse asset types including R&D office buildings, residential properties, telecom parks, commercial facilities, and hypermarkets. Through leasing, sales, and joint development, the Company continuously transforms land assets into long-term, stable operating income and capital returns. Management conducts regular reviews of the asset portfolio to increase asset utilization and generate operating cash inflows. A flagship project, Taipei Far Eastern Telecom Park (Tpark), is located in Banqiao's core multi-modal transit hub and spans approximately 24 hectares. As Taiwan's first privately developed telecom-focused park with LEED Campus certification, it has attracted a number of leading international companies. Tpark integrates R&D, residential, educational, medical, and commercial functions. Its operational performance has been recognized by the Asia Pacific Intelligent Green Building Alliance, receiving the Platinum Award in the Smart Green Building Operations category. It was also the first in Asia to achieve dual Platinum certification (WiredScore Platinum and SmartScore Platinum). Several buildings in the R&D Office Building Zone have been completed and are operating with high occupancy rates. In the Residential Zone, presales for the new "Eco Park A+" project were launched in Q4 2025, receiving strong market response and supporting future profitability. The integrated development model combining R&D, commercial, and residential components at Tpark is expected to generate stable rental income and development returns. Beyond Tpark, the Company is advancing the rezoning of the Neili plant site to support a mixed-use development comprising residential, commercial, and healthcare facilities. In addition, industrial land in Guanyin (Taoyuan) and Hukou (Hsinchu), both with strong locational advantages, is being revitalized through diversified approaches, including leasing, sales, and joint development. With a focus on enhancing returns on land assets, FENC leverages a professional management team to extend its capabilities from land planning and development to property operations and management, supporting the steady growth of the Property Development Business and the maximization of asset value.

Business Goals and Prospects

Leveraging a professional and experienced management team, FENC upholds its corporate culture and core values while keeping pace with industry developments by introducing new technologies and advancing business transformation. The Company is committed to sustainable long-term returns supported by strong operational and financial fundamentals.

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A. AI Transformation Toward an Intelligent Future

The Company has formulated a comprehensive AI transformation roadmap. Following the public release of ChatGPT as an AI tool in 2022, FENC launched the “Corporate Management AI Mobilization Initiative” in the first quarter of 2023, establishing a seed team dedicated to AI application and promotion. The Company has strengthened AI utilization and governance capabilities while building internal application platforms. Led by Corporate Management, AI applications have been systematically introduced into core operational functions, including accounting, finance, legal, human resources, and administrative management. Through process optimization, intelligent analytics, and model-based decision support, the Company continues to elevate operational efficiency and risk management capabilities. FENC’s self-developed AI platform, “AIFE,” received an Honorable Mention in the Company category at the Ministry of Economic Affairs’ 2025 Best AI Awards and was the only manufacturing company recognized. In the same year, the Company received the Potential Star Award at the Ministry of Digital Affairs’ GenAI Stars competition, demonstrating its leading capabilities in AI platform integration, cybersecurity governance, and intelligent applications. In January 2026, FENC was selected as one of Business Weekly’s Top 100 Innovative AI Enterprises for its self-developed AIFE platform and six AI agents, which contribute to internal controls and sustainable risk governance. In 2025, the Company established the “Intelligent Transformation Center” to integrate resources and apply AI to production processes, gradually building a smart operating model to support more effective decision-making and operational adaptability. FENC will implement a three-stage “Point–Line–Plane” strategy, supported by six digital transformation drivers, to build a scalable intelligent ecosystem. The Company will advance AI research and development and cybersecurity governance while promoting cross-departmental and cross-enterprise collaboration and new business models for smart manufacturing and digital transformation.

B. Strengthening R&D Capabilities and Driving Future Growth

To further improve its R&D capabilities and execution efficiency, the Company will increase R&D investment, recruit key global talent, and enhance the integration of its global R&D network through cross-border talent exchange and collaborative mechanisms. The Company aims to move toward becoming a global technology leader in polyester and textile materials by deepening core technologies, expanding its patent portfolio, and building stronger commercialization capabilities, thereby building solid technological barriers. The Innovation Direct to Market (IDM) center leverages seven technology platforms to connect the value chain from polyester fibers to apparel. Together with the COLAB design center, it accelerates commercialization and promotes early-stage engagement with global brand partners. In response to evolving market demand, the Company will integrate Group R&D resources, material science, green processes, and circular design to drive the development of high-value, low-carbon products. At the same time, the Company is proactively expanding into emerging applications, including AI robotics and high-performance materials and fibers for defense and advanced industrial applications. By capturing opportunities arising from geopolitical and security-driven industry shifts, the Company seeks to position itself in future growth sectors and further reinforce its long-term competitiveness and sustainable operations.

C. Talent Development and Management Integration

As a core support function for production, sales, and investments, the Corporate Management team comprises professionals across multiple countries, time zones, and cultures. Coordinating both Taiwan and overseas operations, the team integrates key functions including investment, finance and accounting, human resources, information technology, legal affairs, corporate governance, and environmental sustainability to build an efficient and evolving global management framework. With strong risk monitoring and responsive management capabilities, the team supports the Company’s global strategy and long-term development. Through executive succession planning and phased talent development programs, the Company promotes organizational rejuvenation and maintains long-term vitality. The Company is also

developing digital and intelligent management practices, refining performance indicators, risk alert systems, internal controls, and mobile work platforms to improve decision-making efficiency and operational resilience. At the same time, it further develops ESG governance, carbon management, regulatory compliance, and cybersecurity, leveraging AI and digital technologies for its net-zero transition and sustainable finance initiatives. FENC's solid financial position and governance performance have been recognized internationally, and the Company has ranked among the top three in foreign institutional investor polls for three consecutive years. FENC's talent strategy has received international recognition. In 2025, the Company participated for the first time in the Brandon Hall Group™ HCM Excellence Awards® and received two Gold awards—for "Best High Potential Development" and "Best Diversity, Equity, Inclusion and Belonging Strategy"—as well as one Silver award for "Best Talent Management Technology Implementation." The Company also received the ATD Excellence in Practice Award and has been recognized by HR Asia as one of the "Best Companies to Work For in Asia" for five consecutive years. These recognitions reflect the Company's sustained investment in talent development and contribute to its long-term competitiveness and organizational strength.

D. Diversified Global Layout to Sustain Growth

In response to evolving market trends and structural shifts in the industry, the Company adheres to disciplined and effective capital allocation principles while continuing to expand capacity and diversify its investment portfolio. Through a diversified global network of production bases and sales channels, the Company steadily expands its presence across Asia, Europe, and the Americas, with particular focus on key markets such as Japan and Southeast Asia. Future plans include evaluating emerging markets with strong manufacturing potential, including Central America and Indonesia, and gradually establish localized operations. From an operational perspective, the Company leverages distributed and flexible capacity allocation to improve coordination between production and sales, enabling timely adjustments to regional demand changes. It also deepens strategic partnerships with major customers to solidify its position as a key supply partner to international brands. The Company will further broaden its global operating network and optimize its supply chain footprint, positioning itself to capture opportunities arising from shifts in global production hubs. By responding proactively to market demand, tariff policies, and supply risks, it aims to maintain a well-balanced and resilient production–sales structure.

E. Promoting Revenue Growth and Cost Efficiency to Maintain Operational Resilience

The Company implements revenue growth and cost efficiency initiatives aimed at improving production efficiency while upholding disciplined cost control. On the revenue side, in response to reciprocal tariffs and evolving competitive conditions, the Company further localizes its operations and maintain flexible coordination between production and sales, while refining its order structure and product mix and passing on tariff impacts where appropriate. At the same time, it promotes product differentiation and higher-value product offerings through new application innovation, raising technological entry barriers and increasing market share to support future growth. On the cost side, in response to energy and raw material cost pressures, the Company has adopted systematic energy conservation and cost control measures covering management, technology, and investment. Through its dedicated Energy Task Force, the Company has established short-, medium-, and long-term energy-saving plans. These include short-term process improvements and management-based energy-saving measures, together with medium- to long-term investments in energy-efficient technologies and equipment, while improving equipment performance, product structure, and process efficiency. In addition, the Company conducts close monitoring of international raw material and energy markets, with disciplined energy management and close control over raw material costs. Procurement sources are diversified, global purchasing resources are integrated, and transportation expenses are carefully managed. At the same time, the Company introduces intelligent equipment and energy-saving systems while refining workforce allocation and

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process technology to raise overall operational efficiency. Going forward, the Company will prudently assess the business environment while upholding disciplined financial management and system-based management practices to support stable and sustainable long-term operations.

F. Public Welfare Engagement and Corporate Leadership

Guided by the founding philosophy of “Cultivating Industry while Contributing to Society,” the Company has long engaged in public welfare alongside its business development. Through its schools, hospitals, and foundations, it contributes to society across areas such as social care, education, talent development, environmental sustainability, and responsible governance. Through industrial expertise and long-term community engagement, the Company contributes meaningful and lasting social value. The Company’s affiliated foundations have long supported the development of arts and culture, healthcare, and scientific research. The Far Eastern Memorial Foundation focuses on cultural and artistic programs, while the Far Eastern Medical Foundation supports medical research and medical assistance programs. The Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation administers a nationally recognized science award program that nurtures both leading and emerging researchers and contributes to technological innovation. In healthcare and education, Far Eastern Memorial Hospital has served the community for more than four decades, with the introduction of smart healthcare technologies and international medical collaboration supporting high-quality, patient-centered care. Yuan Ze University contributes to medical and biomedical education, providing a strong foundation for the development of talent in smart healthcare. The Company also supports environmental education and sustainability awareness through campus initiatives, encouraging greater environmental engagement among younger generations. Broader public welfare participation and cross-sector collaboration will remain an important part of the Company’s contribution to social progress and a better quality of life.

FENC’s history reflects a tradition of innovation and resilience. Through cycles of global political and economic change, industrial transformation, and market fluctuation, the Company has progressed from manufacturing excellence to integrated services and from Taiwan to an international presence. Guided by integrity and continuous improvement, FENC approaches new challenges with steady discipline. Innovation in business models, organizational refinement, and sound governance remain the foundation for long-term value creation for employees, suppliers, customers, and shareholders.

Chairman
Douglas Tong Hsu

徐旭東



II. Corporate Governance Report

1. Directors and Management Team

1.1 Directors

Book closure date: March 30, 2026

Title	Nationality or Record of Birth	Name	Gender & Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae Δ Other positions in FENC and/or other companies	Executives or Directors who are spouses or within two degrees of kinship		
							Share	%	Share	%	Share	%		Title	Name	Relation
Chairman	R.O.C	Douglas Tong Hsu	Male, Above 80 years old	Jun 27, 2024	3	Dec 23, 1967	91,748,698	1.71	91,748,698	1.71	-	-	National Chiao Tung University, Taiwan, Honor Ph.D in Management University of Notre Dame, USA, MA Columbia University, USA Δ Chairman of Asia Cement Corporation(ACC), Oriental Union Chemical Corporation(OUCC), U-Ming Marine Transport Corporation(U-Ming), Far Eastern Dept. Store Ltd. (FEDS), Far EastOne(FET), and Vice Chairman of Far Eastern International Bank (FEIB)	Vice Chairman Vice Chairman Director Director Director	Johnny Hsi Jeff Hsu Peter Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Son Brother Daughter Sister
Vice Chairman	R.O.C	Johnny Hsi Representative of Asia Cement Corporation	Male, 70-79 years old	Jun 27, 2024	3	Feb 9, 1979	1,272,277,085 *1,483,207	23.77 0.03	1,226,945,085 *1,483,207	22.92 0.03	-	-	Columbia University, USA, Master in Computer Science Δ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC and CTCI Corporation	Chairman Director Director	Douglas Tong Hsu Peter Hsu Alice Hsu	Brother-in-law Brother-in-law Sister-in-law
	R.O.C	Jeff Hsu Representative of Asia Cement Corporation	Male, 40-49 years old	Jun 27, 2024	3	Jul 29, 2021	1,272,277,085 -	23.77 -	1,226,945,085 -	22.92 -	-	-	Illinois Institute of Technology, USA Master in Design and Innovation, Institute of Design University of Notre Dame, USA, MBA Δ Chief Innovation Officer of Far Eastern Group, Director of FET and FEIB, Vice Chairman and Executive Vice President of U-Ming.	Chairman Director	Douglas Tong Hsu Tonia Katherine Hsu	Father Sister
Director	R.O.C	Peter Hsu Representative of Asia Cement Corporation	Male, Above 80 years old	Jun 27, 2024	3	Apr 14, 1976	1,272,277,085 *60,269,210	23.77 1.13	1,226,945,085 *60,269,210	22.92 1.13	-	-	Stanford University, USA, Master in Operation Research Δ Vice Chairman of FET, Director of ACC and U-Ming	Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Alice Hsu	Brother Brother-in-law Sister
	R.O.C	Shaw Y. Wang Representative of Asia Cement Corporation	Male, Above 80 years old	Jun 27, 2024	3	May 10, 1985	1,272,277,085 *395,366	23.77 0.01	1,226,945,085 *395,366	22.92 0.01	-	-	National Chung Hsing University, Taiwan, Business Administration Department National Taiwan University, Taiwan, the Executive Program in Business Administration Δ Executive Director of Group Foundation, Executive Director of FEIB	-	-	-
	R.O.C	Richard Yang Representative of Far Eastern Dept. Store Ltd.	Male, 50-59 years old	Jun 27, 2024	3	Jun 13, 2006	19,964,370 *16,071,093	0.37 0.30	19,964,370 *16,071,093	0.37 0.30	-	-	Thunderbird School of Global Management, Arizona State University, USA, MBA Δ Managing Director of Surview Capital Ltd.	-	-	-
	U.S.A	Tonia Katherine Hsu Representative of Far Eastern Dept. Store Ltd.	Female, 50-59 years old	Jun 27, 2024	3	Jun 13, 2006	19,964,370 -	0.37 -	19,964,370 -	0.37 -	-	-	Sarah Lawrence College, USA Δ -	Chairman Vice Chairman	Douglas Tong Hsu Jeff Hsu	Father Brother

Title	Nationality or Record of Birth	Name	Gender & Age	Date elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae Δ Other positions in FENC and/or other companies	Executives or Directors who are spouses or within two degrees of kinship			
							Share	%	Share	%	Share	%		Title	Name	Relation	
Director	R.O.C	Kwan-Tao Li Representative of U-Ming Marine Transport Corporation	Male Above 80 years old	Jun 27, 2024	3	Jun 13, 2006	31,181,470 *	0.58	31,181,470 *	0.58	-	-	Kellogg-HKUST, MBA Δ Chief Senior Counselor, Lee and Li, Attorney-at-law, Director of ACC	-	-	-	
	R.O.C	Alice Hsu Representative of U-Ming Marine Transport Corporation	Female, 70-79 years old	Jun 27, 2024	3	Apr 20, 1988	31,181,470 *19,697,710	0.58 0.37	31,181,470 * 17,647,710	0.58 0.33	-	6,125,000	0.11	Sheridan College, Retail Management Δ -	Chairman Vice Chairman Director	Douglas Tong Hsu Johnny Hsi Peter Hsu	Brother Brother-in-Law Brother
	R.O.C	Champion Lee Representative of Yue Ding Investment Co., Ltd.	Male, 70-79 years old	Jun 27, 2024	3	Apr 20, 1988	33,617,781 *303,099	0.63 0.01	33,617,781 *303,099	0.63 0.01	-	-	-	Texas A&I University, USA, Master in Business Administration Δ Director of ACC, FET and U-Ming.	-	-	-
Independent Director	R.O.C	Shu-Chieh Huang	Male, 60-69 years old	Jun 27, 2024	3	Jun 27, 2024	-	-	-	-	-	-	-	National Chiao Tung University, Taiwan, EMBA Δ Director of Jie-Heng Consultant Ltd., Independent Director of Accton Technology Corporation.	-	-	-
	R.O.C	Raymond R.M. Tai	Male Above 80 years old	Jun 27, 2024	3	Jun 28, 2019	-	-	-	-	-	-	-	Fu Jen Catholic University, Taiwan, Honor Ph.D. in School of Law University of Hawaii, USA, Master, Department of American Studies Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See Δ -	-	-	-
	R.O.C	Way Kuo	Male, 70-79 years old	Jun 27, 2024	3	Jun 27, 2024	-	-	-	-	-	-	-	Kansas State University, USA, Ph.D. in Engineering Δ Emeritus President and University Distinguished Professor, City University of Hong Kong	-	-	-
	R.O.C	Chung-Shu Wu	Male, 60-69 years old	Jun 27, 2024	3	Jun 27, 2024	-	-	-	-	-	-	-	Northwestern University, USA, Ph.D. in Economics Δ Chairman of Taiwan Institute of Economic Research, Independent Director of Pihong Technology Co., Ltd.and Cheng Shin Rubber Ind. Co., Ltd.	-	-	-
	R.O.C	Sy-Ming Guu	Male, 60-69 years old	Jun 27, 2024	3	Jun 9, 2003 (Note 4)	-	-	-	-	-	-	-	Stanford University, USA, Ph.D. in Operations Research Δ Chairman of AnesTek Corp, Director of Joushui company limited	-	-	-

* represents the number of company shares owned by the individual representative.

Note 1: No Director holds company shares via accounts under others' names.

Note 2: For Directors are company entities, the company registry is R.O.C.

Note 3: When the Company's chairman and the president or an officer of equivalent position (the most senior manager) are the same person, or spouses or consanguinity within the first degree to each other, the reason, rationality, necessity and countermeasure shall be disclosed: None

Note 4: Independent Director Sy-Ming Guu previously served as a Director of the Company from June 9, 2003 to June 13, 2006.

1.1.1 Major Shareholders of FENC's Directors are Institutional Shareholders

Book closure date: March 30, 2026

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders (%)
Asia Cement Corporation	Far Eastern New Century Corporation (19.89); Far Eastern Medical Foundation (5.15); Yuanta Taiwan Dividend Plus ETF account in the custody of Cathay United Bank (4.43); Yuan Ding Investment Corporation(1.80); UOB United Taiwan High Dividend Recovery 30 ETF account in the custody of Taiwan Business Bank (1.77); Yuanta Taiwan High Dividend Low Volatility ETF in the custody of Bank of Taiwan (1.72); Chunghwa Post Co., Ltd. (1.41); Far Eastern Dept. Store Ltd. (1.41); Yuan Ze University (1.37); Labor Pension Fund Committee of Far Eastern New Century Corporation (1.26)
Far Eastern Dept. Store, Ltd.	Far Eastern New Century Corporation (17.06); Yuan Ding Investment Corporation(7.66); Yuan Tone Investment Co., Ltd.(6.17); Asia Cement Corporation (5.65); Yuan Ze University (4.75); MEGA ICBC (2.26); Labor Pension Fund Committee of Far Eastern Dept. Store, Ltd. (2.11); Yu Yuan Investment Co., Ltd. (2.06); Tranquil Enterprise Ltd. (2.04); Far Eastern Memorial Foundation (1.71)
U-Ming Marine Transport Corporation	Asia Cement Corporation (39.25); Capital Tip Customized Taiwan Select High Dividend ETF (6.95); Yuanta Taiwan High Dividend Low Volatility ETF in the custody of Bank of Taiwan (2.55); Yuan Ding Investment Corporation (1.05); Yu Yuan Investment Co., Ltd. (0.94); Asia Investment Co., Ltd. (0.92); E.Sun Bank (0.81); Ya Li Transportation Corporation (0.75); Mitsubishi UFJ J.P. Morgan account in the custody of Bank of Taiwan (0.72); Taiwan Cooperative Bank (0.70)
Yue Ding Industry Co., Ltd.	Fu Da Transport Co., Ltd. (26.95); Yue Tung Investment Co., Ltd. (25.36); An Ho Garment Co., Ltd. (15.66); Din Yuang Investment Co., Ltd. (13.20); Ton Fu Investment Corp. (4.61); Ya Li Precast Pre-stressed Concrete Industries Corp. (3.89); Da Ju Fiber Co., Ltd. (3.89); Yuan Ding Co., Ltd. (2.59); Bai Ding Investment Co., Ltd. (2.31); Ding Shen Investment Co., Ltd. (1.53)

1.1.2 Major Shareholders of the Major Shareholders that are Juridical Persons

Book closure date: March 30, 2026

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Far Eastern New Century Corporation	Please refer to page 81.
Far Eastern Medical Foundation	Y.Z. Hsu (76.90); Zong-Yan He (2.31); Shu-Peng Wang (2.31); Wei-Yuan Hsu (2.31); Ying-Chung Huang (2.31); Douglas Tong Hsu (2.31); Laurence M. Yang (2.31); John Hsu (2.31); Johnny Hsi (2.31); S.S. Hsu (2.31); Wei-San Yu (2.31)
Yuan Ding Investment Corporation	Far Eastern New Century Corporation (100.00)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (100.00)
Yuan Ze University	U-Ming Marine Transport Corporation (55.21); Far Eastern Medical Foundation (26.05); Far Eastern New Century Corporation (5.52); Fu Ming Transportation Co., Ltd. (5.25); Far Eastern Memorial Foundation (4.91); Asia Cement Corporation (2.76); Connie Hsu (0.28); Y.Z. Hsu (0.01); Zhao-Zhong Yu (0.01)
Yuan Tone Investment Co., Ltd.	Far Eastern New Century Corporation (100.00)
MEGA ICBC	Mega Financial Holding Company Limited (100.00)
Yue Yuan Investment Co., Ltd.	Asia Cement Corporation (29.92); Yuan Ding Co., Ltd. (25.02); Yuan Ding Investment Corporation (18.96); U-Ming Marine Transport Corporation (17.66); Ding Shen Investment Co., Ltd. (6.50); Yue Tung Investment Co., Ltd. (1.84); Yue Ding Industry Co., Ltd. (0.10)
Tranquil Enterprise Ltd.	Douglas Tong Hsu (97.40); Peter Hsu (2.00); Cheng Jing Co., Ltd. (0.40); Jia-Cong Wang (0.20)
Far Eastern Memorial Foundation	Y.Z. Hsu (50.00); Yi-Chu Hsu (50.00)
Asia Investment Co., Ltd.	Asia Cement Corporation (100.00)
E.Sun Bank	E.Sun Financial Holding Company, Ltd. (100.00)
Ya Li Transportation Corporation	Asia Cement Corporation (51.61); Yue Yuan Investment Co., Ltd. (48.39)
Taiwan Cooperative Bank	Taiwan Cooperative Financial Holding Co., Ltd. (100.00)
Fu Da Transport Co., Ltd.	Fu Ming Transportation Co., Ltd. (99.97); Asia Investment Corp. (0.03)
Yue Tung Investment Co., Ltd.	U-Ming Marine Transport Corporation (73.54); Yue Lee Investment Co., Ltd. (26.46)
An Ho Garment Co., Ltd.	Far Eastern New Century Corporation (100.00)
Din Yuang Investment Co., Ltd.	Far Eastern New Century Corporation (100.00)
Ton Fu Investment Corp.	Oriental Union Chemical Corporation (100.00)
Ya Li Precast Pre-stressed Concrete Industries Corp.	Asia Cement Corporation (83.97); Far Eastern General Contractor Inc. (16.03)
Da Ju Fiber Co., Ltd.	Yuan Ding Investment Corporation (41.86); Yue Ding Industry Co., Ltd. (30.26); Yue Lee Investment Co., Ltd. (19.38); Yue Ming Trading Company Limited (8.50)
Yuan Ding Co., Ltd.	Far Eastern New Century Corporation (33.78); Asia Cement Corporation (35.50); Yuan Ding Investment Corporation (16.22); Der Ching Investment Co., Ltd. (14.50)
Bai Ding Investment Co., Ltd.	Far Eastern Dept. Store, Ltd. (66.66); Bai Yang Investment Co Ltd. (33.34)
Yuan Ding Co., Ltd.	Ding Shen Investment Co., Ltd. (18.00); Asia Investment Co., Ltd. (18.00); Bai Ding Investment Co., Ltd. (18.00); Ton Fu Investment Corp. (18.00); Yue Tung Investment Co., Ltd. (18.00); Yue Ding Industry Co., Ltd. (5.00); Da Ju Fiber Co., Ltd. (5.00)

1.1.3 The qualifications of Directors & the independence of Independent Directors

Item Name	Professional qualification(Q) and experience(E)	Independence	Serve as Independent Director at other public companies
Douglas Tong Hsu	Q: Operational management; leadership & decision-making; business & economy E: Chairman of ACC, OUCC, U-Ming, FEDS, FET; Vice Chairman of FEIB	Not Applicable	None
Johnny Hsi	Q: Operational management; leadership & decision-making; industrial know-how E: Chairman of Everest Textile; Vice Chairman of OUCC; Director of ACC and CTCL Corporation		
Jeff Hsu	Q: Operational management; innovation development; international perspectives E: Chief Innovation Officer of Far Eastern Group; Director of FET and FEIB, Vice Chairman & Executive Vice President of U-Ming		
Peter Hsu	Q: Operational management; leadership & decision-making; information technology E: Vice Chairman of FET; Director of ACC and U-Ming		
Shaw Y. Wang	Q: Operational management; business & economy; social welfare development E: Executive Director of Group Foundation; Executive Director of FEIB		
Richard Yang	Q: Operational management; financial investment; business & economy E: Managing Director of Surfview Capital Ltd		
Tonia Katherine Hsu	Q: Operational management; marketing strategy; cultural and creative industries development E: Director of Asia Eastern University of Science and Technology & Far Eastern Memorial Hospital		
Kwan-Tao Li	Q: Intellectual property law & other laws; operational management; social welfare development E: Chief Senior Counselor of Lee and Li, Attorney-at-law; Director of ACC		
Alice Hsu	Q: Operational management; consumer & retail industry; fashion design E: President of FEDS		
Champion Lee	Q: Operational management; finance & accounting; business & economy E: Director of ACC, FET and U-Ming; Senior Executive Vice President of FENC's Finance Department		
Shu-Chieh Huang	Q: Finance & accounting; operational management; business & economy E: CEO of Deloitte & Touche, Taiwan; Independent Director of Accton Technology Corporation	All Independent Directors complied with the below, 1. In accordance with the regulations under Article 14-2 of the "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" 2. None of the Independent Director, his spouse or relatives within the second degree of kinship are hired by the Company and its affiliates as a Director, a Supervisor or an employee.	1
Raymond R.M. Tai	Q: Diplomatic relations; administrative law; international perspectives E: Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See; Deputy Secretary-General to the President and Spokesperson, Office of the President R.O.C.(Taiwan)	None	
Way Kuo	Q: Electronic Engineering; operational management; international perspectives E: President of City University of Hong Kong; Dean of College of Engineering in University of Tennessee	None	

Name	Professional qualification(Q) and experience(E)	Independence	Serve as Independent Director at other public companies
Chung-Shu Wu	Q: business & economy; operational management; sustainable development E: Chairman of Taiwan Academy of Banking and Finance; President of Chung-Hua Institution for Economic Research; Independent Director of Pihong Technology Co., Ltd & Cheng Shin Rubber Ind. Co., Ltd	3. None of the Independent Director (or under others' names), his spouse or minor children hold the Company's shares. 4. The Independent Director has not provided any commercial, legal, financial, accounting services to the Company or its affiliates in recent two years.	2
Sy-Ming Guu	Q: Operational management; operational management; sustainable development E: Dean of Academic Affairs, Yuan Ze University; Dean of College of Management, Chang Gung University; Chairman of Mytrex Health Technologies, Inc.		None

Note: All Directors do not violate any clause under Article 30 of Company Act.

1.1.4 The diversity and independence of the Board of Directors

1.1.4.1 The diversity of the Board of Directors

- Diversity policy: The Company has established the "Corporate Governance Principles of Far Eastern New Century Corporation." Article 11 stipulates that the composition of the Board shall be determined by taking diversity into consideration.
- The nomination and selection of board members are conducted using a candidate nomination system: This process complies with the "Director Election Measures," "Corporate Governance Principles," and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Evaluating the educational and professional backgrounds, suitability and independence of each director meeting regulatory requirements. The selection of directors also considers the Company's diversity goals and stakeholder opinions. Basic conditions and values: proportion of Independent Directors, gender, nationality, etc. The Company's board currently consists of 15 members, all of whom possess extensive knowledge in management, leadership, decision-making, and various risk management-related industries. The educational and professional backgrounds include specialties in law, finance and accounting, economics, and sales.
- Objectives and current implementation status: ① Independent Directors constitute at least one-third of the board seats (currently five, consisting one-third of the board seats). ② Regarding gender diversity, the board includes at least one female Director (currently two, and the Company will continue to increase female Director seats in the future). ③ Regarding nationality, the board includes at least one non-Taiwanese Director (currently there is one citizen from the United States, and the Company will evaluate adding Directors of other nationalities in the future).
- Explanation and measures for enhancing Board gender diversity when either gender holds less than one-third of Board seats: The professional expertise and contributions of the Company's current Board members align with the Company's operational needs, supporting their continued tenure. The Company will actively promote gender equality within the Board and give priority to inviting qualified female candidates during future Board elections.

Diverse Key Items Name	Name Age (years old)	Gender	Nationality or Record of Birth	GICS Level Main industry experience	1	2	3	4	5	6	7	8
					Leadership & decision-making	Operational judgement	Finance & accounting	Business & economy	Risk management	Industrial know-how	International perspectives	Technology Information
Douglas Tong Hsu	Above 80	Male	R.O.C	25 Consumer Discretionary	✓	✓	✓	✓	✓	✓	✓	✓
Johnny Hsi	70-79	Male	R.O.C	25 Consumer Discretionary	✓	✓	✓	✓	✓	✓	✓	✓
Jeff Hsu	40-49	Male	R.O.C	20 Industrials	✓	✓	※	✓	✓	✓	✓	※
Peter Hsu	Above 80	Male	R.O.C	45 Information Technology	✓	✓	※	✓	✓	✓	✓	✓

Diverse Key Items Name	Name Age (years old)	Gender	Nationality or Record of Birth	GICS Level Main industry experience	1	2	3	4	5	6	7	8
					Leadership & decision-making	Operational judgement	Finance & accounting	Business & economy	Risk management	Industrial know-how	International perspectives	Technology Information
Shaw Y. Wang	Above 80	Male	R.O.C	25 Consumer Discretionary	▼	▼	▼	▼	▼	▼	▼	※
Richard Yang	50-59	Male	R.O.C	40 Financials	▼	▼	▼	▼	▼	▼	▼	※
Tonia Katherine Hsu	50-59	Female	U.S.A	25 Consumer Discretionary	▼	▼	※	▼	▼	▼	▼	※
Kwan-Tao Li	Above 80	Male	R.O.C	20 Industrials	▼	▼	※	▼	▼	▼	▼	※
Alice Hsu	70-79	Female	R.O.C	25 Consumer Discretionary	▼	▼	※	▼	▼	▼	▼	※
Champion Lee	70-79	Male	R.O.C	40 Financials	▼	▼	▼	▼	▼	▼	▼	※
Shu-Chieh Huang	60-69	Male	R.O.C	40 Financials	▼	▼	▼	▼	▼	▼	▼	▼
Raymond R.M. Tai	Above 80	Male	R.O.C	20 Industrials	▼	▼	※	▼	▼	※	▼	※
Way Kuo	70-79	Male	R.O.C	20 Industrials	▼	▼	※	▼	▼	※	▼	▼
Chung-Shu Wu	60-69	Male	R.O.C	40 Financials	▼	▼	▼	▼	▼	※	▼	※
Sy-Ming Guu	60-69	Male	R.O.C	25 Consumer Discretionary	▼	▼	※	▼	▼	※	▼	※

※ indicates the member of the Board of Directors who is moderately capable

The proportion of female Directors of the Company is 2/15, and the proportion of foreign Directors of the Company is also 1/15. Among the five independent directors, one Independent Directors has a tenure of 7-9 years, the other four has a tenure of 0-3 years. This diversity in gender and nationality reflects our commitment to maintaining a balanced and inclusive board.

1.1.4.2 The independence of the Board of Directors

The Company's 25th Board of Directors has 15 Directors, including 5 Independent Directors, representing one-third of the board seats, the proportion and independence of the Board of Directors complies with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", The Company's board regularly reviews the qualifications and independence of independent directors.

None of a spousal or a familial relationship within the second degree of kinship exist among the Independent Directors or between the Independent Directors and Directors. There are nine Directors, more than half of the Directors, who has none of a spousal or a familial relationship within the second degree of kinship in accordance with the paragraph 3 and 4 of Article 26-3 of Securities and Exchange Act. Six Directors have a spousal or a familial relationship within the second degree of kinship, please refer to the page 9-10 for details.

2.2 President, Executive Vice President, Assistant Vice President, and Managers of Departments and Branches

Book closure date: March 30, 2026

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Shareholding in others' names		Curriculum vitae ΔPositions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Share	%		Title	Name	Relation
President, Petrochemical Business	R.O.C	K.S. Wu	Male	Jul 1, 11	1,380	0.00	10	0.00	0	0.00	Chinese Culture University, Taiwan, Chemical Department Δ Vice Chairman of Everest Textile & Director of OUCC	-	-	-
President, Corporate Management	R.O.C	Humphrey Cheng	Male	Jul 1, 11	0	0.00	0	0.00	0	0.00	National Taiwan University, Taiwan, International Business, EMBA Δ Director of OUCC & FEIB	-	-	-
President, Polyester Business	R.O.C	Donald Fan	Male	Oct 1, 25	5,791	0.00	0	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department Δ Chairman of Oriental Green Materials Limited & Wuhan Far Eastern New Material Ltd.	-	-	-
President, Textile Business	R.O.C	Judy Lee	Female	Oct 1, 25	0	0.00	26	0.00	0	0.00	National Taiwan University, Taiwan, Department of Business Δ Director of Everest Textile; Chairman of Far Eastern Apparel (Suzhou)	-	-	-
Chief Operating Officer, Petrochemical Business	R.O.C	Eric Chueh	Male	Jul 29, 21	0	0.00	0	0.00	0	0.00	National Cheng Chi University, Taiwan, Master in Business & Management Δ Director of OPTC & Far Eastern Industries (Shanghai) Ltd.	-	-	-
Chief Operating Officer and General Plant Manager, Polyester Business	R.O.C	C.T. Peng	Male	Mar 1, 26	0	0.00	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Chemical Engineering Δ Director of Oriental Green Materials Limited & Wuhan Far Eastern New Material Ltd.	-	-	-
Chief Operating Officer, Textile Business	R.O.C	M.J. Wu	Male	Jan 1, 21	17,759	0.00	515	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department Δ Chairman of Far Eastern Industries (Suzhou) Ltd. & Oriental Industries (Suzhou) Ltd.	-	-	-
Chief Executive Officer, Intelligent Transformation Center	R.O.C	B.C. Chang	Male	Mar 1, 26	453	0.00	0	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Industry Engineering Δ Director of Wuhan Far Eastern New Material Ltd.	-	-	-
Chief Strategy Officer	R.O.C	J.P. Pan	Male	Jul 12, 23	0	0.00	0	0.00	0	0.00	Tsinghua University, Taiwan, Ph.D. in Chemical Engineering Δ -	-	-	-
Chief Auditor, Internal Auditing Department	R.O.C	Y.C. Yuan	Female	Aug 1, 24	0	0.00	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration Δ -	-	-	-
Chief Auditor, Group Auditing Department	R.O.C	Ariel Hsu	Female	Sep 1, 24	0	0.00	0	0.00	0	0.00	Far Eastern Corporate University, Taiwan, Master in Management Δ -	AVP	Rex Chang	Spouse
Chief Auditor, Group Auditing Department	R.O.C	Ju-Her Huang	Female	Sep 1, 24	10,000	0.00	0	0.00	0	0.00	Brock University, Canada, Department of Economics Δ -	-	-	-
Chief Financial Officer, Corporate Management	R.O.C	David Wang	Male	Jul 1, 12	7,113	0.00	0	0.00	0	0.00	Mississippi State University, USA, MBA Δ Chairman of Yuan Tone Investment Co., Ltd.; Director of Yuan Ding Investment Corporation	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Shareholding in others' names		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Share	%		Title	Name	Relation
Chief Administrative Officer, Corporate Management	R.O.C	Alan Tsai	Male	Oct 1, 25	0	0.00	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Operation Management & Master of Laws Program for Executives △ Director of OUCC & Pacific Sogo Co., Ltd.	-	-	-
Executive Vice President, Corporate Management	R.O.C	Emily Wu	Female	Jul 1, 12	0	0.00	0	0.00	0	0.00	University of Texas at Arlington, USA, Master in Accounting △ Director of Yuan Cheng Human Resource Consultant ; Supervisor of Yuan Faun Ltd.	-	-	-
Executive Vice President, Chairman Office & R&D Center	R.O.C	Fanny Liao	Female	May 20, 19	0	0.00	0	0.00	0	0.00	The State University of New York, Stony Brook University, USA, PhD in Chemistry △ Director of Oriental Resources Development Limited	-	-	-
Chief Corporate Governance Officer, Corporate Management	R.O.C	Li-Chi Chen	Male	Mar 25, 26	0	0.00	0	0.00	0	0.00	National Taiwan University, Taiwan, College of Law △ Director of Far Eastern Apparel & An Ho Garment Co., Ltd.	-	-	-
Chief Human Resources Officer Corporate Management	R.O.C	C.Y. Lin	Male	Nov 1, 21	0	0.00	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Labor Research △ Chairman of Yuan Cheng Human Resource Consultant	-	-	-
Chief Information Security Officer, Corporate Management and Vice Chief Executive Officer, Intelligent Transformation Center	R.O.C	Gilbert Yi	Male	Oct 1, 25	10	0.00	0	0.00	0	0.00	State University of New York, Master in Taxation and Financial Management △ Director of Shanghai Far Eastern IT Corp.	-	-	-
Executive Vice President, Corporate Staff Office	R.O.C	Allen Sha	Male	Jun 1, 23	1,166	0.00	0	0.00	0	0.00	Tamkang University, Taiwan, Master in Department of Banking and Finance △ Director of Yuan Tone Investment Co., Ltd. & Kai Yuang Investment Corp .	-	-	-
Executive Vice President, Corporate Staff Office	R.O.C	Y.S. Yang	Male	Jun 1, 23	0	0.00	0	0.00	0	0.00	National Chiao Tung University, Taiwan, PhD in Business & Management △ Chairman of YDT Technology International Co., Ltd.	-	-	-
Executive Vice President, Petrochemical Business	R.O.C	C.K. Tsai	Male	Dec 1, 22	0	0.00	0	0.00	0	0.00	National Central University, Taiwan, Department of Chemical and Material Engineering △ -	-	-	-
Executive Vice President, Polyester Business	R.O.C	M.L. Tsai	Male	Nov 1, 21	0	0.00	383	0.00	0	0.00	Feng Chia University, Taiwan, Master in Textile Engineering △ -	-	-	-
Executive Vice President, Polyester Business	R.O.C	Eric Huang	Male	Feb 1, 24	0	0.00	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, PhD in Chemical Engineering △ Director of FEFC & Fu Kwok Knitting & Garment Co., Ltd.	-	-	-
Executive Vice President, Polyester Business	R.O.C	K.B. Lou	Male	Feb 1, 25	35	0.00	0	0.00	0	0.00	Feng Chia University, Taiwan, Bachelor of Textile Engineering △ -	-	-	-
Executive Vice President, Textile Business	R.O.C	Nancy Chen	Female	Oct 1, 24	0	0.00	4,468	0.00	0	0.00	Purdue University, USA, Master in Hospitality Management △ Director of Far Eastern Apparel (Vietnam) Limited & Far Eastern New Apparel (Vietnam) Limited	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Shareholding in others' names		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Share	%		Title	Name	Relation
Assistant Vice President, Corporate Staff Office	R.O.C	Y.L. Chen	Male	Apr 1, 15	11,879	0.00	18,432	0.00	0	0.00	Tamkang University, Taiwan, Master in Business Administration △ -	-	-	-
Assistant Vice President, Accounting Department	R.O.C	Davis Dai	Male	Oct 1, 15	0	0.00	0	0.00	0	0.00	Fu Jen Catholic University, Taiwan, Master in Accounting △ Supervisor of Oriental Resources Development Limited & Oriental Green Materials Limited	-	-	-
Assistant Vice President, Accounting Department	R.O.C	Liang-Wei Hsu	Male	Dec 1, 19	0	0.00	0	0.00	0	0.00	National Sun Yat-Sen University, Taiwan, EMBA △ Director of Worldwide Polychem (HK) Limited	-	-	-
Assistant Vice President, Finance Department	R.O.C	Jenny Ho	Female	Jul 1, 15	913	0.00	0	0.00	0	0.00	University of Reading, UK, Master in International Securities, Investment and Banking △ Director of Far Eastern Apparel & Fu Kwok Knitting & Garment Co., Ltd.	-	-	-
Assistant Vice President, Finance Department	R.O.C	Carol Wang	Female	May 1, 18	0	0.00	0	0.00	0	0.00	University of Illinois at Urbana Champaign, USA, Master in Finance △ Director of Far Eastern Apparel (Vietnam) Ltd.; Supervisor of An Ho Garment Co., Ltd.	-	-	-
Assistant Vice President, Finance Department	R.O.C	Bruce Chang	Male	Dec 1, 25	0	0.00	0	0.00	0	0.00	National Chung Hsing University, Taiwan, Master in Business Administration / Soochow University, Taiwan, Master in Law △ -	-	-	-
Assistant Vice President, Secretarial Department	R.O.C	Eric Wu	Male	May 5, 22	5,000	0.00	0	0.00	0	0.00	Soochow University, Taiwan, Department of Economics △ -	-	-	-
Assistant Vice President, Human Resource Department	R.O.C	Rex Chang	Male	Nov 1, 22	0	0.00	0	0.00	0	0.00	Tung Hai University, Taiwan, Bachelor of Business Administration △ -	CA	Ariel Hsu	Spouse
Assistant Vice President, Shipping Department	R.O.C	Ching-Shan Hsieh	Female	May 14, 18	113	0.00	0	0.00	0	0.00	Tunghai University, Taiwan, Department of Economics △ -	-	-	-
Assistant Vice President, Information Security Department	R.O.C	Jerry Chen	Male	Nov 4, 25	0	0.00	0	0.00	0	0.00	National Taiwan Institute of Technology, Taiwan, Bachelor of Mechanical Engineering △ -	-	-	-
Assistant Vice President, R&D Center	R.O.C	Ken Chang	Male	Aug 1, 12	0	0.00	0	0.00	0	0.00	National Tsing Hua University, Taiwan, PhD in Chemical Engineering △ -	-	-	-
Assistant Vice President, R&D Center	R.O.C	David Liu	Male	Sep 9, 16	307	0.00	0	0.00	0	0.00	Yuan Tzu University, Taiwan, Master in Chemical Engineering △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Teddy Chang	Male	Oct 6, 20	454	0.00	11,224	0.00	0	0.00	National Cheng Kung University, Taiwan, Chemical Engineering Department △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Robert Wang	Male	Oct 6, 20	0	0.00	0	0.00	0	0.00	National Taipei University of Technology, Taiwan, Associate Degree of Textile Engineering △ -	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouse & minor children		Shareholding in others' names		Curriculum vitae △Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Share	%		Title	Name	Relation
Assistant Vice President, Polyester Business	R.O.C	Eva Luo	Female	Jun 1, 22	0	0.00	0	0.00	0	0.00	Soochow University, Taiwan, Department of International Business Administration △ Director of FE Green PET (M) Sdn. Bhd.	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Diana Chen	Female	Jul 1, 23	0	0.00	0	0.00	0	0.00	Soochow University, Taiwan, Department of English △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Kate Peng	Female	Aug 1, 23	0	0.00	0	0.00	0	0.00	University of Birmingham, England, Master in Marketing △ Director of Worldwide Polychem (HK) Limited	-	-	-
Assistant Vice President, Polyester Business	R.O.C	I.K. Shen	Male	Jul 1, 24	0	0.00	0	0.00	0	0.00	Tamkang University, TW, Bachelor of Applied Chemistry △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	C.W. Wang	Male	Feb 1, 25	0	0.00	0	0.00	0	0.00	National Cheng Kung University, Taiwan, Bachelor of Chemical Engineering △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Shoan Tsai	Male	Feb 1, 25	0	0.00	0	0.00	0	0.00	National Taiwan University of Science Technology, Taiwan, Ph.D. in Polymer Engineering △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Hung-Chang Lin	Male	Dec 1, 25	0	0.00	0	0.00	0	0.00	National United College of Industry and Business, Taiwan, Associate Degree in Electrical Engineering △ -	-	-	-
Assistant Vice President, Textile Business	R.O.C	Peggy Yang	Female	Sep 9, 23	18,280	0.00	0	0.00	0	0.00	National Chung Hsing University, Taiwan, Department of Sociology △ -	-	-	-
Assistant Vice President, Purchasing Department	R.O.C	Ryan Wu	Male	May 1, 11	0	0.00	0	0.00	0	0.00	National Taiwan University of Science and Technology, Taiwan, MBA △ -	-	-	-
Assistant Vice President, Purchasing Department	R.O.C	Andy Lou	Male	Dec 16, 21	0	0.00	0	0.00	0	0.00	National Cheng Kung University, Taiwan, Department of Hydraulics and Ocean Engineering △ -	-	-	-

Note 1: There is no share warrant and share option issued by the Company to employees for purchasing shares.

Note 2: Where the Company's President or an officer of equivalent position (the most senior manager) is the same person as, the spouse of, or a relative with the first degree to the chairman, the reason, rationality, necessity and countermeasures: None.

Remuneration Bracket of Each Director	Name of Directors			
	Total of (I+II+III+IV)		Total of (I+II+III+IV+V+VI+VII)	
	The Company	Companies in the consolidated financial statement	The Company	Companies in the consolidated financial statement
Under NT\$ 1,000,000	-	-	-	-
NT\$ 1,000,000 ~ NT\$ 1,999,999	-	-	-	-
NT\$ 2,000,000 ~ NT\$ 3,499,999	Shu-Chieh Huang, Raymond R.M. Tai, Way Kuo, Chung-Shu Wu, Sy-Ming Guu	Shu-Chieh Huang, Raymond R.M. Tai, Way Kuo, Chung-Shu Wu, Sy-Ming Guu	Shu-Chieh Huang, Raymond R.M. Tai, Way Kuo, Chung-Shu Wu, Sy-Ming Guu	Shu-Chieh Huang, Raymond R.M. Tai, Way Kuo, Chung-Shu Wu, Sy-Ming Guu
NT\$ 3,500,000 ~ NT\$ 4,999,999	-	-	-	-
NT\$ 5,000,000 ~ NT\$ 9,999,999	Representative of Far Eastern Dept. Store, Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corporation: Alice Hsu, Kwan-Tao Li Representative of Yue Ding Industry Co., Ltd.: Champion Lee	Representative of Far Eastern Dept. Store, Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corporation: Alice Hsu, Kwan-Tao Li	Representative of Far Eastern Dept. Store, Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corporation: Alice Hsu, Kwan-Tao Li Representative of Yue Ding Industry Co., Ltd.: Champion Lee	Representative of Far Eastern Dept. Store, Ltd.: Richard Yang, Tonia Katherine Hsu Representative of U-Ming Marine Transport Corporation: Alice Hsu, Kwan-Tao Li
NT\$ 10,000,000 ~ NT\$ 14,999,999	Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu	Representative of Yue Ding Industry Co., Ltd.: Champion Lee	-	Representative of Yue Ding Industry Co., Ltd.: Champion Lee
NT\$ 15,000,000 ~ NT\$ 29,999,999	Douglas Tong Hsu	Douglas Tong Hsu Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu	Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu	-
NT\$ 30,000,000 ~ NT\$ 49,999,999	-	-	Douglas Tong Hsu	Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu
NT\$ 50,000,000 ~ NT\$ 99,999,999	-	-	-	-
NT\$ 100,000,000 and over	-	-	-	Douglas Tong Hsu
Total	15	15	15	15

2.3.2 Compensation Paid to Presidents and Executive Vice Presidents

Unit: NT\$ thousands

Title	Name	Salary (I)		Severance Pay and Pension (II)		Compensation and Allowances (III)		Employees' compensation from distribution of earnings (IV)				Ratio of total remuneration (I+II+III+IV) to net income (%)		Compensation paid to the President and Executive Vice President from an invested company or the parent company other than the Company's subsidiary
		A	B	A	B	A	B	A		B		A	B	
								Cash	Stock	Cash	Stock			
President	K.S. Wu	89,577	110,890	28,088	28,304	66,128	73,280	9,136	0	9,813	0	192,929	222,287	11,562
	Humphrey Cheng													
	Donald Fan													
	Judy Lee													
Chief Operating Officer	Eric Chueh													
	C.T. Peng													
	M.J. Wu													
Intelligent Transformation Chief Executive Officer	B.C. Chang													
Chairman's Senior Advisor	J. P. Pan													
Chief Auditor	Y.C. Yuan													
	Ariel Hsu													
	Ju-Her Huang													
Chief Financial Officer	David Wang													
Chief Administrative Officer	Alan Tsai													
Chief Corporate Governance Officer	Li-Chi Chen													
Chief Human Resources Officer	C.Y. Lin													
Chief Information Security Officer	Gilbert Yi													
Executive Vice President	Emily Wu													
	Fanny Liao													
	Allen Sha													
	Y.S. Yang													
	C.K. Tsai													
	M.L. Tsai													
	Eric Huang													
	K.B. Lou													
Nancy Chen														

Note:

1. Column A represents the Company; Column B represents all companies in the consolidated financial statement .
2. The Company and all companies in the consolidated financial statement neither issue shares nor issue warrants and options for purchasing common shares to employees as bonus.
3. A company car is assigned to all Presidents and Executive Vice Presidents for business purposes. The total rental for the said car is NT\$372,000 per year.

Compensation Bracket of Each President and Executive Vice President	Name of Presidents and Executive Vice Presidents	
	The Company	Companies in the consolidated financial statement
Under NT\$ 1,000,000	-	-
NT\$ 1,000,000 ~ NT\$ 1,999,999	-	-
NT\$ 2,000,000 ~ NT\$ 3,499,999	-	-
NT\$ 3,500,000 ~ NT\$ 4,999,999	-	-
NT\$ 5,000,000 ~ NT\$ 9,999,999	K.S. Wu, Humphrey Cheng, Donald Fan, Judy Lee, Eric Chueh, C.T. Peng, M.J. Wu, B.C. Chang, J.P. Pan, Y.C. Yuan, Ariel Hsu, Ju-Her Huang, David Wang, Alan Tsai, Li-Chi Chen, C.Y. Lin, Gilbert Yi, Emily Wu, Fanny Liao, Allen Sha, Y.S. Yang, C.K. Tsai, M.L. Tsai, Eric Huang, K.B. Lou, Nancy Chen	K.S. Wu, Humphrey Cheng, Donald Fan, Judy Lee, Eric Chueh, C.T. Peng, M.J. Wu, B.C. Chang, J.P. Pan, Y.C. Yuan, Ariel Hsu, Ju-Her Huang, David Wang, Alan Tsai, Li-Chi Chen, C.Y. Lin, Gilbert Yi, Emily Wu, Fanny Liao, Allen Sha, Y.S. Yang, C.K. Tsai, M.L. Tsai, Eric Huang, K.B. Lou, Nancy Chen
NT\$ 10,000,000 ~ NT\$ 14,999,999	-	-
NT\$ 15,000,000 ~ NT\$ 29,999,999	-	-
NT\$ 30,000,000 ~ NT\$ 49,999,999	-	-
NT\$ 50,000,000 ~ NT\$ 99,999,999	-	-
NT\$ 100,000,000 and over	-	-
Total	26	26

2.3.3 Compensation Paid to Managers

Unit: NT\$ thousands

Title	Name	Employee Compensation- in Stock	Employee Compensation- in Cash	Employee Compensation- Total	Ratio of Total Amount to Net Income (%)
President, Petrochemical Business	K.S. Wu	0	16,511	16,511	0.16%
President, Corporate Management	Humphrey Cheng				
President, Polyester Business	Donald Fan				
President, Textile Business	Judy Lee				
Chief Operating Officer, Petrochemical Business	Eric Chueh				
Chief Operating Officer and General Plant Manager, Polyester Business	C.T. Peng				
Chief Operating Officer, Textile Business	M.J. Wu				
Chief Executive Officer, Intelligent Transformation Center	B.C. Chang				
Chief Strategy Officer	J.P. Pan				
Chief Auditor, Internal Auditing Department	Y.C. Yuan				
Chief Auditor, Group Auditing Department	Ariel Hsu				
Chief Auditor, Group Auditing Department	Ju-Her Huang				
Chief Financial Officer, Corporate Management	David Wang				
Chief Administrative Officer, Corporate Management	Alan Tsai				
Executive Vice President, Corporate Management	Emily Wu				
Executive Vice President, Chairman Office & R&D Center	Fanny Liao				
Chief Corporate Governance Officer, Corporate Management	Li-Chi Chen				
Chief Human Resources Officer, Corporate Management	C.Y. Lin				
Chief Information Security Officer, Corporate Management and Vice Chief Executive Officer, Intelligent Transformation Center	Gilbert Yi				
Executive Vice President, Corporate Staff Office	Allen Sha				
Executive Vice President, Corporate Staff Office	Y.S. Yang				
Executive Vice President, Petrochemical Business	C.K. Tsai				
Executive Vice President, Polyester Business	M.L. Tsai				
Executive Vice President, Polyester Business	Eric Huang				
Executive Vice President, Polyester Business	K.B. Lou				
Executive Vice President, Textile Business	Nancy Chen				
Assistant Vice President, Corporate Staff Office	Y.L. Chen				
Assistant Vice President, Accounting Department	Davis Dai				
Assistant Vice President, Accounting Department	Liang-Wei Hsu				
Assistant Vice President, Finance Department	Jenny Ho				

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Title	Name	Employee Compensation- in Stock	Employee Compensation- in Cash	Employee Compensation- Total	Ratio of Total Amount to Net Income (%)
Assistant Vice President, Finance Department	Carol Wang				
Assistant Vice President, Finance Department	Bruce Chang				
Assistant Vice President, Secretarial Department	Eric Wu				
Assistant Vice President, Human Resource Department	Rex Chang				
Assistant Vice President, Shipping Department	Ching-Shan Hsieh				
Assistant Vice President, Information Security Department	Jerry Chen				
Assistant Vice President, R&D Center	Ken Chang				
Assistant Vice President, R&D Center	David Liu				
Assistant Vice President, Polyester Business	Teddy Chang				
Assistant Vice President, Polyester Business	Robert Wang				
Assistant Vice President, Polyester Business	Eva Luo				
Assistant Vice President, Polyester Business	Diana Chen				
Assistant Vice President, Polyester Business	Kate Peng				
Assistant Vice President, Polyester Business	I.K. Shen				
Assistant Vice President, Polyester Business	C.W. Wang				
Assistant Vice President, Textile Business	Shoan Tsai				
Assistant Vice President, Textile Business	Hung-Chang Lin				
Assistant Vice President, Textile Business	Peggy Yang				
Assistant Vice President, Purchasing Department	Ryan Wu				
Assistant Vice President, Purchasing Department	Andy Lou				

2.4 Remuneration Paid to Directors, Compensation Paid to Presidents and Executive Vice Presidents

2.4.1 The Ratio of Total Remuneration Paid by the Company and by All Companies Included in the Consolidated Financial Statements for the Two Latest Fiscal Years to Directors, Presidents and Executive Vice Presidents of the Company over Net Income:

Year	The Ratio of Total Paid Remuneration over Net Income	
	The Company	Companies in the consolidated financial statement
2025	4.71%	6.70%
2024	3.87%	5.54%

2.4.2 The Policies, Standards, Structures for the Payments of Remuneration, the Procedures for Determining Remuneration, and the Correlations with Business Performance:

Pursuant to Company Act and the Article 26 of the “Articles of Incorporation of Far Eastern New Century Corporation”, If the Company makes a profit for the current year, no more than 2.5% of the profit shall be allocated as Directors' remuneration, and 2% to 3.5% shall be allocated as employees' compensation, with no less than 25% of the employees' compensation reserved for non-executive employees, provided that the Company's accumulated losses have been covered. The Company may, by a resolution adopted by Board of Directors to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The remuneration for Directors is determined based on the evaluation results of the "Board Performance Evaluation Rules," taking into account operational profitability, shareholding proportions, and the level of dedication to company affairs. The actual ratio and amount of remuneration distributed to Directors will be decided by the Board of Directors and reported to the shareholders' meeting. The remuneration for Independent Directors, however, remains a fixed amount. The remuneration of Directors, Presidents, Executive Vice Presidents, and managers was paid according to not only the peer standards but also the correlations with the operational performance, and future risks. The remaining compensation is determined based on the business results of the whole company and each department; meanwhile, results of market survey on the general salary level of TWSE-listed companies and reports by professional consulting companies will also be referenced. The financial incentive system for Directors and management also incorporates risk management indicators (such as financial risk, operational risk, information security risk, environmental and carbon reduction energy risk, and corporate sustainability risk). The performance evaluation indexes are disclosed as the below table.

Performance evaluation metrics	
Annual performance (70%)	1. Financial performance and cost control perspectives 2. Execution status (including identification/ assessment/ response/ oversight) of risk management 3. Execution status of internal control, integrity and compliance & regulations 4. Strategies for internal and external contingencies 5. Assessment of business expansion and growth opportunities
Sustainable development (30%)	1. Continuously increase investment in new product development and potential areas 2. Develop eco-friendly products and production lines 3. Focus on talent cultivation for multinational managerial skillset 4. Lead to the Group's core values (sincerity, diligence, thrift, prudence and innovation) 5. Continuously communicate with stakeholders

In compliance with corporate sustainability development goal, the performance indicators of the Company senior and business unit manager are aligned with ESG metrics, such as adaptive decision-making in response to market and industry changes, reform leadership, internal and external stakeholder coordination, cultivate talents, innovation, and sustainability development are disclosed as the below table.

Target	Sustainability performance metrics	
President and same level management	Sustainable development (50%)	1. Decision making and management of crisis situations (14%) 2. Competitive innovation spirit (14%) 3. Cultivate talents (8%) 4. Reform leadership (7%) 5. Internal and external stakeholder coordination (7%)

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Target	Sustainability performance metrics	
Vice presidents and managers above assistant vice president	Sustainable development (40%)	1. Adaptive decision-making in response to market and industry changes (10%) 2. Strategic decision making (6%) 3. Reform leadership (6%) 4. Cultivate talents (6%) 5. Build team mission and accomplish (6%) 6. Innovation development (6%)

The Remuneration Committee of the Company regularly (at least once a year) reviews and evaluates the remuneration policies, systems, standards and structures of Directors and managers, and presents its recommendations to the Board of Directors for discussion in order to balance the Company's sustainability and risk control.

2. Corporate Governance

2.1 Board of Directors

Total four meetings were convened by the Board of Directors in 2025. Attendance of each Director is as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Douglas Tong Hsu		3	0	75.00	
Director	Asia Cement Corporation	Johnny Hsi	4	0	100	
		Jeff Hsu	3	1	75.00	
		Peter Hsu	4	0	100	
		Shaw Y. Wang	4	0	100	
		Richard Yang	4	0	100	
	Far Eastern Dept. Store, Ltd.	Tonia Katherine Hsu	4	0	100	
		Kwan-Tao Li	3	1	75.00	
	U-Ming Marine Transport Corporation	Alice Hsu	4	0	100	
	Yue Ding Industry Co., Ltd.	Champion Lee	4	0	100	
	Independent Directors	Shu-Chieh Huang	4	0	100	
		Raymond R.M. Tai	4	0	100	
		Way Kuo	4	0	100	
		Chung-Shu Wu	4	0	100	
Sy-Ming Guu		4	0	100		

Other required disclosure:

(1) Should any circumstance occurred on board practices, the dates and sessions of the said board meetings, the contents of the said resolutions, opinions of all independent directors, and measures the Company had in responding to such opinions shall be specified:

1. Any circumstance described in Article 14-3 of the Securities and Exchange Act: Please refer to page 74 to 75 "Major resolutions by Board of Directors"

2. Any resolution on which an independent director had a dissenting or qualified opinion occurred in board meetings: None

(2) Should there be any director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such director, the contents of the said resolution, the reasons such director has personal interests, and the voting results shall be specified: None

(3) Information of the Board and each functional committee assessments:

Assessment Frequency	Assessment Period	Assessment Scope	Assessment Method	Contents
Annually	Jan 1, 2025 ~ Dec 31, 2025	The Board of Directors	The Board's internal assessment: "Self-evaluation questionnaire for the Board's performance"	1. Involvement of the Company's operation 2. Improve the decision-making quality of the Board 3. Composition and structure of the Board 4. Election and continuing education for the Directors 5. Internal control

Assessment Frequency	Assessment Period	Assessment Scope	Assessment Method	Contents
		The Board members	The Board members' internal assessment: "Self-evaluation questionnaire for the Board members' review"	<ol style="list-style-type: none"> 1. Familiar with the goals and missions of the Company 2. Awareness of the Directors' duties 3. Involvement of the Company's operations 4. Management of the internal relationship and communication 5. Professionalism and continuing education of the Directors 6. Internal control
		Audit Committee	Audit committees' internal assessment: "Self-evaluation questionnaire for the functional committee's performance"	<ol style="list-style-type: none"> 1. Involvement of the Company's operations 2. Awareness of the Audit committees' duties 3. Improve the decision-making quality of the Audit committees 4. Composition of Audit committee and the election of the members 5. Internal control
		Remuneration Committee	Remuneration committees' internal assessment: "Self-evaluation questionnaire for the functional committee's performance"	<ol style="list-style-type: none"> 1. Involvement of the Company's operations 2. Awareness of Remuneration committees' duties 3. Improve the decision-making quality of Remuneration committees 4. Composition of Remuneration committee and the election of the members 5. Internal control
		Sustainability Committee	Sustainability committees' internal assessment: "Self-evaluation questionnaire for the functional committee's performance"	<ol style="list-style-type: none"> 1. Involvement of the Company's operations 2. Awareness of Sustainability committees' duties 3. Improve the decision-making quality of Sustainability committees 4. Composition of Sustainability committee and the election of the members 5. Internal control

(4) Targets and measures of this and previous years established to improve the functionality of the Board of Directors and their execution results (for instance, the establishment of the audit committee, the improvement of information disclosure, and so forth): The company prioritizes shareholders' rights and establishes a sound and efficient board of directors as the foundation of corporate governance, continuously striving for better governance. The Audit Committee, Remuneration Committee and Sustainability Committee were established in accordance with regulations and the Company has conducted an external board evaluation for the Board's performance regularly. The company's website discloses the board's structure, member backgrounds, major resolutions, and operations, maintaining high transparency and aligning with international corporate governance trends. Directors are provided with liability insurance to protect stakeholder interests through various mechanisms, enhancing our corporate governance and competitiveness.

(5) The attendance status of Independent Directors from Jan 1, 2025 until March 30, 2026:

	2025/3/12	2025/5/9	2025/8/8	2025/11/7	2026/3/11
Shu-Chieh Huang	✓	✓	✓	✓	✓
Raymond R.M. Tai	✓	✓	✓	✓	✓
Way Kuo	✓	✓	✓	✓	✓
Chung-Shu Wu	✓	✓	✓	✓	✓
Sy-Ming Guu	✓	✓	✓	✓	✓

Note: ✓ indicates attendance in person

Corporate Governance Report

2.2 Audit Committee:

Total four meetings were convened by the Audit Committee in 2025. Attendance of each Independent Director is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Shu-Chieh Huang	4	0	100	-
Committee member	Raymond R.M. Tai	4	0	100	
Committee member	Way Kuo	4	0	100	
Committee member	Chung-Shu Wu	4	0	100	
Committee member	Sy-Ming Guu	4	0	100	

The Committee shall compose of the entire independent directors and shall hold a regular meeting at least once a quarter. The powers and annual key focus of the Committee are as follows:

1. The adoption of or amendments of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and providing endorsements or guarantees to others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of an external certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as required by this Corporation or by the competent authority

• Audit Committee's Review Report

We have examined the Business Report, Financial Statements, and the Resolution for Allocation of Surplus Profit submitted by the Board of Directors for the year ending 2025 which had been audited by Mr. Guo-Ning Huang and Mr. Chih-Ming Shao of Deloitte & Touche, and found them in order.

• The hiring of CPA

In accordance with Audit Quality Indicators (AQIs) and relevant regulations, The independence and eligibility of the certified accountants was assessed by the Audit Committee on March 10, 2026 and the Board of Directors on March 11, 2026. The certified accountants have no relationship or interest conflicts with the Company, and maintain impartiality in providing professional services. In addition, the Company obtained the independent statement and audit quality indicator report issued by the CPA firm, as evaluation references, is in accordance with the norms of independence and eligibility.

Other required disclosure:

(1)

1. Any circumstance described in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
2025.03.11 (3 rd Meeting of the 4 th Term)	1. Circumstances for acquisition and disposition of assets during Oct 2024 to Jan 2025	√	All presented committee members have approved and submitted to the Board of Directors. All Directors present consented to the Declaration, and no dissenting opinion was expressed.
	2. Transactions for FX hedging until December 2024	√	
	3. 2024 financial reports (including consolidated & stand-alone) and the hiring of CPA	√	
	4. The proposal for distribution of 2024 profits	√	
	5. Approved 2024 business report	√	
	6. 4Q2024 internal audit report	√	
	7. The results of the voluntary reviews of the internal control systems in 2024, which was presented by supervisory committee including the list of executive team members	√	

Meeting Date (Term)	Resolutions	Circumstances described in Article 14-5 of the Securities and Exchange Act	The Company's response to Audit Committee's opinions
2025.05.07 (4 th Meeting of the 4 th Term)	1. Circumstances for acquisition and disposition of assets during Feb 2025 to Mar 2025	√	All presented committee members have approved and submitted to the Board of Directors. All Directors present consented to the Declaration, and no dissenting opinion was expressed.
	2. Transactions for FX hedging until Mar 2025	√	
	3. 1Q2025 consolidated financial report		
	4. 1Q2025 internal audit report	√	
	5. Revised the provisions of the internal control system and internal audit implementation rules of Far Eastern New Century Corporation	√	
2025.08.06 (5 th Meeting of the 4 th Term)	1. Circumstances for acquisition and disposition of assets during Apr 2025 to Jun 2025	√	
	2. Transactions for FX hedging until June 2025	√	
	3. 1H2025 consolidated financial report		
	4. Approved the investment of Corpus Christi Polymer LLC via the Company's subsidiary, Far Eastern Investment (Holding) Limited	√	
	5. Approved the disposal of real estate	√	
	6. 2Q2025 internal audit report	√	
2025.11.05 (6 th Meeting of the 4 th Term)	1. Circumstances for acquisition and disposition of assets from Jul 2025 to Sep 2025	√	
	2. Transactions for FX hedging until Sep 2025	√	
	3. Circumstances for acquisition and disposition of investments in securities during Jul 2025 to Oct 2025	√	
	4. 3Q2025 consolidated financial report		
	5. 3Q2025 internal audit report	√	
	6. Approved the execution status of 2025 Audit Plan review and the 2026 Audit Plan	√	

2. Any resolution on which the Audit Committee had a dissenting or qualified opinion occur with the approval of two thirds or more of the entire Board of Directors: None
- (2) Should there be any independent director neither joining discussion nor exercising the voting rights in board meetings for the resolution which he/she has personal interests, the name of such independent director, the contents of the said resolution, the reasons such independent director has personal interests, and the voting results shall be specified: None
- (3) Communications between Independent Directors and the chief internal auditor and CPA of the Company (including the ways and topics that the aforesaid parties discuss on the financial and business situations of the Company, and the conclusions of their discussions):
- Audit Committee meetings are held by Independent Directors quarterly. Meeting minutes will be recorded and submitted to notify the President and top management of the Company of important discussions and resolutions. (Including 1. Effectiveness and efficiency of business operations, 2. Reliability, timeliness, transparency, and regulatory compliance of reporting; 3. Compliance with applicable laws, regulations, and bylaws) In the meetings, the internal audit officer reports the execution of internal audit work, significant internal audit findings, and provides the status of the follow-up matters instructed by Independent Director from previous meeting. The Independent Directors represented no counter advices or qualified opinions in each meeting.
 - The CPA of the Company attends the Audit Committee meetings and communicates the audited (or reviewed) financial reports and any important matters required by law to Independent Directors in the quarterly Audit Committee meetings. The Independent Directors represented no counter advices or qualified opinions in each meeting.

Meeting Date	Communications with the internal audit officer	Communications with the CPA of the Company
2025.03.11	<ul style="list-style-type: none"> 4Q2024 internal audit report The results of the voluntary reviews of the internal control systems in 2024, which was presented by supervisory committee including the list of executive team members 	<ul style="list-style-type: none"> 2024 financial reports (including key audit matters) 2024 internal control review reports
2025.05.07	<ul style="list-style-type: none"> 1Q2025 internal audit report 	<ul style="list-style-type: none"> 1Q2025 consolidated financial report
2025.08.06	<ul style="list-style-type: none"> 2Q2025 internal audit report 	<ul style="list-style-type: none"> 1H2025 consolidated financial report

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Meeting Date	Communications with the internal audit officer	Communications with the CPA of the Company
2025.11.05	<ul style="list-style-type: none"> • 3Q2025 internal audit report • Reviewed the execution status of 2025 audit plan and proposed 2026 audit plan 	<ul style="list-style-type: none"> • 1-3Q2025 consolidated financial report • Communicating key audit matters in the 2025 independent auditors' report

3. Communications among Independent Directors, the Chief Auditor, and the Certified Public Accountant (CPA) of the Company:

(1) Independent Directors and the Chief Auditor must have a closed door meeting communicate audit items and annual plan once a year at least.

(2) Independent Directors and the CPA must have a closed door meeting communicate financial report and regulations once a year at least.

In attendance	Meeting Date	Communication items	Independent Directors' suggestions	The Company's response
Independent Directors and the Chief Auditor	2025.5.7 Meeting	(1) Supervision of major subsidiaries in 2024 (2) 2025 Audit plan: Strengthening the supervision of subsidiaries and promoting training for internal auditors at overseas locations	(1) Internal audit should assist the Company in identifying root causes of issues and preventing the occurrence of major risks (2) Maintain continuous communication and collaboration with the internal audit units of subsidiaries to ensure the achievement of supervision goals	Continue to implement risk management, strengthen corporate governance, and focus on managing emerging risk issues
Independent Directors and Certified Public Accountant (CPA)	2025.11.5 Meeting	2025 key audit matters	Without objection	Implement according to audit plan

2.3 Corporate Governance Execution Results and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
(1) Has the Company formulated and disclosed its own corporate governance best-practice principles in accordance with “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”?	√		The Company has formulated “Corporate Governance Principles” and disclosed them through the company website and the Market Observatory Post System (MOPS).	None
(2) Shareholding Structure & Shareholders’ Rights a. Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues, and practically implemented such procedures?	√		The Company has established communication channel (e.g. the Audit Committee and Audit Department email addresses) for its shareholders and stakeholders. The Company has handled shareholder proposals, doubts, disputes, and litigation-related issues in accordance with “Procedures for the Audit Committee’s Email Management” and “Audit Department Misconduct Reporting and Resolution Procedures on Handling Employees or Stakeholders”.	

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
b. Has the Company kept a list of major shareholders and a list of ultimate owners of these major shareholders?	V		The Company, at all time, keeps updated information of major shareholders and the ultimate owners of these major shareholders. If change in ownership occurs, the Company follows the relevant regulations to disclose related information.	None
c. Has the Company established and operated a risk management mechanism and “firewall” between the Company and its affiliates?	V		The Company has assigned risk control of accounts receivable to the Credit Committee. To manage the potential risk and establish a “firewall” between the Company and its affiliates, the Company and its affiliates have already established and implemented “Procedures for Acquisition and Disposition of Assets”, “Procedures for Lending of Capital to Others”, and “Procedures for Endorsements and Guarantees”.	
d. Has the Company established internal rules to prohibit company insiders from trading securities using information not disclosed to the market?	V		The Company has established the “Procedures for Handling Material Inside Information”, the “Code of Ethics” and the “Best Practice Principles of Ethical Corporate Management” to prohibit company insiders from trading securities using information not disclosed to the market, and has advocated the following: A. New managers be given a copy of the “Procedures for Handling Material Inside Information” when they sign the declaration statement. B. The Company promotes the “Procedures for Handling Material Inside Information” to its managers from time to time, and prohibits company insiders from trading securities using nonpublic material information which was prohibited by insider trading-related laws. C. The Company advocates the “Procedures for Handling Material Inside Information” to managers and employees when they sign the confidentiality agreement during initial hiring.	
(3) Composition and Responsibilities of the Board of Directors a. Have members of the Board of Directors formulated diverse policies and implemented them accordingly?	V		The 25 th board members are well-experienced in management and leadership decision making and have in-depth industrial knowledge, such as backgrounds in law, finance, economics, sales, etc. The board diversity policies, managerial objective and implementation can be referred to page 13 to 15 and succession plans can be referred to Note 1.	

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Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
b. In addition to establishing a Remuneration Committee and an Audit Committee, has the Company voluntarily established other types of functional committees?	V		<p>FENC set up Committees as below:</p> <p>A. "Sustainability Committee": Promote and strengthen the corporate governance and integrity; implement and develop matters related to corporate sustainable development; supervise other matters related to corporate sustainable development approved by the Board. The third Committee members were elected by the Board on Aug 7, 2024. All three members (including two FENC's Independent Directors) have expertise in sustainability field, such as corporate governance, corporate strategic planning, corporate risk management, supply chain management, energy strategy as well as the operation of non-profit organizations. Please refer to Page 56 for details of implementation.</p> <p>B. "Credit Committee": Review credit ratings of local and foreign customers, and approves credits granted. Implements control of customer credits and account receivables in order to achieve the "Zero Bad Debt" management target for the year.</p> <p>C. "The Supervisory Committee of Information Security": In charge of promotions and coordination of information security matters.</p> <p>D. "Safety and Health Committee": Implements occupational safety and health control matters.</p>	None
c. Has the Company established a Board performance assessment method, and have performance evaluations been conducted annually with results reported to the Board and used as reference material for individual Directors' remuneration and reelection nomination?	V		<p>The Company has set up the "Board Performance Evaluation Rules", which was resolved by Board on August 11, 2016 in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. Every year, the Board members and the divisions in charge of arranging meetings conducted a self-evaluation of the Board's performance on five areas, including involvement in the Company's operations, improvement in the Board's decision making, the Board's composition and structure, the selection and further training of the Board members as well as internal control. The Board meeting on May 10, 2019 resolved the Performance Evaluation Rule of Functional Committee. In 2025, the performance of the Board, the Audit Committee, the Remuneration Committee and the Sustainability Committee was evaluated</p>	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" & reasons
	Yes	No	Summary	
			as "excellent", which indicates the improvement in the Board's effectiveness. The performance assessment result was reported in Remuneration Committee on February 24, 2026 and the Board of Directors on March 11, 2026. In addition, the Board meeting in Nov. 2018 resolved that the "Board Performance Evaluation Rules" shall be assessed once by external institutes & professionals every three years. In 2020 and 2023, EY was entrusted as the external institute to assess the Board performance, and the above results are used as a reference for remuneration payment and reelection nomination	
d. Has the Company evaluated the independence of CPAs on a regular basis?	V		At FENC and its subsidiary, Far EasTone, an annual assessment is conducted on the independence of CPAs and the results are reported to the Board. On March 11, 2026, in accordance with the Audit Quality Indicators(AQIs), the Board made a final review on the CPAs' independence and competence over 2025 and confirmed that they were free of conflicts of interest relationships and maintained objectivity and impartiality when discharging their professional responsibilities. The Company also received the "letter of independence from auditors of Deloitte and Touche" in accordance with the regulations of independence and competence. The assessment results can be referred to Note 2.	None
(4) Does the Company deploy competent and adequate number of corporate governance personnel and appoint a corporate governance officer in charge of corporate governance affairs (including but not limited to furnish information required for business execution by directors & supervisors, assist directors & supervisors in legal compliance, handle matters relating to board meetings and shareholders' meetings according to laws, record minutes of board meetings and shareholders meetings, etc.)?	V		The Board meeting of May 10, 2019 resolved to appoint a Chief Corporate Governance Officer. Mr. Li-Chi Chen from Corporate Management was assigned and granted authorities, assisted by several corporate governance personnel, to deals with corporate governance related matters, including handling matters relating to board meetings and shareholders' meetings, recording minutes of board meetings and shareholders' meetings, conducting Directors' training, assisting relevant data for Directors' practices, assisting Directors in legal compliance etc. 2025 Corporate Governance related routines: A. Conducted meetings of BOD and Audit Committee and prepared the meeting minutes: four & four times respectively, totaling eight times	

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Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
			<p>B. Conducted Annual General Meeting and prepared AGM meeting minutes: one time</p> <p>C. Conducted Directors' training: 15 participants, totaling 99 hours, each director completed at least 6 hours of training</p> <p>D. Assisted relevant data for Directors' practices, including meeting materials provided to the Board and the Audit Committee 7 days ahead</p> <p>E. Assisted Directors in compliance with applicable laws and regulations</p> <p>The Chief Corporate Governance Officer took training for at least 18 hours within one year and at least 12 hours per year from the date of the appointment. (Please refer to page 73 for details)</p>	
(5) Has the company established a stakeholder (including, but not limited to, shareholders, employees, clients and suppliers, etc.) communication channel, a company website dedicated to stakeholders, and appropriately responded to the main social responsibility issues which are critical to stakeholders?	V		The Company has established Investor Relations Team and a “Stakeholder’s Contact Information” list as well as a communication channel for shareholders, stakeholders, and the relevant company units on its company website. The aforementioned communication with the stakeholders was regularly reported to the Board meetings and the regular meetings.	None
(6) Has the Company commissioned professional stock services agents to handle shareholder affairs?	V		The Company and its subsidiary, Far EasTone have commissioned Oriental Securities Corporation to be the professional stock services agent in assisting and handling shareholder-related matters.	
(7) Information Disclosure a. Has the Company set up a corporate website to disclose information on financial, business and its corporate governance?	V		The Company and its subsidiary, Far EasTone have set up multiple-language (traditional Chinese/simplified Chinese/English) websites: www.fenc.com & corporate.fetnet.net , respectively. Both corporate websites disclose the most updated information on financial, business and corporate governance.	
b. Has the Company adopted other information disclosure channels (i.e. English website; designated appropriate personnel to be in charge of Company information collection and disclosure, implemented the spokesperson system, uploaded the investor conference presentations on the Company’s website, etc.)?	V		The Company and its subsidiary, Far EasTone have established a spokesperson system, including a spokesperson and a deputy spokesperson. Both managers undertake their deeds precisely based on the Company’s requirements. The Company’s website is set up in multiple-language (traditional Chinese/simplified Chinese/English), and has designated appropriate persons to collect the	

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
			Company’s information. Investor conferences are held as needed, and the relevant information is disclosed on the Company’s website and the M.O.P.S. website operated by the Taiwan Stock Exchange.	None
c. Has the Company announced and filed the annual financial report within two months after the end of the fiscal year, and of financial reports for the first three quarters as well as the monthly revenue before the deadline?		V	In accordance with Article 36 of the Securities and Exchange Act, the Company shall publish and report its financial reports within 75 days after the end of the fiscal year and within 45 days after the end of the first, second and third quarters, and shall publish and report its monthly revenue of the previous month before the 10 th day of each month.	The Company’s financial report consolidated nearly hundreds of stand-alone companies; therefore, it was practically difficult to advance the announcement and filing of the financial report.
(8) Does the Company have other critical information which can help others to understand the implementation of corporate governance (including, but not limited to, employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director and Supervisor training status, risk management policies and risk measurement standard execution progress, customer policy execution progress, and the Company’s purchase of liability insurance for Directors and Supervisors?		V	Please refer to page 69 to 73 Section Seven: “Others” in regard to critical information that can help others to understand the implementation of corporate governance from the Company and its subsidiaries.	
(9) Base on the result of “Corporate Governance Evaluation” announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters haven’t been improved.		V	The Company ranked among the top 5% in the “Corporate Governance Evaluation” of 2025. The areas that have been improved and the priority measures to enforce are described below: ① Holding the 2025 Annual General Shareholders’ Meeting earlier in May ② Formulating specific measures to enhance corporate value ③ Establishing a policy to protect customer rights and interests ④ Establishing a privacy protection policy ⑤ Disclosing investor engagement activities ⑥ Disclosing employee turnover rates for the past two years by gender and age group	None

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Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
			⑦ Actively participating in domestic and international assessments to pursue certifications and awards	None

Note 1 : Succession plan and managerial goal for board members and the management team

In the Company’s succession plan, the successor must be equipped with outstanding capabilities and have management concepts compatible with its philosophy of management, i.e. sincerity, diligence, thrift, prudence and innovation. Included in directors’ self-evaluation of performance are social indicators which determine whether board members demonstrate their credibility and moral convictions through their instruction, action and conduct to reflect the Company’s recognition of the importance of internal control. For example, the board of directors sets the tone for business operations by adopting measures that are ethical, socially-responsible, and eco-friendly or any other policies that enable accountability, including publishing reports of greenhouse gas emissions, undertaking sustainable production processes or providing post-disaster relief to affected communities. In the 2024 shareholder meeting, ten directors and five independent directors were elected. Each of them understands and identifies with the Company’s philosophy of management. Not only do they have a good grasp of the industry’s ins and outs, but they also have years of experience in legal compliance, analysis of global political-economic trends, and international business/manufacturing management. In addition, the Company has also specifically designed courses for board members to ensure that Directors and high-level management keep abreast of the latest developments in the ever-changing international competitive landscape and regulatory environment (e.g. laws on corporate governance). The Company conducts an annual assessment of the succession timeline for senior executives. Additionally, during the three-year board re-election, the Company carefully plans the composition of the board of directors, functional committees, and senior management team, evaluating the feasibility of leadership transition within the succession pipeline.

For managers of vital positions, the Company has a well-established training program tied up with internal promotion. Besides, they are required to draw up an individual development plan (IDP) in accordance with the Company’s operational goals and global strategies. The training’s curriculum design is pivoted around a total of 13 critical competencies that each trainee is supposed to acquire as they progress through the program level by level. At each level, there are four competencies to master, with innovativeness as the core competency common to trainees of all levels. Based on their own IDP, employees can construct a learning map to navigate the training program. Meanwhile, staff’s needs and requests are taken into consideration as courses are planned and designed. In addition, the annual performance review is used to reach a diagnosis of a staff member’s capabilities and difficulties and match them to appropriate guidance and assistance for performance improvement.

For future management successors (including key management positions such as Chairman and Presidents), the Company organizes “New Century Executive Workshop,” in which promising employees with outstanding track records can rapidly develop their readiness for potential leadership roles in various business segments by learning from seasoned leaders and working on case studies. Future leaders (Chairman and Presidents) must build their leaderships on four major pillars, i.e. vision, growth, customer-centeredness and perseverance, adhere to core values, and place the focus of business operation on four dimensions—humanitarianism, innovation, customer relation, and operational excellence to achieve long-lasting prosperity in the industry and ensure sustainable development of the Company.

Note 2 : Assessment table of independence of Certified Public Accountant

Assessment table	Result	Independence? Y/N
1. Whether Certified Public Accountant has direct or significant indirect financial interests with the Company.	No	Y
2. Whether or not Certified Public Accountant has any financing or guarantees of conduct with the Company or the directors of the Company.	No	Y
3. Whether Certified Public Accountant has a close business relationship and potential employment relationship with the Company.	No	Y
4. Whether Certified Public Accountant or members of their audit team had any positions in the Company as directors, managers or significant influence on the audit in recent two years.	No	Y
5. Whether Certified Public Accountant has any non-audit services to the Company which may directly affect the audit work.	No	Y
6. Whether Certified Public Accountant has an intermediary to issue shares or other securities of the Company.	No	Y
7. Whether Certified Public Accountant has acted as the Company's defender or on behalf of the Company to coordinate conflicts with other third parties.	No	Y
8. Whether Certified Public Accountant has a kinship with the directors, managers of the Company or persons who have a significant influence on the audit work	No	Y

Assessment table of competence of Certified Public Accountant (evaluated based on the Audit Quality Indicators Report).

Assessment table	Key matters	Competence? Y/N
1. Professionalism: Audit experience, training hours, turnover rate, professional support.	The audit team possesses superior experience and training compared to the industry average.	Y
2. Quality control: Auditor workload, audit input, case quality control review, quality control support capability.	The audit team dedicates a comparable amount of time and resources to assurance and regulatory compliance as our peers in the industry.	Y
3. Independence: Non-assurance services, familiarity with clients.	The audit team has a high level of familiarity with services, and the proportion of non-assurance services is relatively low.	Y
4. Supervision: Lack of external inspections and disciplinary actions, regulatory authorities' letters for improvement.	No material irregularities were identified in the most recent fiscal year.	Y
5. Innovation capability: Innovative planning or initiatives.	The audit team has implemented innovative tools and cloud-based platforms to enhance efficiency.	Y

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2.4 The Composition of the Remuneration Committee

a. Information of the Remuneration Committee Members

Role	Condition	Experience and professional qualifications	Independent Directors' Independence Status	Number of Other Public Companies in Which the Individual is Concurrently Serving as Remuneration Committee Member
	Name			
Independent Director	Raymond R.M. Tai	With work experience for more than 5 years. Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business. Experience: Adjunct Instructor, Department of Foreign Languages and Literatures, National Taiwan University; Third Secretary, Permanent Representative of the R.O.C. to the United Nations; Second Secretary, Taipei Economic and Cultural Representative Office in the United States; Director-General, Government Information Office, Executive Yuan, R.O.C. Taiwan & Deputy Director, National affairs, Executive Yuan, R.O.C. Taiwan; Adjunct Professor, Department of Journalism, Chinese Culture University; Consultant, Department of North America, Ministry of Foreign Affairs; Representative, Taipei Economic and Cultural Office in United Kingdom; Deputy Secretary-General to the President and Spokesperson, Office of the President R.O.C.(Taiwan); Executive Secretary, The National Unification Council, Office of the President R.O.C.(Taiwan) & Senior Advisor and Convener, The National Unification Council, Office of the President R.O.C.(Taiwan); Ambassador Extraordinary and Plenipotentiary, Embassy of the R.O.C.(Taiwan) to the Holy See; Independent Director of Far Eastern Department Store Ltd.	All Remuneration Committee members meet the following criteria: 1. In Compliance with the relevant regulations of Article 14-6 of the Securities and Exchange Act endorsed by the Financial Supervisory Commission and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note 1). 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names. 3. Not a professional individual who provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, and the service provided is compensated with the recent two years.	0
Independent Director	Chung-Shu Wu	With work experience for more than 5 years. Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business. Experience: Chairman, Taiwan Institute of Economic Research, Chairman, Taiwan Academy of Banking and Finance and President, Chung-Hua Institution for Economic Research		1
Others	J. W. Huang	With work experience for more than 5 years. Having work experience in the area of commerce, law, finance, or accounting, or otherwise necessary company business. Experience: SVP of HR Department of Far Eastern Department Store Ltd.; Director of Yu Chang Technological and Commercial Vocational Senior High School		1

Note 1: A Remuneration Committee member shall not have been or be any of the following during the two years before being elected or during the term of the appointment.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officers in the preceding three subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Paragraph 1 or 2, Article 27 of the Company Act. (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent). (Unless the person is an independent director of the company, its' parent company and its subsidiaries, or subsidiaries of the same parent company of which are required to set up independent directors according to "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local law.)
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company. (This requirement does not apply where the specific company or institution owns twenty percent or more but less than fifty percent of the company's outstanding shares, and the independent director serving concurrently in the Company and its' parent company or subsidiaries, or subsidiaries of the same parent company, is set up in accordance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" or local laws)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total compensation with the recent two years exceeds NT\$ 500,000. However, this restriction does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Special Committee for Mergers and Acquisitions who exercise powers to laws and regulations in association with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.
- (10) Not been a person of any conditions defined in Article 30 of the Company Act.

Note 2: The scope of responsibilities of the Company's Remuneration Committee:

- (1) Formulate and periodically examine the performance review, remuneration policy, system, standards, and structure for directors and managerial officers.
- (2) Periodically evaluate and formulate the remuneration of directors and managerial officers.

b. Executive Status of the Remuneration Committee:

- (1) The Company's Remuneration Committee has three committee members.
- (2) The tenure of the 6th term Remuneration Committee is from Aug 7, 2024 to Jun 26, 2027. In recent year, the Remuneration Committee held four times and the attendance status of members is disclosed as follows:

Title	Name	Times of Attendance	Times of Attendance by Proxy	Percentage of Attendance (%)	Remark
Convener	Raymond R.M. Tai	4	0	100%	-
Committee member	Chung-Shu Wu	4	0	100%	-
Committee member	J. W. Huang	4	0	100%	-

Instances where discussion and results of resolution of the Remuneration Committee and the response to members' opinion:

Meeting Date (Term)	Mater to be discussed	Resolution	The response to members' opinion
Feb 25, 2025 The 2 nd meeting of the 6 th term	1. The 2024 Year-end bonus	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution
	2. The 2025 performance-based salary adjustment amount		
	3. The 2024 Board of Directors and Functional Committees Performance Evaluation Results		The proposal is submitted to Board of Directors and approved by all attending Directors.
	4. The 2024 Directors' remuneration and employees' compensation of the Company		
Jul 22, 2025 The 3 rd meeting of the 6 th term	1. Compensation distribution to non-executive employees	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution
Dec 29, 2025 The 4 th meeting of the 6 th term	1. Linking the compensation system to sustainability performance	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution
Feb 24, 2026 The 5 th meeting of the 6 th term	1. The 2025 Year-end bonus	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution
	2. The 2026 performance-based salary adjustment amount		
	3. The 2025 Board of Directors and Functional Committees Performance Evaluation Results		The proposal is submitted to Board of Directors and approved by all attending Directors.
	4. The 2025 Directors' remuneration and employees' compensation of the Company		

Other required disclosure:

- (1) If the Board does not adopt or amend the suggestions of the Remuneration Committee, date and term of the meeting, the agenda item, the resolution and the Company's disposition of the suggestions shall be specified. (If the remuneration passed by the board exceeds that proposed by the committee, the discrepancy and the reason therefore shall be specified.): None
- (2) If any of the Board members has expressed opposition or reservations to the resolution, which have been recorded or put in writing, the date and term of the meeting, the resolution, the view of each member and the disposition thereof shall be specified: None

c. Information of the Nomination Committee members and executive status of the Nomination Committee: Not applicable

Corporate Governance Report

2.5 Measures the Company Takes to Fulfill Sustainable Development and Deviations from “Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons:

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
<p>a. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with authorization from the Board of Directors for senior management, which is overseen by the Board of Directors?</p>	V		<p>The Company’s Board of Directors is its highest governing and decision-making authority for sustainable management, responsible for reviewing major sustainable decisions and strategic directions. In 2020, the board-level Sustainability Committee, which comprises two of the Company’s independent directors and one non-executive director, was established as the governing unit for sustainability issues. The Sustainability Committee has the independent directors serving as convener, who oversees the implementation of sustainable development policies, institutions or management guidelines and briefs the Board regularly on the implementation. A total of 4 meetings were held in 2025. Within the organization, the Sustainability Implementation Committee is responsible for executing matters related to sustainable development. The committee has 318 members, including three dedicated personnel from the Corporate Staff Office, and the President of Corporate Management serves as the chief convener.</p> <p>The Company reports the implementation of sustainability within the organization and results to the Board of Directors and the Sustainability Committee. It reported 4 times to the Sustainability Committee and 4 times to the Board of Directors separately in 2025, which enables the Board and the Committee to conduct an adequate oversight of its sustainability performance. FENC’s subsidiary, Far EasTone Telecommunications, has established FET Sustainable Development Committee.</p>	None
<p>b. Does the Company conduct risk assessment of its operations regarding environmental, social and corporate governance issues based on the materiality principle and formulate risk-management policies or strategies?</p>	V		<ol style="list-style-type: none"> 1. Risk Management Policies are crafted to fortify corporate governance and establish robust risk management operations, aiming to reasonably ensure the Company’s goals are met. Their scope extends to encompass all operational activities of both the Company and its subsidiaries. 2. The Company routinely gathers significant global issues and conducts stakeholder and major issue 	

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			analyses, guided by the principle of materiality, which includes factors such as environment, society, and corporate governance. Following the materiality identification process outlined in the 2021 version of the GRI Sustainability Reporting Standards, the Company aligned with international sustainability disclosure standards in 2025 by further adopting the IFRS Sustainability Disclosure Standards to develop a more comprehensive framework for materiality analysis. This involved conducting internal and external questionnaire surveys, seeking input from external experts regarding the identification process and outcomes of stakeholders and major topics, and obtaining approval from the senior management. Various risk management response policies are then crafted based on the analysis results to ensure the Company's sustainable operations. Additionally, regular meetings are held to communicate with the highest governance unit.	
<p>c. Environmental Issues</p> <p>(a) Has the Company established an appropriate environmental management system according to its industry characteristics?</p>	V		<p>1. In March 2026, Far Eastern New Century established the "Environmental Sustainability Policy" approved by the Board of Directors to serve as a guideline for the Company's environmental sustainability management. The Board of Directors acts as the highest governing authority for the "Environmental Sustainability Policy" and has established the "Sustainability Committee" to guide and promote corporate sustainable development, overseeing and monitoring the achievement of environmental sustainability goals and the implementation of environmental performance enhancement. The senior management is responsible for the promotion and execution of the policy. A top-down governance structure has been constructed to ensure that the environmental sustainability policy is closely integrated with the Company's overall business strategies and risk management processes, continuously strengthening corporate operational resilience and long-term value creation.</p>	None

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>2. The Company's environmental sustainability strategies and management methods include the establishment of management institutions and systems, the introduction of innovative technologies and equipment, value chain collaboration, active support for government policies, source reduction, and circular recycling.</p> <p>3. As of March 31, 2026, 83% of the Company's Production Business' major sites have achieved ISO 14001 certification through external third-party verification.</p>	
(b) Is the Company committed to enhancing the efficiency of energy use and consuming recycled materials as feedstock to minimize the adverse impact on the environment?	V		<p>1. FENC has been a prominent player in the recycling industry for over 30 years, establishing itself as a global leader in recycled polyester. In 2025 alone, an estimated 34 billion waste PET bottles were recycled and transformed into entirely new products. Recently, the Company has adopted more advanced chemical recycling technologies to process waste textiles comprising blended fabrics and intricate coloring. This innovative approach has significantly broadened our recycling capabilities.</p> <p>2. Short, medium, and long-term goals were established to enhance energy efficiency. Using 2020 as the base year, the Company aims to achieve a 10% reduction by 2025, 12% by 2026, 14% by 2027, 20% by 2030, and 25% by 2035 in energy consumption per unit of production output. In 2025, there was an 8% reduction compared to the base year. The target was not met primarily due to product structure adjustments at some production sites. During 2025, significant improvements in energy efficiency were realized through enhancements in three major areas: production processes, equipment upgrades, and energy management practices, as well as the development of renewable energy and low-carbon fuel alternatives. These efforts resulted in substantial energy savings, amounting to 154 TJ.</p> <p>3. We promote the use of renewable energy sources. In 2025, our Production Business' major sites utilized renewable energy for 7% of their total energy consumption across major sites.</p>	None

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons								
	Yes	No	Summary									
			4. To ensure responsible energy management, our production business adheres to ISO 50001 Energy Management Standards. As of March 31, 2026, 57% of the Production Business' major sites have achieved certification through reputable third-party organizations like BSI, CQC, LRQA, and SGS.	None								
(c) Has the Company assessed present and future risks and opportunities which climate change brings about and undertaken any response measures?	V		The assessment of climate change-related risks and opportunities, as well as corresponding response measures for the Company's production business, please refer to pages 57-64 for "Climate-Related information of Company".									
(d) Does the Company keep track of its greenhouse gas emissions, water use, and waste quantity in the past two years? Does it have any policy in place that aims to reduce greenhouse gas emissions, water use and waste production?	V		<p>1. In 2023, the Company successfully completed and verified inventories for Scopes 1 and 2 greenhouse gas (GHG) emissions at all its production and business sites. The verification process for consolidated subsidiaries is finalized in 2025.</p> <p>2. Information on the Company's parent company and consolidated subsidiaries' Scope 1 and 2 greenhouse gas (GHG) emissions results, assurance status, and reduction policies, please refer to pages 62-64 for "Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years".</p> <p>3. The total water usage and water intensity statistics over the past two years for the Company's Production Business' major sites.</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Total Water Usage (metric ton)</td> <td>991,747,000</td> <td>877,273,000</td> </tr> <tr> <td>Water Withdrawal Intensity (metric ton / metric ton of production)</td> <td>2.13</td> <td>2.15</td> </tr> </tbody> </table> <p>Note 1: According to the definition by the Water Resources Agency, MOEA, water usage is the sum of water withdrawal and recycling water.</p> <p>Note 2: Statistical data on water usage at the Company's Production Business' major sites for 2024 and 2025 have been verified by SGS.</p> <p>4. The Production Business' major sites set short, medium, and long-term goals for reducing water withdrawal per unit of output, using 2020 as the base year. The goals are to reduce</p>			2024	2025	Total Water Usage (metric ton)	991,747,000	877,273,000	Water Withdrawal Intensity (metric ton / metric ton of production)	2.13
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			<p>water withdrawal intensity by 30% by 2025, 31% by 2026, 32% by 2027, 35% by 2030, and 40% by 2035. In 2025, water withdrawal per unit of output was 28% lower than the base year. The target was not met primarily due to product structure adjustments at some production sites.</p> <p>5. Oriental Petrochemical (Taiwan) implemented a water efficiency management system in compliance with ISO 46001 and secured verification from SGS in 2025.</p> <p>6. The waste volume and waste intensity statistics over the past two years for the Company's Production Business' major sites.</p> <table border="1"> <thead> <tr> <th></th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Non-hazardous waste (metric ton)</td> <td>100,776</td> <td>103,566</td> </tr> <tr> <td>Hazardous waste (metric tons)</td> <td>2,458</td> <td>2,455</td> </tr> <tr> <td>Total waste (metric tons)</td> <td>103,234</td> <td>106,021</td> </tr> <tr> <td>Total waste intensity (metric ton / metric ton of production)</td> <td>0.01552</td> <td>0.01778</td> </tr> </tbody> </table> <p>7. For its Production Business' major sites, the production business adopted short, medium, and long-term goals to reduce non-reusable and non-recyclable waste, using 2020 as the base year. The targets are a 10% reduction by 2025, 12% by 2026, 14% by 2027, 20% by 2030, and 30% by 2035. In 2025, the waste reduction goal was achieved, with a 19% decrease compared to the base year.</p> <p>8. The production business is dedicated in optimizing waste management. To achieve these targets, we enhance resource utilization efficiency in production activities, reduce waste at the source, and increase the recycling and reuse rate of process waste.</p> <p>9. The Company's production business manages water resources and waste across its production operations in accordance with the ISO 14001 Environmental Management System. As of March 31, 2026, 83% of the Production Business' major sites have successfully undergone external third-party verifications conducted by certification bodies such as AFAQ, BSI, CQC, DNV, GCC, and SGS.</p>		2024	2025	Non-hazardous waste (metric ton)	100,776	103,566	Hazardous waste (metric tons)	2,458	2,455	Total waste (metric tons)	103,234	106,021	Total waste intensity (metric ton / metric ton of production)	0.01552	0.01778	None
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<p>d. Social Issues</p> <p>(a) Has the Company set up management policies and procedures according to related laws and regulations as well as the International Bill of Human Rights?</p>	V		<p>Far Eastern New Century Corporation is committed to upholding the fundamental human rights of all employees and fostering a workplace environment where such rights are fully respected and protected. The Company adheres to and supports internationally recognized human rights standards, including the International Bill of Human Rights, the International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the United Nations Global Compact. In alignment with these principles, the Company has established and implements labor policies related to the protection of human rights.</p> <p>In 2018, it formulated the "Far Eastern New Century Human Rights Policy," and it was endorsed by the responsible managers of all production and operation bases both domestically and internationally. Concurrently, various human rights policies were disseminated to employees to enhance their awareness of their own rights. In 2020, the company conducted human rights due diligence, utilizing the criteria of 'possibility of risk occurrence' and 'degree of impact on the company' to investigate human rights risks. The scope of the investigation encompassed 100% of employees at every production and operation base.</p> <p>At the end of 2021, FENC consolidated and refined existing regulations on grievance policies and established the Speak Up Policy. With the growing international focus on corporate human rights and anti-corruption policies, we plan to establish a complaint policy that aligns with ESG international standards and applies to all global operational locations. Through continuous strengthening of internal and external supervisory mechanisms, we have established goals and action plans to implement human rights policies through a series of improvement measures. Simultaneously, we conducted education and awareness training for the complaint mechanisms and channels established by our company to safeguard the rights of relevant stakeholders.</p>	None

Corporate Governance Report

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			<p>In 2022, we initiated an enhanced human rights management program to strengthen our policy framework and implement community engagement protocols. To ensure alignment with international human rights standards, we partnered with external consultants to conduct comprehensive human rights due diligence. The assessment methodology encompassed risk evaluation surveys across three primary stakeholder groups: employees, suppliers, and local communities. Through systematic analysis, we identified seven material human rights issues. Each identified issue underwent thorough impact assessment, leading to the development of targeted risk mitigation and remediation strategies.</p> <p>We established quantifiable performance indicators and implemented annual self-assessment mechanisms for human rights policy compliance. By 2025, we achieved full participation (100% response rate) from all operational sites globally, validating the systematic implementation of our human rights framework.</p> <p>This Human Rights Policy applies to all employees of Far Eastern New Century Corporation. The Company also expects its subsidiaries, business partners, suppliers, contractors, and the local communities in which it operates to adhere to the same standards and align with the spirit and fundamental principles of its human rights commitments.</p> <p>The Company has established a Human Rights Policy, with responsibilities assigned to the Board of Directors, Human Resources divisions across headquarters business units, labor unions, procurement units, and individual production sites.</p> <p>An overview of the Company’s human rights policies and their implementation status is presented in the table below:</p> <table border="1" data-bbox="616 1485 965 1781"> <thead> <tr> <th>Human Right Policy</th> <th>Operational Specifics</th> </tr> </thead> <tbody> <tr> <td>No Forced Labor - FENC eradicates all forms of forced labor and punishment.</td> <td>FENC adheres to government labor laws and international standards, refraining from coercing or pressuring any unwilling individuals to engage in labor activities. It strictly prohibits restricting the freedom of movement of any personnel, including withholding any personal identification documents. The company has established a non-coercion labor policy and regularly updates it to ensure compliance with local laws and customer standards. As of 2025, there have been no incidents of forced labor and human trafficking.</td> </tr> </tbody> </table>	Human Right Policy	Operational Specifics	No Forced Labor - FENC eradicates all forms of forced labor and punishment.	FENC adheres to government labor laws and international standards, refraining from coercing or pressuring any unwilling individuals to engage in labor activities. It strictly prohibits restricting the freedom of movement of any personnel, including withholding any personal identification documents. The company has established a non-coercion labor policy and regularly updates it to ensure compliance with local laws and customer standards. As of 2025, there have been no incidents of forced labor and human trafficking.	None
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As of 2025, there have been no instances of employing child labor. </td> </tr> <tr> <td> Working Hours, Wages and Benefits - FENC ensures working hours, overtime hours, minimum wage, living conditions, and other benefits shall comply with applicable laws and adopt the relatively stricter alternative among local laws or international standards on measures. </td> <td> FENC's regulations regarding working hours, overtime, wages, related benefits, and living conditions adhere strictly to international standards and local regulations, including: <ol style="list-style-type: none"> 1. Working hours not exceeding the local legal limits. 2. Commitment to providing wages that meet the minimum living standards required by regulations. 3. Payment of overtime compensation not lower than legal requirements. 4. Transparent salary policies, with no salary deductions used as a form of punishment. 5. Assurance of paid leave, special care leave, rest days, and all statutory labor benefits. 6. 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This open environment allows FENC to receive the most genuine feedback from employees, facilitating a review and improvement of various operational processes. 2. Freedom of Assembly and Association, and Freedom of Speech: FENC respects and supports employees' choices to join or refuse to join unions or other employee organizations. The establishment and operation of company unions are respected, providing a channel for employees to voice concerns and suggest improvements through annual representative meetings. In 2025, we received 28 comments through seminars and suggestion boxes. No formal grievances were filed, and we remain in full compliance with all collective bargaining agreements signed with labor unions across our operating locations. </td> </tr> </tbody> </table>	Human Right Policy	Operational Specifics	Bans Child Labor - FENC bans child labor.	FENC strictly prohibits the employment of child labor under the age of 16 in any operational location or supply chain. 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The company ensures a workplace free from sexual, mental, physical, and verbal harassment, abuse, or intimidation, striving to create a dignified, safe, and equal work environment while opposing any form of discrimination, bullying, or differential treatment.</p> <p>In 2025, we received the Brandon Hall Group™ Gold Award for ‘Best Diversity, Equity, Inclusion and Belonging Strategy.’ We remain in full compliance with all legal requirements and have recorded no violations of human rights.</p> </td> </tr> <tr> <td> <p>Maternity Protection - FENC protects and supports female employees.</p> </td> <td> <p>FENC is committed to constructing a work system and environment that is friendly to both male and female employees. Breastfeeding rooms are established in various locations to provide a comfortable environment for nursing mothers. For colleagues who are pregnant or have underage children, FENC offers flexible working hours and flexible start and end times. 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Two-way communication and policy advocacy are conducted through union organizations and employees. In 2025, FENC had no disputes or complaints related to violations of employment stability.</p>	<p>Health and Safety - FENC is committed to prioritize all stakeholders’ health and safety.</p>	<p>FENC complies with international standards and local regulations related to workplace health and safety. It provides pre-employment physical examinations, annual health check-ups, and occupational health examinations. Health seminars and follow-up health checks are organized. For colleagues aged 45 and above, health assessments and measures promoting health, such as health seminars, are implemented. In 2025, FENC experienced the Xinpu gas explosion incident. All related grievances were handled and responded to in accordance with established procedures.</p>	None
Human Right Policy	Operational Specifics															
<p>Diversity, Equality and Anti-discrimination - FENC eliminates discrimination in hiring and employment. We guarantee equal pay and a working environment of equality, diversity and safe.</p>	<p>FENC implements diversity and equality in its policies, refraining from discrimination based on individual race, class, language, ideology, religion, political affiliation, place of ancestry, place of birth, gender, sexual orientation, age, marital status, physical appearance, facial features, mental and physical disabilities, horoscope, blood type, or past union membership. The company ensures a workplace free from sexual, mental, physical, and verbal harassment, abuse, or intimidation, striving to create a dignified, safe, and equal work environment while opposing any form of discrimination, bullying, or differential treatment.</p> <p>In 2025, we received the Brandon Hall Group™ Gold Award for ‘Best Diversity, Equity, Inclusion and Belonging Strategy.’ We remain in full compliance with all legal requirements and have recorded no violations of human rights.</p>															
<p>Maternity Protection - FENC protects and supports female employees.</p>	<p>FENC is committed to constructing a work system and environment that is friendly to both male and female employees. Breastfeeding rooms are established in various locations to provide a comfortable environment for nursing mothers. For colleagues who are pregnant or have underage children, FENC offers flexible working hours and flexible start and end times. The Malaysia factory provides dedicated parking spaces for pregnant employees. In 2025, FENC had no disputes or complaints related to violations of maternity protection.</p>															
<p>Privacy Protection - FENC protects employees’ personal information and privacy rights.</p>	<p>FENC follows local regulations to ensure the security of personal information. It consults with the legal department for advice on every document that requires the collection of personal information, providing clear information and proper data storage. In 2025, FENC had no disputes or complaints related to violations of privacy rights protection.</p>															
<p>Employment Stabilization - FENC protects employees’ right to work.</p>	<p>FENC safeguards employees from threats of forced layoffs and provides assistance to employees facing forced layoffs. Regular labor-management meetings are held at each location for communication and providing a comprehensive complaint policy. Two-way communication and policy advocacy are conducted through union organizations and employees. In 2025, FENC had no disputes or complaints related to violations of employment stability.</p>															
<p>Health and Safety - FENC is committed to prioritize all stakeholders’ health and safety.</p>	<p>FENC complies with international standards and local regulations related to workplace health and safety. It provides pre-employment physical examinations, annual health check-ups, and occupational health examinations. Health seminars and follow-up health checks are organized. For colleagues aged 45 and above, health assessments and measures promoting health, such as health seminars, are implemented. In 2025, FENC experienced the Xinpu gas explosion incident. All related grievances were handled and responded to in accordance with established procedures.</p>															

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>In 2025, the Company continued to advance training initiatives on fostering a respectful and inclusive workplace and preventing unlawful workplace harm. By delivering both digital learning and instructor-led programs, we strengthened employees' and managers' understanding of gender equality, workplace safety, and relevant legal requirements, and enhanced their ability to apply these principles in daily operations.</p> <p>Digital learning Through our internal e-learning platform, we implemented a mandatory onboarding course, Gender Equality in Employment Act, for new hires to help establish early awareness of regulatory compliance and gender equality. We also developed a structured learning roadmap for newly appointed managers (including supervisors, assistant managers, deputy managers, and managers). The roadmap covers gender equality, prevention of unlawful workplace harm, prevention of workplace sexual harassment, and psychological safety, thereby reinforcing managerial accountability and improving risk identification capabilities.</p> <p>Instructor-led training In 2025, the Company delivered two sessions of Prevention and Response to Unlawful Workplace Harm, led by Ms. Cuihua Zhang, Director of the Taoyuan Lifeline Association. Centered on practical case studies and risk identification, the program enabled employees and managers to better understand the forms of unlawful workplace harm, key prevention principles, and appropriate response measures. The training also supported positive workplace interactions and employee psychological well-being.</p> <p>Through the systematic implementation of these training programs, the Company continued to uphold human rights protections and strengthen workplace safety management. We are committed to maintaining a respectful, equitable, and inclusive work environment while mitigating potential labor-management risks. In 2025, a total of 34,007 training attendances were recorded for human rights awareness and education. In addition, the Company rolled out the course Corporate Social Responsibility and Regulations on Anti-Corruption and Anti-Fraud for all employees, reinforcing communication and awareness related to labor rights, non-discrimination, and human rights. These efforts further deepened employees' understanding and practice of workplace ethics, labor protections, and human rights, supporting a solid foundation for the Company's long-term sustainability.</p>	None

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
(b) Has the Company established and adopted reasonable employee welfare measures (e.g. bonuses and salaries, leaves, and other benefits), and had employee bonuses and salaries adequately reflect its operational performance or results?	V		<p><u>Employee compensation</u> FENC established a variable payroll system that rewards long-term individual and team performance. The Articles of Incorporations stipulates that 2%-3.5% of the Company's net profit shall be dedicated toward employee compensation, with no less than 25% of the employees' compensation reserved for nonexecutive employees.</p> <p><u>Performance Review</u> To help employees enhance professional capability and performance while developing growth and potential. FENC has clearly delineated the protocol for performance review. Benchmarks are established based on employees' positions as well as performance in corporate sustainability. Indicators considered include energy reduction, promotion of green business, R&D on green products, corporate governance and optimization of human resources. The review also serves as a key reference for salary adjustment, bonus, promotion and dismissal.</p> <p>In addition, executive management remuneration is linked to ESG performance, covering short-, medium-, and long-term objectives. The applicable scope includes the President and the Chief Operating Officer, as well as Executive Vice Presidents, Assistant Vice Presidents, and Managers responsible for driving sustainability initiatives.</p> <p><u>Insurance</u> The Company ensures that their employees are covered with labor insurance and healthcare insurance. New recruits and those chose the new scheme, 6% of full salary will be allocated into employee's individual retirement pension account. We also offer accident insurance and special rates for cancer and illness insurances which are optional for all employees.</p> <p><u>Employee welfare programs</u> The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds, and manages various welfare activities for employees. The said activities include, but are not limited to, employee outings and hiking trips. The Company also organizes a volunteer club, a gymnastics club, a yoga club, a badminton club, an aerobic dance club,</p>	None

Item	Implementation Status		Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	
			<p>a table tennis club, a basketball club, all of which are held on regular basis. Additionally, the Company provides free health checkups, child education scholarships, holiday bonuses for birthdays, weddings, funerals, child births, and traditional festival holidays for its employees.</p> <p>The company established regulations of rest days, annual leave and overtime payment standards in accordance with the Labor Standards Act. Our Legal Department, Human Resource Department, Auditing Department and all businesses convene joint meetings quarterly to ensure the legal compliance of each unit. Employees who need to take long leaves of absence for parental leave or severe injuries can also apply for unpaid leaves, and then apply for reinstatement after the expiration of the period, to fulfill both personal and family needs.</p> <p>Equality and respect for diversity FENC values gender equality. We are keen on creating gender-friendly workplace and system. While the conglomerate spans across industries from the upstream to downstream, the up- and midstream industries rely more on chemical related expertise where a higher concentration of the work force is male. The downstream, which consists mainly of the textile industry, is composed of a higher percentage of female employees. In 2025, female employees' average proportion in Taiwan are 29% and female supervisors' are 28%. FENC has established measures to prevent, control and reprimand sexual harassment and provides channels for filing grievances. Employees may file such grievance claims through departmental supervisors or Human Resources Department. The unit receiving the claim shall establish a team within 5 days of receiving the claim with over 50% female members to initiate the investigation. The investigation shall conclude within 2 months and all information shall be kept confidential. The individual against which the claim is filed shall have the opportunity for rebuttal. We also conduct regular training for the entire staff to prevent any occurrence of sexual harassment.</p>
			None

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p><u>Employee compensation linked to operational achievements</u></p> <ul style="list-style-type: none"> • Article 26 of the “Articles of Incorporation of Far Eastern New Century Corporation”: If the Company makes a profit for the current year, no more than 2.5% of the profit shall be allocated as Directors' remuneration, and 2% to 3.5% shall be allocated as employees' compensation, with no less than 25% of the employees' compensation reserved for nonexecutive employees, provided that the Company's accumulated losses have been covered. • Employee bonuses and salaries reflective of the Company's operational performance or results: The Company also takes into account both the overall corporate and each Strategic Business Unit's (SBU) operational performance for monthly performance bonuses and year-end bonuses. When determining production bonuses, additional factors considered include the actual output rate, scrappage rate, quality, energy conservation efforts, and occupational safety practices. This bonus system serves as a mechanism to incentivize all units to prioritize occupational safety and environmental protection through initiatives such as energy conservation, carbon reduction, and recycling. It also encourages employees to optimize production flow and fully embody corporate sustainability principles. • Remuneration Policy and Distribution for Non-Executive Employees: In 2026, the Board of Directors approved the allocation of 3.49% of the Company's 2025 profits as total employee remuneration. Within this allocation, remuneration for non-managerial (entry-level) employees accounted for 1.08% of total profits, representing 31% of the overall employee remuneration pool. In 2025, the average annual salary increase for both managerial and non-managerial employees in the Taiwan region was 3%. • Overall compensation policy: Recognizing the importance of competitive compensation for retaining top talent, the Company participates in annual salary surveys. This participation allows it to stay informed on current market rates and make adjustments accordingly. 	None

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
(c) Has the Company offered a safe and healthy work environment and routinely implements safety and health education for its employees?	V		<p>For the Company's employee safety and health work environment practices, employee education policy and its implementation, please refer to page 115 to 116.</p> <p>For the Company's relevant certifications acquired and its certified scope, please refer to page 115 to 116.</p> <p>For the cases of occupational injuries, the number of employees injured and the ratio to the total number of employees, and related improvement, please refer to page 116.</p> <p>In 2025, the Company experienced 1 fire incident, resulting in 2 deaths and 19 injuries, accounting for 0.11% of the total number of employees. The subsequent improvement measures include:</p> <ol style="list-style-type: none"> 1. Implementing hazard identification and risk control 2. Improving various standard operating procedures 3. Establishing an early warning and smart monitoring mechanism for trace leakage of heat transfer oil 4. Enhancing emergency response drills for leakage in the heat transfer oil pump area 	None
(d) Has the Company established an effective career developmental plan for its employees?	V		<p>For details on the scope, coverage, and implementation of the Company's employee training programs, please refer to page 113.</p>	
(e) Has the Company protected the customers of its products or services in terms of their health, safety and privacy and conduct marketing and labeling in compliance with relevant regulations, laws and international standards? Has it had in place consumer protection policies and a customer complaint process?	V		<p>The Company and its subsidiaries ensure that products and service quality are in compliance with government regulations and industry standards. The Company has implemented the “Protection of Customer Rights Policy” and “Privacy Protection Policy,” and handles written complaints from clients or via electronic means. The corporate website also offers a news center, and an email facility is in place to receive feedback. These measures allow customers to quickly grasp significant information on the Company and to immediately provide feedback should there be problems.</p>	
(f) Has the Company had a supplier management policy and required all its suppliers be compliant with laws and regulations on environmental protection, occupational safety & health, and labor rights and verified their compliance?	V		<p>The Company's production business has established supplier management guidelines in accordance with local regulations and production needs. “Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement” has been established, covering areas such as</p>	

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p>labor and human rights, occupational health and safety, environmental protection, ethical standards, and management systems. Suppliers are required to sign this commitment as part of the supplier selection criteria. In 2025, 98% of suppliers signed the commitment. Starting from June 2024, the Company implemented a “Supplier ESG Survey” for key suppliers to assess their ESG performance, and results are analyzed to develop supplier ESG improvement plans. From the start of implementation through the end of 2025, 100% of critical suppliers completed the survey.</p> <p>Through effective communication channels, regular meetings, and on-site visits, the Company monitors and oversees supplier behavior and working conditions, and evaluates their environmental, social, and governance (ESG) impacts. When indicates major impact, the Company will provide assistance for improvement or terminate the contract depending on the severity.</p>	None
<p>e. Does the Company compile a sustainability report in accordance with international reporting standards for disclosure of non-financial information? Is the report externally accredited or assured by an independent third party?</p>	V		<p>The 2025 Sustainability Report published by the Company was developed in accordance with GRI Standards 2021 and was assured to Type 2 Moderate Level of the AA1000 Assurance Standard (AA1000 AS v3) by the third-party SGS. Additionally, the Sustainability Report was prepared with reference to TCFD recommendations, the Taskforce on Nature-related Financial Disclosures (TNFD) framework, Sustainability Accounting Standards Board standards for the chemical industry, and Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>	
<p>f. If the company has set up the principles based on " Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies ", please illustrate the implementation progress and any difference:</p> <p>To fulfill sustainable corporate development, the Company have established the Sustainable Development Principles with the Board's approval. The Company demonstrates its commitment to corporate sustainability through several initiatives. These include managing economic, environmental, and social risks and impacts through practices such as sound corporate governance, environmental sustainability, social welfare and enhanced disclosure of sustainability-related information. To date, there have been no deviations.</p>				
<p>g. Please state any other important information that would facilitate better understanding of the Company's status in fulfilling corporate social responsibilities:</p> <p>1. Developing green products</p> <p>To address the risks and opportunities presented by global climate change and assist brand customers in fulfilling their green commitments, the Company leverages its core competence in green product innovation. It drives forward the green transformation of products across all fronts, focusing on Recycle, Replace, and Reduce. It establishes low-carbon competitiveness through 3R strategies, and develops environmentally friendly and toxin-free green products to ensure sustainable development.</p>				

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
<p>i. Replace: In efforts to reduce the petroleum industry’s impact on the earth’s resources, FENC has long invested in researching and developing bio-based raw materials as substitutes for petroleum. Among the most notable products are bio-polyester developed from biomass materials and low-carbon polyester fiber produced using recycled industrial gases.</p> <p>ii. Recycle: FENC is a global leader in recycled polyester (rPET). It has developed environmentally friendly rPET resin crafted from recycled PET bottles, which not only reduces greenhouse gas emissions by 61% compared to conventional PET derived from petroleum but also adds value to products. These applications span from food and non-food packaging to functional clothing, footwear, automotive materials, household products, and more. In recent years, textile recycling and chemical recycling technologies for polyester have been developed to further expand the scope of recycling.</p> <p>iii. Reduce: FENC actively enhances the efficiency of energy and resource utilization across its value chain. It works to minimize energy consumption in the production, processing, distribution, and use of feedstock, thereby reducing the greenhouse gas emissions of its products. Initiatives include the development of high heat-absorbing and energy-saving resins, lightweight preforms, refillable PET resin, solution-dyed fibers, and more.</p> <p>iv. Eco-Friendly: FENC has developed an impressive lineup of eco-friendly products. By using organic raw materials as well as toxin-free auxiliary materials, catalysts and additives, the Company aims to reduce pollutants derived from production and minimize negative environmental impacts. Featured products in this series include TOPGREEN®Sb free PET, FENC®TopClean and PFC Free Nylon 66 Filament.</p> <p>As a leader in green polyester within the industry, FENC continues to invest in the development of forward-looking and sustainable green products. It provides green solutions that emphasize recycling and the reduction of resource consumption. In 2025, revenue from green products reached NT\$ 50.6 billion, setting a new historical high.</p>				
<p>2. Promoting Sustainable finance</p> <p>FENC is committed to building a sustainable business model that coexists with the environment. Through sustainable investments, we implement our corporate development strategy and align raised funds with our sustainability goals. We actively aim to become an innovative benchmark enterprise in Taiwan’s sustainable finance, continuously creating win-win outcomes for the government, businesses, and stakeholders.</p> <p>From 2018 to the end of 2025, the Company had issued nearly 51 sustainability financial products, many of which were the first in Taiwan or Asia, raising over NT\$ 90.2 billion in funds. These funds were invested in sustainable development projects through various financing channels:</p> <p>(1) Capital Market Bonds:</p> <p>i. World’s First: Globally issued four types of sustainable development bonds listed in the Sustainable Bonds Database of the International Capital Market Association (ICMA).</p> <p>ii. Taiwan’s only: Qualified for four types of sustainable development bonds and the first to issue them. FENC issued four types of sustainable development bonds, comprising green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. As of now, it had raised over NT\$ 26.6 billion in the capital market for ESG sustainability projects. In 2025 alone, an additional NT\$ 4.1 billion was issued.</p> <p>(2) Banks’ Green Financing:</p> <p>FENC is fully committed to implementing its sustainability goals and has forged partnerships with major domestic and foreign banks. From 2018 to the end of 2025, the Company resulting in the signing of an ESG financing limit exceeding NT\$63.3 billion. These efforts have expanded from the parent company to overseas subsidiaries in regions such as Mainland China, Japan, and Southeast Asia. In 2025, approximately NT\$6.5 billion in new ESG financing agreements were signed by both domestic and overseas companies.</p> <p>(3) Money Market Commercial Paper:</p> <p>As a pioneer in sustainable finance, FENC expanded its sustainable finance initiatives into the money market. The Company led its subsidiaries, Oriental Green Materials Ltd. and Far Eastern Apparel Co., Ltd., in issuing sustainable finance instruments tailored to the operating characteristics of different business entities. In October 2025, the companies issued the world’s first Sustainable Commercial Paper, with a total issuance amount of NT\$350 million. This initiative put into practice FENC’s dual-track strategy of “financial innovation × industrial decarbonisation” and marked a new milestone in the advancement of sustainable finance in Taiwan.</p>				
<p>3. Community charity, social services, and social charity</p> <p>With the belief, “benefited from the society, returning benefits to the society,” FENC has been dedicating itself to nonprofit and charitable causes for over half a century. Through its core strengths and capital infusion, the Company promotes education, culture, environment, and community development. By integrating resources with the Group and its charitable foundations to expand its influence, FENC continues to give back to society, fostering diversity, inclusion, and the common good. FENC taps into its core competencies in the implementation of environmental education and trying to raise public awareness of recycling. Since 2022, the Company has promoted in-school programs on the theme of “circular economy” at elementary schools, encouraging students to incorporate circular economy principles into their daily lives. By changing behavior, we can help reduce resource waste and lessen the environmental impact of waste.</p>				

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
				<p>FENC has collaborated with the Beitou Refuse Incineration Plant of the Department of Environmental Protection, Taipei City Government, for 10 years to promote resource circulation and reuse. Since April 2015, FENC has supported the plant's environmental education center, the “Egret School,” by designing and producing teaching materials centered on the circular economy of PET bottle recycling and regeneration. The materials have been updated twice and are provided free of charge for the center's environmental education courses. In 2025, to mark the 10th anniversary of the collaboration, FENC introduced newly designed teaching materials, bringing a fresh look to the “Egret School.”</p> <p>Far Eastern Memorial Foundation hosts the Far Eastern International Forum for Architecture and the Month of Heritage Visit, sponsoring a multitude of arts and cultural events and organizations, including Ming Hwa Yuan Arts and Cultural Group, Rhong-Shing Chorus, Asian Cultural Council, Confucius-Mencius Society and Global Citizenship Education Program.</p> <p>Far Eastern Y.Z. Hsu Foundation recognizes outstanding scientific minds with the prestigious Y.Z. Hsu Science Awards, with the Foundation also sponsoring various science and technology research projects and events. Holding the Y.Z. Hsu Competition – Taiwan Young Student Physics Tournament. This competition identifies and empowers Taiwan's brightest young physics minds, who then have the opportunity to represent Taiwan at the esteemed International Young Physicists' Tournament sponsored by the Y.Z. Hsu Foundation. By extending beyond competition, fostering a spirit of innovation through the Y.Z. Hsu Innovation Forum. Here, accomplished winners of the Y.Z. Hsu Science Award, take center stage as speakers and mentors, inspiring attendees to pursue careers in the ever-evolving tech industry</p> <p>4. For information on the various sustainability development undertaken by the Company and its consolidated subsidiaries, please refer to the Company's official website, press releases, and sustainability reports.</p>

Sustainability Committee Operations:

The Sustainability Committee of the Company consists of three members. The 3rd term members were appointed by the Board of Directors on Aug 7, 2024. These members bring professional expertise in sustainable development, including corporate governance operations, corporate strategic planning, corporate risk management, supply chain management, energy strategy, and management of public welfare organizations. Over the past year, five meetings have been held. The convener of the Sustainability Implementation Committee, the President of Corporate Management Mr. Humphrey Cheng, and the Executive Vice President of Corporate Staff Office Mr. Allen Sha (in charge of corporate sustainability affairs), reported on the Company's progress in sustainable development and the execution and performance of sustainable projects. Environmental projects include the publication of the 2024 Climate-related and Nature-related Financial Disclosures (TCFD / TNFD) Report, greenhouse gas inventory and verification progress, carbon reduction action plans, development of high-value, low-carbon environmentally friendly polyester materials, promotion of commercial applications for chemical textile recycling technology, and cross-industry alliances for waste reuse; social projects include participation in the Asia-Pacific Sustainability Expo, execution of sustainable supply chain projects, enhancement of workplace health, safety and management, execution of environmental education programs and optimization of exhibition content, refinement of employee career planning, and ESG dialogue activities with various sectors of society; governance projects include the publication of the 2024 Sustainability Report, adoption of the IFRS Sustainability Disclosure Standards, expansion plans for recycled polyester capacity, promotion of sustainable finance, strengthening AI utilization and management, raising sustainability awareness, and communication with stakeholders. All meeting resolutions were approved by the attending committee members, and the attendance status of members is disclosed as follows:

Title	Name	Times of Attendance	Times of Attendance by Proxy	Percentage of Attendance (%)	Remark
Convener	Sy-Ming Guu	5	0	100%	-
Committee member	Way Kuo	5	0	100%	-
Committee member	Kwan-Tao Li	5	0	100%	-

Climate-related information of the Company

1. Implementation of climate-related information

Item	Implementation status																																																																									
<p>1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.</p>	<p>1. The role of the governing body in the governance of climate-related risks and opportunities</p> <p>The Company's Board of Directors is the highest governing and decision-making authority for climate and environmental sustainability issues. It is responsible for reviewing major climate and environmental sustainability decisions and strategic directions, and incorporates considerations of climate-related risks and opportunities into the operational decision-making process. To strengthen the execution and oversight functions of sustainability issues, in accordance with the Company's "Sustainable Development Principles", the Board of Directors established the affiliated Sustainability Committee in 2020 as the governing unit for climate and environmental sustainability issues. It is responsible for reviewing policies and management guidelines regarding climate and environmental sustainability issues, overseeing the execution and progress monitoring of related projects, and summarizing major issues to report to the Board of Directors. This ensures the effective operation of compliance obligations and risk control mechanisms, responds to stakeholders' expectations, and enhances the overall governance effectiveness of climate and environmental sustainability.</p> <p>2. The role of management in the governance of climate-related risks and opportunities</p> <p>The Company has established the Sustainability Implementation Committee, which is responsible for executing matters related to corporate sustainable development. It is composed of Presidents and Chief Operating Officers of all Strategic Business Units (SBUs), heads of domestic and overseas production and operational sites, and dedicated personnel from the Sustainability Team within the Corporate Staff Office. The President of Corporate Management serves as the chief convener, reporting regularly to the governing body on the execution results of sustainability projects. To strengthen the management mechanism for major climate and environmental sustainability-related risks and opportunities, the Sustainability Implementation Committee encompasses the Energy Task Force and the Environment, Occupational Safety and Health (OSH), and Community Relations Management Task Force. They are responsible for managing major climate and environmental sustainability-related risks and opportunities, formulating action plans, executing project plans, and implementing risk controls based on the targets approved by the governing body.</p>																																																																									
<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>The climate-related risks and opportunities identified by the Company that could reasonably be expected to affect the entity's prospects, along with their potential impact timeframes, are shown in the table below:</p> <table border="1" data-bbox="328 1064 1249 1740"> <thead> <tr> <th rowspan="2">Scope</th> <th rowspan="2">Topic</th> <th colspan="2">Climate-related Risks and Opportunities</th> <th colspan="3">Potential Impact Timeframe</th> </tr> <tr> <th>Type</th> <th>Description</th> <th>Short-term</th> <th>Medium-term</th> <th>Long-term</th> </tr> </thead> <tbody> <tr> <td rowspan="6">The Company's Production Business</td> <td>Greenhouse Gas Emissions (Emissions Management)</td> <td>Transition Risks</td> <td>Policy and Legal</td> <td>Due to the increasingly stringent domestic and international carbon control policies and regulations, the compliance costs or the risk of fines related to carbon control increase.</td> <td>⊙</td> <td>⊙</td> <td>⊙</td> </tr> <tr> <td>Greenhouse Gas Emissions (Sustainable Products)</td> <td>Opportunities</td> <td>Products and Services</td> <td>Due to increasing market demand for low-carbon products, investing in the R&D of sustainable products and reducing the carbon footprint of existing products to expand the market share of sustainable products and increase revenue.</td> <td>⊙</td> <td>⊙</td> <td></td> </tr> <tr> <td rowspan="2">Energy Management</td> <td>Physical Risks</td> <td>Acute</td> <td>Chemical manufacturing processes are inseparable from energy use. If external extreme weather events or poor internal management of energy-consuming equipment lead to low energy stability and cause energy supply interruptions, it will result in reduced capacity, operational interruptions, and consequently operating losses.</td> <td>⊙</td> <td>⊙</td> <td>⊙</td> </tr> <tr> <td>Opportunities</td> <td>Resource Efficiency</td> <td>Enhancing energy efficiency to effectively reduce energy consumption and energy expenditures.</td> <td>⊙</td> <td>⊙</td> <td>⊙</td> </tr> <tr> <td rowspan="3">Water Management</td> <td>Physical Risks</td> <td>Acute</td> <td>If external extreme weather events lead to water shortages, it will result in the risk of reduced capacity and operational interruptions.</td> <td>⊙</td> <td></td> <td></td> </tr> <tr> <td>Transition Risks</td> <td>Policy and Legal</td> <td>Facing regulatory fines due to water pollution caused by the failure to properly implement water resources management.</td> <td>⊙</td> <td></td> <td></td> </tr> <tr> <td>Opportunities</td> <td>Resource Efficiency</td> <td>Enhancing water resources utilization efficiency and implementing water resources management to effectively reduce water resources procurement costs.</td> <td>⊙</td> <td>⊙</td> <td></td> </tr> <tr> <td rowspan="2">The Company's Telecommunication Business</td> <td rowspan="2">Environmental Footprint of Operations</td> <td>Transition Risks</td> <td>Technology</td> <td>With the expansion of telecommunications infrastructure, power demand also rises. In an environment of increasing power generation costs and relatively scarce renewable energy, it may consequently erode profitability.</td> <td>⊙</td> <td>⊙</td> <td>⊙</td> </tr> <tr> <td>Opportunities</td> <td>Energy Source</td> <td>Investing in renewable energy power generation facilities can effectively enhance the control over renewable energy costs, thereby reducing the acquisition cost of renewable energy and effectively achieving the renewable energy usage targets.</td> <td></td> <td>⊙</td> <td>⊙</td> </tr> </tbody> </table> <p>Note: Short-term refers to 2025-2030, medium-term to 2031-2035, and long-term to 2036-2050.</p>	Scope	Topic	Climate-related Risks and Opportunities		Potential Impact Timeframe			Type	Description	Short-term	Medium-term	Long-term	The Company's Production Business	Greenhouse Gas Emissions (Emissions Management)	Transition Risks	Policy and Legal	Due to the increasingly stringent domestic and international carbon control policies and regulations, the compliance costs or the risk of fines related to carbon control increase.	⊙	⊙	⊙	Greenhouse Gas Emissions (Sustainable Products)	Opportunities	Products and Services	Due to increasing market demand for low-carbon products, investing in the R&D of sustainable products and reducing the carbon footprint of existing products to expand the market share of sustainable products and increase revenue.	⊙	⊙		Energy Management	Physical Risks	Acute	Chemical manufacturing processes are inseparable from energy use. If external extreme weather events or poor internal management of energy-consuming equipment lead to low energy stability and cause energy supply interruptions, it will result in reduced capacity, operational interruptions, and consequently operating losses.	⊙	⊙	⊙	Opportunities	Resource Efficiency	Enhancing energy efficiency to effectively reduce energy consumption and energy expenditures.	⊙	⊙	⊙	Water Management	Physical Risks	Acute	If external extreme weather events lead to water shortages, it will result in the risk of reduced capacity and operational interruptions.	⊙			Transition Risks	Policy and Legal	Facing regulatory fines due to water pollution caused by the failure to properly implement water resources management.	⊙			Opportunities	Resource Efficiency	Enhancing water resources utilization efficiency and implementing water resources management to effectively reduce water resources procurement costs.	⊙	⊙		The Company's Telecommunication Business	Environmental Footprint of Operations	Transition Risks	Technology	With the expansion of telecommunications infrastructure, power demand also rises. 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Corporate Governance Report

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	<p>In response to the impacts of transition risks, physical risks, and climate-related opportunities, the Company has established a clearly defined climate transition strategy and developed action plans for climate risk adaptation and mitigation. Through responsible actions, the Company continues to enhance its production model and collaborate with value chain partners to co-create green value.</p>																																				
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<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>The Company conducts financial impact assessments on the corresponding strategies implemented to mitigate risks. In response to the identified major climate-related risks and opportunities, the Company achieves its climate targets through strategic planning and risk management, and further elaborates on their impacts on its financial position and performance. The financial position and performance encompass the statement of comprehensive income (revenues and expenditures), statement of cash flows, and balance sheet (assets and liabilities, capital and financing), which are detailed as follows:</p>																																				
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	Greenhouse Gas Emissions (Sustainable Products)	Opportunities	Products and Services	Through the implementation of strategies such as the R&D and promotion of sustainable product manufacturing, and obtaining sustainable product certifications, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including certification fees, education and training expenses, consulting and assurance fees, etc.), and cash flows.	
	Energy Management	Physical Risks	Acute	Through properly maintaining the operational reliability of energy-consuming equipment, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including depreciation expenses, etc.), and cash flows.	
		Opportunities	Resource Efficiency	Through the implementation of strategies such as enhancing energy efficiency and regularly outsourcing ISO 50001 energy management system audits, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including depreciation expenses, repair and maintenance expenses, certification fees, green power expenses, etc.), and cash flows.	
	Water Management	Physical Risks / Transition Risks	Acute / Policy and Legal	Through the implementation of strategies such as adding, replacing, and maintaining effluent water management measures, conducting regular inspections and testing, and obtaining discharge permits, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including depreciation expenses, certification fees, environmental, safety, and health expenses, etc.), and cash flows.	
Opportunities		Resource Efficiency	Through the implementation of strategies such as water-saving measure projects, water recycling measure projects, and the establishment of water resources efficiency management systems, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including certification fees, environmental, safety, and health expenses, etc.), and cash flows.		
Environmental Footprint of Operations	Transition Risks	Technology	Through the implementation of strategies such as planning and executing energy efficiency optimization mechanism projects, energy monitoring measures, and the replacement of equipment at operating sites, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including depreciation expenses, certification fees, etc.), and cash flows.		
	Opportunities	Energy Source	Through the implementation of strategies such as achieving 100% renewable energy use in all IDCs, offices, and directly-operated retail stores in Taiwan by 2030, and 100% renewable energy use company-wide by 2040, these measures primarily affect financial statement items including property, plant and equipment (including construction in progress and prepayments for equipment), operating costs (including depreciation expenses, green power expenses, etc.), and cash flows.		
<p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The Company distributed questionnaires to various operating entities within the scope of the consolidated financial statements. By integrating the opinions of senior management and considering the operating models of each business, the Company consolidated and analyzed the results to identify major climate issues, including "greenhouse gas emissions, energy management, water management, and the environmental footprint of operations." After being reviewed and approved by the Sustainability Committee and the Board of Directors, the Company subsequently evaluated its control capabilities, resource investment levels, and concrete effectiveness for each issue to determine the risks and opportunities corresponding to these climate issues.</p> <p>During the issue prioritization process, the Company integrated sustainability and climate-related risks and opportunities, adopting consistent evaluation criteria and prioritization logic. Sustainability-related risks, climate-related risks, and other major corporate risks identified in the business operations managed by various departments (including financial risks, operational risks, geopolitical risks, and information security risks) collectively follow the overall risk management process.</p>				
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>The Company evaluates the impacts of climate-related risks and opportunities on the Company through scenario analysis, thereby determining various responsive operational strategies and resilience measures. Considering the continuous promulgation of domestic and international climate policy trends and the uncertainty of future environmental changes, the impacts of climate risks and opportunities faced by the enterprise will vary depending on timeframes and conditions. The Company conducts scenario analysis on major climate issues to assess its operational resilience, effectively examining the impacts of climate risks and opportunities, and making rolling adjustments to its business strategies.</p> <p>During the issue evaluation process, the Company identified that greenhouse gas emissions risks and opportunities possess the highest potential financial impact. Given the high uncertainty of the risks and opportunities associated with this issue, the Company prioritizes conducting scenario analysis on this issue to assess the Company's resilience in the face of climate risks and opportunities.</p> <p>The following elaborates on the results of the Company's scenario analysis regarding major climate risks and opportunities related to greenhouse gases, as well as their assessed impacts on strategies and business models.</p> <p>The analysis of climate transition risks and opportunities is conducted based on different timeframes, and the analysis results are presented as low, medium, and high risks to evaluate the future impacts of various risk and opportunity issues on the Company. Based on the proportion of the issue's financial impact on the Production Business' revenue, the magnitude of risks and opportunities is classified into four levels: 0% as no impact, less than 10% as low impact, 10% to 30% as medium impact, and over 30% as high impact.</p>				

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	Greenhouse Gas Emissions (Emissions Management)	Transition Risks	Policy and Legal	Carbon pricing mechanisms	Low	Medium	Medium																							
	Greenhouse Gas Emissions (Emissions Management)	Transition Risks	Policy and Legal	Carbon Border Tax	Low	Low	Medium																							
	Greenhouse Gas Emissions (Emissions Management)	Opportunities	Resource Efficiency	Adopting low-carbon energy sources	Medium	Medium	Medium																							
	Greenhouse Gas Emissions (Sustainable Products)	Opportunities	Products and Services	Developing or expanding low-carbon goods and services	Medium	Medium	Medium																							
	Greenhouse Gas Emissions (Sustainable Products)	Opportunities	Products and Services	Access to new markets	Medium	Medium	Medium																							
<p>The resilience assessment of the remaining climate-related risks and opportunities is conducted using a qualitative scenario analysis approach.</p> <table border="1"> <thead> <tr> <th>Topic</th> <th>Resilience Assessment Description</th> </tr> </thead> <tbody> <tr> <td>Energy Management</td> <td>The Company ensures the stability of production operations through precise maintenance of energy-consuming equipment and the establishment of energy storage systems. By having each plant thoroughly inventory key equipment and implement standardized maintenance plans, combined with gradually rolling out energy storage facilities, the Company effectively mitigates the risk of power fluctuations. Concurrently, each plant regularly promotes and aligns with government energy policies to ensure that management mechanisms are synchronized with regulations. Through these diversified energy management strategies, the Company assesses that it possesses high operational resilience when facing climate change and energy supply challenges.</td> </tr> <tr> <td>Water Management</td> <td>The Company has established a comprehensive water pollution prevention and resource circulation system. By installing CWMS online monitoring systems and monitoring key process data in real time (such as DO and MLSS), the Company precisely controls effluent water quality and ensures compliance with regulatory discharge standards. To enhance the efficiency of water resource utilization, the Company has introduced the ISO 46001 Water Efficiency Management System, which, combined with production unit consumption analysis, RO/MBR recycling systems, and rainwater recycling projects, maximizes the resource reuse rate. In response to water supply risks brought by extreme weather, we have established emergency water backup plans, including secondary water supply facilities and inter-plant support pipelines. Through equipment replacement and upgrades, rigorous personnel position certification, and emergency response assessments, the Company assesses that it possesses high operational resilience in water supply stability and environmental compliance management.</td> </tr> <tr> <td>Environmental Footprint of Operations</td> <td>The Company's Telecommunication Business is comprehensively driving the energy efficiency transition of its ICT facilities and operational sites. For core equipment rooms and base stations, the Company introduces AI smart site selection algorithms and automatic sleep mechanisms, paired with wind wall designs and magnetic bearing centrifugal chillers, to achieve optimal equipment energy consumption. At the monitoring level, the Company strictly adheres to the ISO 50001 energy management system. Through power management platforms and remote control systems, the Company grasps the power usage trends and EUI indicators of base stations and retail stores across Taiwan in real time, effectively implementing anomaly management. In addition, we have established an annual replacement system for equipment room UPS, SMR, and retail store air conditioning and lighting, prioritizing replacements with Tier 1 energy-efficient inverter equipment and systematically tracking power-saving effectiveness. Through the integrated application of AI digital monitoring and high-efficiency equipment, the Company assesses that it possesses high green operational resilience amid the trends of energy cost fluctuations and net-zero transition.</td> </tr> </tbody> </table> <p>Scenario Descriptions for Climate-Related Risks and Opportunities</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>SSP5-8.5 (Very High Emissions Scenario)</th> <th>NZE (Net Zero Emissions Scenario)</th> </tr> </thead> <tbody> <tr> <td>Applicable Type</td> <td>Physical Risks</td> <td>Transition Risks and Opportunities</td> </tr> <tr> <td>Description</td> <td>Proposed by the IPCC in its Sixth Assessment Report (AR6), this scenario assumes that no additional mitigation actions are taken globally in the future, resulting in the highest CO₂ concentrations. It is considered the most severe warming scenario. By adopting the SSP5-8.5 scenario, the Company can assess the degree of impact it may face under the most extreme climate challenges.</td> <td>Proposed by the International Energy Agency (IEA), this scenario outlines a pathway for countries worldwide to achieve net-zero emissions by 2050, aiming to limit the global temperature rise to below 1.5°C. It is considered the scenario with the most aggressive mitigation measures. By adopting the NZE scenario, Far Eastern New Century can formulate response strategies and seize the initiative amid the global wave of aggressive emission reduction policies.</td> </tr> <tr> <td>Parameters</td> <td>Assuming the worst-case climate change scenario (SSP5-8.5), it is estimated that by 2050, the average annual total precipitation in East Asia will increase by 15%, and the maximum daily extreme rainfall intensity will increase by 20%, accompanied by extreme weather events such as typhoons, floods, and heavy rainstorms.</td> <td>Assuming the Net Zero Emissions (NZE) scenario, where carbon fees/taxes are levied across all regions and covering all sectors: by 2050, the carbon price in advanced economies will rise to USD 250 per metric ton of CO₂, and the carbon price in selected emerging markets and developing economies will rise to USD 200 per metric ton of CO₂.</td> </tr> <tr> <td>Estimated Temperature Rise by the End of the Century</td> <td>>4°C</td> <td>~ 1.5°C (Aligned with the Paris Agreement)</td> </tr> </tbody> </table> <p>Note: "Selected emerging markets and developing economies" is a classification adopted in the IEA's World Energy Outlook. The Chinese translation of this term is provided by the Company. The classification includes Brazil, mainland China, India, Indonesia, and South Africa.</p>								Topic	Resilience Assessment Description	Energy Management	The Company ensures the stability of production operations through precise maintenance of energy-consuming equipment and the establishment of energy storage systems. By having each plant thoroughly inventory key equipment and implement standardized maintenance plans, combined with gradually rolling out energy storage facilities, the Company effectively mitigates the risk of power fluctuations. Concurrently, each plant regularly promotes and aligns with government energy policies to ensure that management mechanisms are synchronized with regulations. Through these diversified energy management strategies, the Company assesses that it possesses high operational resilience when facing climate change and energy supply challenges.	Water Management	The Company has established a comprehensive water pollution prevention and resource circulation system. By installing CWMS online monitoring systems and monitoring key process data in real time (such as DO and MLSS), the Company precisely controls effluent water quality and ensures compliance with regulatory discharge standards. To enhance the efficiency of water resource utilization, the Company has introduced the ISO 46001 Water Efficiency Management System, which, combined with production unit consumption analysis, RO/MBR recycling systems, and rainwater recycling projects, maximizes the resource reuse rate. In response to water supply risks brought by extreme weather, we have established emergency water backup plans, including secondary water supply facilities and inter-plant support pipelines. Through equipment replacement and upgrades, rigorous personnel position certification, and emergency response assessments, the Company assesses that it possesses high operational resilience in water supply stability and environmental compliance management.	Environmental Footprint of Operations	The Company's Telecommunication Business is comprehensively driving the energy efficiency transition of its ICT facilities and operational sites. For core equipment rooms and base stations, the Company introduces AI smart site selection algorithms and automatic sleep mechanisms, paired with wind wall designs and magnetic bearing centrifugal chillers, to achieve optimal equipment energy consumption. At the monitoring level, the Company strictly adheres to the ISO 50001 energy management system. Through power management platforms and remote control systems, the Company grasps the power usage trends and EUI indicators of base stations and retail stores across Taiwan in real time, effectively implementing anomaly management. In addition, we have established an annual replacement system for equipment room UPS, SMR, and retail store air conditioning and lighting, prioritizing replacements with Tier 1 energy-efficient inverter equipment and systematically tracking power-saving effectiveness. Through the integrated application of AI digital monitoring and high-efficiency equipment, the Company assesses that it possesses high green operational resilience amid the trends of energy cost fluctuations and net-zero transition.	Scenario	SSP5-8.5 (Very High Emissions Scenario)	NZE (Net Zero Emissions Scenario)	Applicable Type	Physical Risks	Transition Risks and Opportunities	Description	Proposed by the IPCC in its Sixth Assessment Report (AR6), this scenario assumes that no additional mitigation actions are taken globally in the future, resulting in the highest CO ₂ concentrations. It is considered the most severe warming scenario. By adopting the SSP5-8.5 scenario, the Company can assess the degree of impact it may face under the most extreme climate challenges.	Proposed by the International Energy Agency (IEA), this scenario outlines a pathway for countries worldwide to achieve net-zero emissions by 2050, aiming to limit the global temperature rise to below 1.5°C. It is considered the scenario with the most aggressive mitigation measures. 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6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage	<p>1. Transition Plan for Climate-Related Risks</p> <p>In response to the risks and opportunities posed by extreme weather, the Company maps out specific and executable climate transition pathways tailored to the distinct operational models and emission structures of its core businesses. Based on key assumptions such as feasible carbon reduction technologies, the supply and demand of renewable energy, and electricity emission factors, the Company formulates a climate transition plan aligned with its mitigation and adaptation targets to support its short-, medium-, and long-term reduction pathways, as well as its long-term net-zero goal. For the Production Business, the focus is on enhancing energy efficiency, driving the adoption of low-carbon fuels and renewable energy, developing carbon capture and utilization (CCU) technologies, and facilitating the low-carbon transition of raw material structures. Through systematic process optimization and energy management, the production business reduces its process- and energy-related emissions while maintaining operational stability and cost control. For the Telecommunication Business, building on a strengthened greenhouse gas inventory and management mechanism, it continuously</p>																													

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physical risks and transition risks.	<p>improves the energy efficiency of its equipment rooms, base stations, retail stores, and office locations. High-energy-consuming equipment is progressively phased out, and in accordance with policies, regulations, and market conditions, the telecommunication business increases its proportion of renewable energy usage to mitigate the operational impacts of rising energy costs and carbon regulations, thereby enhancing overall operational resilience, ensuring service stability, and supporting the realization of the long-term net-zero target.</p>																																																																																					
2. Climate-Related Targets and Indicators	<table border="1"> <thead> <tr> <th data-bbox="332 446 461 476">Scope</th> <th data-bbox="461 446 632 476">Indicators of Sustainability Targets</th> <th data-bbox="632 446 689 476">Target Type</th> <th data-bbox="689 446 789 476">Base Year Data</th> <th data-bbox="789 446 861 476">2025 Progress</th> <th data-bbox="861 446 932 476">2025 Target</th> <th data-bbox="932 446 1032 476">Short-term Target (-2030)</th> <th data-bbox="1032 446 1132 476">Medium-term Target (2031-2035)</th> <th data-bbox="1132 446 1253 476">Long-term Target (2036-2050)</th> </tr> </thead> <tbody> <tr> <td data-bbox="332 486 461 760" rowspan="5">The Company's Production Business</td> <td data-bbox="461 486 632 535">Reduction in GHG Emissions (Scopes 1 & 2) (Base year: 2020)</td> <td data-bbox="632 486 689 535">Absolute target</td> <td data-bbox="689 486 789 535">2,432 ktCO₂e</td> <td data-bbox="789 486 861 535">40% reduction</td> <td data-bbox="861 486 932 535">30% 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This purchase amounted to approximately 230 million kWh, which included T-RECs, I-RECs, etc.</p> <p>Note 2: In 2025, the Company's Telecommunication Business procured a total of approximately 27.77 million kWh of renewable electricity.</p> <p>Note 3: Incidents violating local regulations are disclosed in reference to the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities." The disclosure threshold for penalty incidents is a cumulative fine of NT\$ 1 million or more for a single incident; for non-penalty incidents, the disclosure threshold is an order by relevant authorities to suspend work, suspend business, cease business, or the revocation or cancellation of pollution-related permits.</p> <p>Note 4: Data regarding greenhouse gas emission reductions and renewable electricity procurement for the Company's Telecommunication Business includes Far EasTone Telecommunications and its consolidated subsidiaries.</p>	Scope	Indicators of Sustainability Targets	Target Type	Base Year Data	2025 Progress	2025 Target	Short-term Target (-2030)	Medium-term Target (2031-2035)	Long-term Target (2036-2050)	The Company's Production Business	Reduction in GHG Emissions (Scopes 1 & 2) (Base year: 2020)	Absolute target	2,432 ktCO ₂ e	40% reduction	30% reduction	50% reduction	60% reduction	Achieve net-zero emissions by 2050	Reduction in GHG Emissions (Scope 1) (Base year: 2020)	Absolute target	1,272 ktCO ₂ e	35% reduction	28% reduction	47% reduction	57% reduction	Achieve net-zero emissions by 2050	Reduction in GHG Emissions (Scope 2) (Base year: 2020)	Absolute target	1,160 ktCO ₂ e	46% reduction	32% reduction	53% reduction	64% reduction	Achieve net-zero emissions by 2050	Proportion of Sustainable Products Revenue in Production Business Revenue	Intensity target	-	41%	33%	50%	60%	75%	Reduction in Energy Consumption per Unit of Production (Base year: 2020)	Intensity target	2.91 GJ / metric ton of production	8% reduction	10% reduction	20% reduction	25% reduction	40% reduction	Scope	Indicators of Sustainability Targets	Target Type	Base Year Data	2025 Progress	2025 Target	Short-term Target (-2030)	Medium-term Target (2031-2035)	Long-term Target (2036-2050)	The Company's Production Business	Reduction in Water Withdrawal per Unit of Production (Base year: 2020)	Intensity target	2.98 thousand liters / metric ton of production	28% reduction	30% reduction	35% reduction	40% reduction	45% reduction	Number of incidents violating local regulations regarding water pollution prevention operational standards and water discharge quality	Absolute target	-	0	0	0	0	0	The Company's Telecommunication Business	Reduction in GHG Emissions (Scopes 1+2) (Base year: 2021)	Absolute target	373.77 ktCO ₂ e	33.05% reduction	24.5% reduction	43.6% reduction	65% reduction	Achieve net-zero emissions by 2048
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7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>Both the Company's Production Business and Telecommunication Business have implemented an internal carbon pricing mechanism. The primary objectives include enhancing energy efficiency, driving low-carbon investments, conducting stress testing for investment decisions, and identifying and capitalizing on low-carbon transition opportunities, thereby accelerating internal decarbonisation efforts and the net-zero transition.</p> <p>For the production business, the internal carbon pricing is determined with reference to international studies such as the IEA's World Energy Outlook and the World Bank's State and Trends of Carbon Pricing. The Company comprehensively evaluates both internal and external carbon costs across its global production sites, incorporates carbon benefits into the evaluation of energy conservation and carbon reduction projects, and calculates the carbon costs of each Strategic Business Unit in the monthly management reports. Simultaneously, it analyzes common pricing methods and operational strategies in the industry to ensure the mechanism is rational and forward-looking. The internal carbon price established by the production business is NT\$ 1,500/tCO₂e for developed economies and NT\$ 1,000/tCO₂e for emerging economies, which was approved by the Board of Directors and has been officially implemented since 2024.</p> <p>The telecommunication business adopts an "internal carbon fee" model. The pricing baseline is primarily determined by the investment costs of green electricity procurement, solar power plant construction, and energy-saving solutions, with reference to international carbon market trends and the IMF's recommended lower bound of USD 75/tCO₂e for high-income countries. The internal carbon fee will undergo rolling reviews and adjustments in accordance with the company's net-zero transition pathway to ensure the system continuously reflects actual carbon reduction costs and transition needs. This system covers Scope 2 electricity usage emissions, as well as</p>																																																																																					

Corporate Governance Report

Item	Implementation status
	partial Scope 3 emission sources such as employee commuting, business travel, and waste disposal, and is applied to daily operational management and investment decisions. The pricing baseline for the telecommunication business is set at NT\$ 2,400/tCO ₂ e, which will be subject to regular rolling reviews and adjustments based on the company's net-zero transition pathway and changes in the external policy environment.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Please refer to 6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Please refer to page 62-64 for The Company's greenhouse gas inventory and assurance status for the most recent two years are detailed in 1-1, while its greenhouse gas reduction targets, strategy, and concrete action plans are outlined in 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e /NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.					
Scope of information disclosure according to the pathway for sustainable development of listed companies:					
1. The parent company entity will begin the inventory process in 2023.					
2. Subsidiaries in the consolidated financial report will begin the inventory process in 2025.					
The Company and subsidiaries in the consolidated financial report adheres to the ISO 14064-1 standard for greenhouse gas inventory established by the International Organization for Standardization (ISO) to set up its greenhouse gas inventory mechanism.					
Since 2023, the Company has conducted annual inventories for Scopes 1 and 2 emissions at all its production and business sites. Beginning in 2025, the annual inventories for consolidated subsidiaries will also be conducted.					
The greenhouse gas inventory data for the past two years have been summarized based on the control method, including the emissions from the Company and subsidiaries in the consolidated financial report. Details are as follows:					
		2024		2025	
		Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e /NT\$ million)	Emissions (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e /NT\$ million)
Parent company	Scope 1	419,787	-	325,906	-
	Scope 2	174,125	-	130,366	-
	Subtotal	593,912	13.64	456,272	14.91
Consolidated subsidiaries (Note)	Scope 1	532,859	-	514,026	-
	Scope 2	831,538	-	784,091	-
	Subtotal	1,364,397	4.38	1,298,117	4.28
Total		1,958,309	5.51	1,754,389	5.26
Note: In 2024, all 102 consolidated subsidiaries completed greenhouse gas emissions inventories. Two subsidiaries were excluded based on the materiality principle, as their emissions accounted for less than 5% of the total emissions from the parent company and its consolidated subsidiaries. In 2025, all 102 consolidated subsidiaries completed the greenhouse gas emissions inventory process.					

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.			
Scope of assurance execution according to the pathway for sustainable development of listed companies:			
1. The parent company entity will begin executing assurance from 2024.			
2. Subsidiaries in the consolidated financial report will begin executing assurance from 2027.			
Since 2023, the Company has conducted annual verification for Scopes 1 and 2 emissions at all its production sites. Beginning in 2025, the annual verification process for consolidated subsidiaries will also be conducted.			
The assurance execution status for the greenhouse gas inventory of the Company and subsidiaries in the consolidated financial report over the past two years is detailed as follows:			
The status of assurance		Emissions for 2024 (metric tons CO ₂ e)	Emissions for 2025 (metric tons CO ₂ e)
The parent company	Scope 1	419,787	325,906
	Scope 2	174,125	130,366
	Total	593,912	456,272
	Percentage of data covered as 1-1-1 disclosed	100%	100%
	Assurance institutions	DNV \ MIRDC \ SGS (Assurance statement issued by DNV)	DNV \ MIRDC \ SGS (Assurance statement issued by DNV)
	Assurance explanation	ISO 14064-3 : 2019 Reasonable Assurance	ISO 14064-3 : 2019 Reasonable Assurance
	Assurance opinion	Unqualified Conclusion	Unqualified Opinion
Subsidiaries in the consolidated financial report (Note)	Scope 1	532,859	514,026
	Scope 2	831,538	784,091
	Total	1,364,397	1,298,117
	Percentage of data covered as 1-1-1 disclosed	100%	100%
	Assurance institutions	AFNOR \ ARES \ BSI \ DNV \ ETC \ ITRI(CMS) \ LRQA \ MIRDC \ SGS (Assurance statement issued by DNV)	AFNOR \ ARES \ BSI \ DNV \ ETC \ ITRI(CMS) \ LRQA \ MIRDC \ SGS (Assurance statement issued by DNV)
	Assurance explanation	ISO 14064-3 : 2019 Reasonable Assurance	ISO 14064-3 : 2019 Reasonable Assurance
	Assurance opinion	Unqualified Opinion	Unqualified Opinion
Note 1: In 2024, all 102 consolidated subsidiaries completed greenhouse gas emissions assurance. Two subsidiaries were excluded based on the materiality principle, as their emissions accounted for less than 5% of the total emissions from the parent company and its consolidated subsidiaries. In 2025, all 102 consolidated subsidiaries completed the greenhouse gas emissions assurance process.			
Note 2: The 2024 and 2025 integrated Greenhouse Gas Opinion for the parent company and subsidiaries in the consolidated financial report will be disclosed in the sustainability report.			

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1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

In response to the risks and opportunities posed by extreme weather, the Company maps out specific and executable climate transition pathways tailored to the distinct operational models and emission structures of its core businesses. Based on key assumptions such as feasible carbon reduction technologies, the supply and demand of renewable energy, and electricity emission factors, the Company formulates a climate transition plan aligned with its mitigation and adaptation targets to support its short-, medium-, and long-term reduction pathways, as well as its long-term net-zero goal. For the Production Business, the focus is on enhancing energy efficiency, driving the adoption of low-carbon fuels and renewable energy, developing carbon capture and utilization (CCU) technologies, and facilitating the low-carbon transition of raw material structures. Through systematic process optimization and energy management, the production business reduces its process- and energy-related emissions while maintaining operational stability and cost control. For the Telecommunication Business, building on a strengthened greenhouse gas inventory and management mechanism, it continuously improves the energy efficiency of its equipment rooms, base stations, retail stores, and office locations. High-energy-consuming equipment is progressively phased out, and in accordance with policies, regulations, and market conditions, the telecommunication business increases its proportion of renewable energy usage to mitigate the operational impacts of rising energy costs and carbon regulations, thereby enhancing overall operational resilience, ensuring service stability, and supporting the realization of the long-term net-zero target.

Climate Transition Plan and Concrete Action Table

Scope	Climate Transition Plan	Concrete Action
The Company's Production Business	Enhancing Energy Efficiency	Continuously enhance energy efficiency through manufacturing process improvements, equipment upgrades, and energy management. Plan to install a steam and power cogeneration system, utilizing waste heat for both steam and power generation to achieve optimal efficiency.
	Substituting Low-Carbon Fuels	The short-term plan is to replace high-emission coal or heavy oil with lower-emission natural gas and biomass fuels. The medium- and long-term plan is to replace natural gas with hydrogen.
	Developing Renewable Energy Sources	Actively invest in establishing diverse renewable energy generation equipment, and procure renewable electricity annually to increase the proportion of renewable energy usage.
	Utilizing CCU Technology	Convert carbon dioxide into usable products, with a future plan focusing on carbon capture and utilization from boiler exhaust.
	Transforming Raw Material Use	Adopt low-carbon alternative raw materials, including recycled and biomass materials. Leveraging the Company's core technological advantages, actively develop eco-friendly and low-carbon new materials, and expand the scope of product applications.
The Company's Telecommunication Business	Smart Energy Saving	Through a proprietary energy management platform, grasp the power consumption status of each operating site in real time. Combined with smart adjustment mechanisms, equipment replacement, and optimization measures, continuously enhance the energy efficiency of base stations, equipment rooms, and office locations to reduce overall energy consumption and greenhouse gas emissions.
	Eco-friendly Green Energy	By increasing the proportion of renewable energy usage, combined with renewable energy procurement and smart demand control mechanisms, strengthen power usage flexibility and promote the integration of renewable energy with existing power systems, gradually reducing reliance on high-carbon power.
	Dynamic Energy Storage	By collaborating with strategic partners to introduce energy storage systems, accelerate the application of energy storage technologies in operational fields to enhance power supply stability, support the use of renewable energy, and strengthen the operational resilience of telecommunication services under the low-carbon transition.

Target and Progress of GHG Reduction

Scope	Indicators of GHG Reduction Targets	Target Type	Base Year Data	2025 Progress	2025 Target	Short-term Target (2030)	Medium-term Target (2031-2035)	Long-term Target (2036-2050)
The Company's Production Business	Reduction in GHG Emissions (Scopes 1 & 2) (Base year: 2020)	Absolute target	2,432 ktCO ₂ e	40% reduction	30% reduction	50% reduction	60% reduction	Achieve net-zero emissions by 2050
	Reduction in GHG Emissions (Scope 1) (Base year: 2020)	Absolute target	1,272 ktCO ₂ e	35% reduction	28% reduction	47% reduction	57% reduction	Achieve net-zero emissions by 2050
	Reduction in GHG Emissions (Scope 2) (Base year: 2020)	Absolute target	1,160 ktCO ₂ e	46% reduction	32% reduction	53% reduction	64% reduction	Achieve net-zero emissions by 2050
The Company's Telecommunication Business	Reduction in GHG Emissions (Scopes 1 & 2) (Base year: 2021)	Absolute target	373.77 ktCO ₂ e	33.05% reduction	24.5% reduction	43.6% reduction	65% reduction	Achieve net-zero emissions by 2050

Note: Data regarding greenhouse gas emission reductions for the Company's Telecommunication Business includes Far EasTone Telecommunications and its consolidated subsidiaries.

2.6 Measures the Company Takes to Fulfill Code of Business Conduct Policy and Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons

Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
<p>a. Establishment of Business Conduct Policy and Plans</p> <p>(a) Has the Company established business conduct policy approved by the Board, and also demonstrated the policy and practice in the corporate guidelines and external documents? Have the Board of Directors and management committed to actively implement such policy?</p>	V		<p>The Company and its subsidiary, Far EasTone, have established “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management”. In order to promote awareness, the policies are available for access through channels such as intranet, company publications, facility labels and various meetings, etc. All employees are required and trained to comply with our “Code of Ethics” & “Best Practice Principles of Ethical Corporate Management” throughout daily operations. In 2020, the Board of Directors approved the amendments of “Best Practice Principles of Ethical Corporate Management” and established the “Procedures for Ethical Management and Guidelines for Conduct”.</p>	
<p>(b) Has the Company established measures for evaluating unethical conduct risks? Has the Company taken any precautionary measures regularly to prevent corruption or high-risk illegal business activities, at least covering the precautionary measures of Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”?</p>	V		<p>The procedures and guidelines of the Company and its subsidiaries should at least contain the following matters:</p> <ol style="list-style-type: none"> (1) Standards for determining if improper benefits have been offered or accepted. (2) Procedures for offering legitimate political donations. (3) Procedures and the standard amounts for offering charitable donations or sponsorship. (4) Rules for avoiding work-related conflicts of interests, and how such conflicts be reported and handled. (5) Rules for preserving confidentiality of trade secrets and business sensitive information obtained in the ordinary course of business. (6) Regulations and procedures for dealing with vendors, clients, and business transaction counterparties suspected of Misconducts. (7) Operational procedures for violations of “Best Practice Principles of Ethical Corporate Management”. (8) Disciplinary measures for offenders. 	None
<p>(c) Has the Company established and implemented an unethical conduct prevention plan, which stipulates operational processes, provides guidelines for conduct, discipline for violations of rules and an appeal system, as well as reviewed and amended the aforesaid plan regularly?</p>	V		<p>To establish an ethical corporate culture and to prevent unethical conduct, the Company hosts education/training seminars periodically for its employees and to remind the stakeholders of the Company to follow and respect the moral and ethical standards of the Company. Related procedures and standards are reviewed and amended regularly, and disclosed on the Company’s website (www.fenc.com).</p>	

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Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
<p>b. Implementation of the Code of Business Conduct</p> <p>(a) Does the Company evaluate the ethical conduct records of its counterparties and specify "Ethical clauses" in business contracts?</p>	V		<p>1. The Company and its subsidiaries have established the "Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement." These codes clearly mandate suppliers and contractors uphold ethical standards, comply with agreements, and adhere to regulations and standards. We conduct annual evaluations and inspections of each supplier's and contractor's operating conditions, using the results as a reference for future supplier selection.</p> <p>2. The Company's subsidiary, Far EasTone, also requires suppliers to sign "Code of Conduct for Far EasTone Supplier Chain Social Responsibility" within the commercial document data sheet provided to suppliers as a way of encouraging all stakeholders to comply and respect with Far EasTone's "Ethical Corporate Management Best Practice Principles".</p>	None
<p>(b) Has the Company established dedicated units under the supervision of the Board of Directors to promote corporate ethical management and which regularly (at least once a year) report to the Board on their implementation status?</p>	V		<p>The Company has set up "Code of Ethics" & "Best Practice Principles of Ethical Corporate Management" and incorporated them into employment guidelines. Regarding the Legal Department, the "Legal Compliance Team" is established to promote and conduct corporate ethical management, including "Business Corruption Self-Assessments" during the Company's monthly compliance reviews, and the execution status is reported to the Board of Directors quarterly to implement the concept of corporate ethical management. The latest is reported to the Board of Directors on Nov 7, 2025. For the execution status of the Company's ethical management, please refer to Note 1.</p>	
<p>(c) Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?</p>	V		<p>1. The Company abides by the principle of zero-tolerance for malpractices. If an employee of the Company takes advantage of his/her position in the Company to advance his/her or a third party's interests, and such actions lead the Company to incur losses by any means, the employee not only will be discharged from the Company, but also will be required to unconditionally compensate the Company for any losses caused.</p>	

Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
			<p>2. Any of the Company employees found to be in violation of the ethical management rules shall be disciplined in accordance with the reward and disciplinary rules of the Company, subject to the severity of the case. Once discharged from the Company, such a person is not allowed to ever be re-employed by the Company or by any of its affiliates.</p> <p>3. The Company has a Speak Up Policy to provide those who violate the rules with a channel to appeal for remedy, subject to the related rules.</p>	
(d) Does the Company establish an effective operation of the accounting and internal control systems to thoroughly implement ethical corporate management, and have the internal audit unit formulating audit plans based on the assessment of unethical conduct risk to audit the compliance status of the preventive measures accordingly? Or does the Company appoint CPAs to perform the audits?	V		<p>The Company has set up rigorous accounting systems and dedicated Accounting Department. Financial statements are audited (or reviewed) by CPA and announced in compliance with legal requirement to ensure the accuracy and transparency of the financial information. At the Company, apart from establishing the Audit Department and related internal audit systems, we review and revise these systems periodically to ensure their effectiveness, so as to enforce the “Regulations Governing Establishment of Internal Control Systems by Public Companies” and “Best Practice Principles of Ethical Corporate Management”. Internal auditors of the Company shall also periodically examine the results of compliance with the foregoing, and quarterly prepare audit reports submitted to the Board of Directors and the Audit Committee.</p>	None
(e) Does the Company periodically conduct internal and external training on ethical management?	V		<p>To instill an ethical corporate culture and prevent misconduct behaviors (including prohibition of insider trading), relevant training courses were conducted online for the employees in 2025 (please refer to Note 1). To our stakeholders, we put in effort to promote compliance with ethical and integrity standards. The relevant regulations, guidelines and operational procedures are publicly-disclosed on the Company’s website (www.fenc.com).</p>	

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Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
<p>c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct.</p> <p>(a) Has the Company established a specific complaints and rewards system through convenient channels for lodging complaints? And does the Company assign dedicated personnel to attend to the matter?</p>	V		<p>1. FENC has various communication channels for stakeholders to report instances of misconduct, such as bribery and corruption. There are measures in place to conduct independent investigation into the alleged misconduct and escalate the matter to higher levels of authority. Our company's contact phone number and email address are publicly available information and may be used by whistle-blowers. The company's suppliers, clients and stakeholders can file a complaint via email to the Supplier Team of the FEG Purchasing Department, the contact of each division or the Audit Committee and Audit Department. More contact information is provided in the stakeholders' section on the Company's website (www.fenc.com).</p> <p>2. For complaints that do not specify the details of procurement malpractices, FENC will audit the scope of the matter that is related to the complaint. If internal control defects and management issues are found, a remedy will be proposed immediately. At the same time, disciplinary action for those responsible for the misconduct will be proposed.</p>	None
<p>(b) Has the Company established standard operating procedures for investigating, measures to be taken upon completion of the investigation, and relevant confidentiality mechanism for the cases reported?</p>	V		<p>The Company established "The Whistle-Blowing and Disciplinary Method of Violating Ethical Conduct and Ethical Management", which includes the whistle-blowing procedures, the procedures for accepting whistle-blowing cases, the measures to be taken upon completion of the investigation, and relevant confidentiality mechanisms for the reported cases.</p>	
<p>(c) Does the Company adopt measures to protect whistle-blowers from reprisals for having filed the complaint report?</p>	V		<p>According to the Company's "Code of Ethics", the Company ensures that the whistle-blower's identity and the contents of the complaint are kept confidential in order to protect the whistle-blower from retaliation for having filed the complaint. For all the related contents are verified by independent channels to protect the whistle-blower.</p>	
<p>d. Improvements in Information Disclosure</p> <p>Does the Company disclose the principle and the practice of business conduct related information on the corporate website and M.O.P.S. website operated by the Taiwan Stock Exchange?</p>	V		<p>The Company and its subsidiary, Far EasTone, have set up multiple-language (traditional Chinese/simplified Chinese/English) websites to disclose the related information on "Best Practice Principles of Ethical Corporate Management".</p>	

Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and Reasons
	Yes	No	Summary	
e. If the Company has established its own guidelines for the “Code of Business Conduct” according to Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please state the discrepancies (if any) between actual operation and policy: None				
f. Other important information revealing the Company’s ethical operations (e.g. review and revision of the Company’s code of business conduct): The Code of Procurement is added to the FENC’s procurement system to provide important information, such as the Company’s prohibition of child labor, bribery and corruption as well as laws and regulations related to environmental protection, in order to ensure compliance from suppliers. We also have a supplier team in place to address any grievances or concerns from suppliers regarding the procurement process, providing a transparent avenue for complaints. Our company upholds the high ethical standards for both internal employees and external partners. Any unlawful behavior, such as supplier bribery or employee solicitation of bribes, will be prosecuted under the law.				

Note 1: Execution status of the Company’s ethical management:

(1) Report to the Board of Directors

Meeting Date	Meeting Name	Report Content
Mar 12, 2025	4 th Meeting of the 25 th Term	Report on the execution status of legal compliance for Q4 2024
May 9, 2025	5 th Meeting of the 25 th Term	Report on the execution status of legal compliance for Q1 2025
Aug 8, 2025	6 th Meeting of the 25 th Term	Report on the execution status of legal compliance for Q2 2025
Nov 7, 2025	7 th Meeting of the 25 th Term	Report on the execution status of legal compliance for Q3 2025 Report on the operation status of ethical management in 2025

(2) Corporate legal compliance education and training

Course Name	Date	Number of Participants	Participation Rate	Remark
Corporate Labor Human Rights Declaration	Oct 31, 2025	3,409	100%	Electronic promotion and online signature
Corporate Ethical Management and Anti-Corruption (including prohibition of insider trading)	Oct 31, 2025	3,409	100%	Electronic promotion and online signature
Risk Management	Oct 31, 2025	3,409	100%	Electronic promotion and online signature

The content of the electronic promotion is disclosed on the Company’s website (https://www.fenc.com/upload/cg/FENC_LegalComTraining_EN.pdf).

2.7 Others

2.7.1 Directors of the Company shall exercise a high degree of self-discipline. A director may present his/her opinion and answer relevant questions but is prohibited from participating in discussion of or voting on any proposal where the director or the juristic person that the director represents is an interested party, and such participation is likely to prejudice the interests of the Company. The Company’s appointed personnel will review and revise accounting and internal audit systems periodically to ensure their effectiveness and prepare audit reports to be submitted to the Board of Directors. “Sincerity, Diligence, Thrift, Prudence and Innovation” is the motto of the Company, and also the code of conducts for each employee of the Company.

2.7.2 Employee Rights and Interests, Employee Care: (Please refer to page 112-116)

2.7.3 Investor Relations, Vendor Relations and Rights of Interest-conflicting Parties: (Please refer to page 34)

2.7.4 Risk Management Policies and Risk Measurement Standard Implementation Progress: (Please refer to page 124-128)

a. Company’s risk management mechanism

(a) A Risk Alert System oversees the risk items covered by the administrative units’ operation. Each risk item is prioritized with trackable leading indicators and corresponding measures, and each measure is assigned a review frequency and responsible personnel. The Corporate Management convenes a monthly risk management meeting to review execution status and continually make dynamic adjustments, improvements, and optimizations to the system. Our Risk Management Policies was approved by the Board of Directors in 2020. The risk management process is audited by internal Audit Department and

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external certified public accountants. The policies and procedures of the internal control system are also evaluated by the Audit Committee. The audit results have confirmed the effectiveness of the risk management system procedures.

- (b) Established the "Credit Committee": the committee is responsible for reviewing the credit situation of domestic and foreign customers and determining their credit ratings and allowances based on the review results. The committee also continually monitors and controls each credit account and accounts receivable to achieve the "zero default" target.
 - (c) Established the "The Supervisory Committee of Information Safety": the committee is responsible for preventing business information from being misappropriated or released to unauthorized parties.
- b. The Company has obtained the approval of the "Procedures for Handling Material Inside Information" in the 5th Board Meeting of the 20th term on Dec 21, 2009 and proceeded to promote as follows:
- (a) Provide "Procedures for Handling Material Inside Information" to newly appointed managers upon signing the security agreement.
 - (b) The Company promotes the "Procedures for Handling Material Inside Information", and the "Insider Trading" related information posted on TWSE website to remind managers upon the declaration of shareholding variation.
 - (c) The Company's employees and managers must sign a security agreement upon joining and familiarize themselves with the Company's "Procedures for Handling Material Inside Information."

2.7.5 Customer Policy Implementation Progress: (Please refer to page 53)

2.7.6 The Company's purchase of liability insurance for Directors: The Company acquires liability insurance for its directors to mitigate their exposure to legal and financial liabilities that may arise during daily operations. (The related report has been submitted to the Board meeting on Mar 11, 2026)

2.7.7 Professional licenses granted to those who are responsible for the financial information transparency of the Company and its subsidiaries by regulatory authorities:

Category	Department		The Company	Subsidiaries
	Licenses			
Accounting / Taxation	CPA ROC		20	10
	CPA China		1	2
	CPA USA		2	5
	CPA Australia		1	-
	CIA		7	-
	JCCP		2	-
	CPB		15	3
Finance	CFA		3	-
	Securities Investment Analyst		4	3
	Senior Securities Specialist		20	3
	Futures Specialist		4	-
	Trust Specialist		11	2
	Financial Planning Personnel		6	-
Real Estate	Architect		-	1
	Realty Appraiser		-	1
	Realtor		-	3
	Land Administration Agent		-	3
Insurance Operations	Non-Life Insurance Broker		-	1
	Non-Life Insurance Salesman		14	1
Corporate Sustainability	Certified Professional in Corporate Sustainability Management		1	1
	Basic Test on Sustainable Development		11	7
Project Management	Project Management Professional (PMP)		1	3
Labor Safety	CISA		-	6

2.7.8 Training for Board of Directors, Presidents, Executive Vice Presidents, and Chief Corporate Governance Officer:

Title	Name	Study Date		Organizer	Name of the Course	Risk Education	Study Hours
		From	To				
Chairman	Douglas Tong Hsu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
Directors	Johnny Hsi	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
		May 6, 25	May 6, 25	Taiwan Independent Director Association	Latest Economic Trends under Geopolitics in 2025 - Looking at Future Market Changes from Global Financial Changes	V	3
	Jeff Hsu	Oct 31, 25	Oct 31, 25	Securities and Futures Institute	2025 Legal Compliance Promotion Seminar on Insider Equity Trading		3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Peter Hsu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Shaw Y. Wang	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Richard Yang	Jan 17, 25	Jan 17, 25	Taiwan Corporate Governance Association	Current Global Economic and Financial Situation		3
		Jan 9, 25	Jan 9, 25	Taiwan Corporate Governance Association	Everything is Connected, Everything is Hackable - IoT Information Security Starts with You and Me	V	3
	Tonia Katherine Hsu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Kwan-Tao Li	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Alice Hsu	Nov 11, 25	Nov 11, 25	Taiwan Corporate Governance Association	Application, Law, and Audit of AI		3
		Sep 26, 25	Sep 26, 25	Taiwan Corporate Governance Association	Sustainable Disclosure and Investment Value from Investors' Perspectives: Elaborating on the ESG Disclosure Framework and Risk Monitoring to Connect Capital Market Trust	V	3
	Champion Lee	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3

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Title	Name	Study Date		Organizer	Name of the Course	Risk Education	Study Hours	
		From	To					
Independent Directors	Shu-Chieh Huang	Aug 26, 25	Aug 26, 25	Accounting Research and Development Foundation	2025 ESG Summit		6	
		Aug 7, 25	Aug 7, 25	Accounting Research and Development Foundation	Interpretation Practices of Sustainable Information Disclosure and CPA Assurance Reports	V	6	
	Raymond R.M. Tai	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
	Way Kuo	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
	Chung-Shu Wu	Aug 22, 25	Aug 22, 25	Chinese National Association of Industry and Commerce, Taiwan	Corporate Directors and Supervisors Seminar - "2025 Taishin Shin Kong Net Zero Summit Forum"		3	
		Aug 12, 25	Aug 12, 25	Taiwan Corporate Governance Association	Trump 2.0: Global Tax Reform and Corporate Response Strategies for Supply Chain Restructuring	V	3	
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
	Sy-Ming Guu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
	President	K.S. Wu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
			Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
		Humphrey Cheng	Oct 17, 25	Oct 17, 25	Taiwan Institute for Sustainable Energy	41 st TCCS Board Meeting and CEO Lecture		2
Oct 1, 25			Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
Aug 1, 25			Aug 1, 25	Taiwan Corporate Governance Association	From the Perspectives of Management Rights and Shareholder Activism, Analyzing Foreign Investment Voting Practices and Directors/Supervisors' Responsibilities with International Thinking		3	
Jun 4, 25			Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
Apr 24, 25			Apr 24, 25	Taiwan Institute for Sustainable Energy	40 th TCCS Board Meeting and CEO Lecture		2	
Oct 1, 25			Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
Donald Fan		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
		Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
Judy Lee		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
		Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
Chief Operating Officer		Eric Chueh	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
			Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	C.T. Peng	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3	
	M.J. Wu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3	
Jun 4, 25		Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3		

Title	Name	Study Date		Organizer	Name of the Course	Risk Education	Study Hours
		From	To				
Intelligent Transformation Chief Executive Office	B.C. Chang	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
Chief Auditor	Y.C. Yuan	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Ariel Hsu	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Ju-Her Huang	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
Chief Financial Officer	David Wang	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
Chief Administrative Officer	Alan Tsai	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jul 9, 25	Jul 9, 25	Accounting Research and Development Foundation	Interpretation of Laws and Regulations Related to Sustainability and Financial Reports		6
		Jun 30, 25	Jun 30, 25	Accounting Research and Development Foundation	Practical Seminar on the Preparation and Declaration of Sustainability Information		6
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
Chief Human Resources Officer	C.Y. Lin	Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
Executive Vice President	Fanny Liao	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Allen Sha	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	Y.S. Yang	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	C.K. Tsai	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
	M.L. Tsai	Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3
Chief Corporate Governance Officer	Li-Chi Chen	Oct 16, 25	Oct 16, 25	Financial Supervisory Commission	The 15 th Taipei Corporate Governance Forum		3
		Oct 1, 25	Oct 1, 25	Taiwan Academy of Banking and Finance	Corporate AI Transformation	V	3
		Jun 4, 25	Jun 4, 25	Taiwan Academy of Banking and Finance	Corporate Response Strategies to US Tariff Policies and Supply Chain Restructuring	V	3

2.8 Internal Control System Execution Status

2.8.1 Internal Control Report: Please visit the Market Observation Post System (MOPS) at <https://emops.twse.com.tw> and follow the steps below to access information for Company Ticker: 1402: MOPS > Listed Company > Corporate Governance > Company Rules/Internal Control > Internal Control Statement Disclosure

2.8.2 The investigative report of Entrusting CPA to examine the internal control system: None

Corporate Governance Report

2.9 In Recent Years until the Annual Report Being Published, Major Resolutions of Shareholders' Meeting and Board Meetings:

2.9.1 Shareholders' Meeting

	Date	Resolutions of Shareholders' Meeting	Execution
2025 Annual General Shareholders' Meeting	May 29, 2025	<u>Reporting items:</u> 2024 business operations 2024 financial statements The Audit Committee's review report of 2024 business operations and financial statements 2024 employees' compensation and Directors' remuneration Information of the corporate bonds issued in 2024 Information of the share exchange with Yuan Ding Investment Corporation Acquisition or disposition of assets from or to related parties	Not applicable
		<u>Approval items:</u> To accept 2024 business report and financial statements To approve the proposal for distribution of 2024 profits	Jul 21, 2025 was settled as the ex-dividend date, and cash dividend was distributed on Aug 13, 2025.
		<u>Proposed resolutions:</u> To approve the revisions to the of the "Articles of Incorporation of Far Eastern New Century Corporation"	Approved by the Department of Commerce, MOEA on Jul 14, 2025, renewed on the Company's website and processed accordingly.

2.9.2 Board Meetings

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
4 th Board Meeting of the 25 th term	Mar 12, 2025	1. Approved 2024 employees' compensation and Directors' remuneration	√	All presented Independent Directors approved
		2. Approved 2024 financial statements (including consolidated & stand-alone) and the hiring of CPA	√	
		3. Approved the proposal for distribution of 2024 profits	√	
		4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"	√	
		5. Approved 2024 business operation report	√	
		6. Approved the proposal for 2025 operating budget and capital expenditure budget		
		7. Approved the proposal for 2025 operating budget and capital expenditure budget		
		8. Approved the issuance of corporate bonds		
		9. Approved the declaration of internal control system of Far Eastern New Century Corporation	√	
5 th Board Meeting of the 25 th term	May 9, 2025	1. Approved accepting the consolidated financial statements for the first quarter of 2025		
		2. Approved the 2024 Sustainability Report		
		3. Approved amending the Company bylaw of "Internal Control System" and "Internal Audit Implementation Rules"	√	
6 th Board Meeting of the 25 th term	Aug 8, 2025	1. Approved accepting the consolidated financial statements for the first half of 2025		
		2. Approved the issuance of unsecured corporate bonds		
		3. Approved the investment of Corpus Christi Polymers LLC via the Company's subsidiary, Far Eastern Investment (Holding) Limited	√	
		4. Approved the disposal of real estate	√	
		5. Approved amending the Company's organizational chart and the adjustments of senior management positions	√	

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
7 th Board Meeting of the 25 th term	Nov 7, 2025	1. Approved accepting the consolidated financial statements for the nine months ended Sep. 30, 2025		
		2. Approved amending the regulations governing the issuance and exchange of the Company's 1st and 2nd domestic unsecured exchangeable corporate bonds	√	
		3. Approved amending the regulations governing the issuance and exchange of the Company's 1st and 2nd domestic unsecured exchangeable corporate bonds	√	
		4. Approved the implementation progress of the IFRS Sustainability Disclosure Standards adoption plan and the establishment of the management measures for material sustainability issues	√	
		5. Approved the 2025 Audit Plan review and the 2026 Audit Plan	√	
		6. Approved the 2025 Audit Plan review and the 2026 Audit Plan	√	
8 th Board Meeting of the 25 th term	Mar 11, 2026	1. Approved 2025 employees' compensation and Directors' remuneration	√	
		2. Approved 2025 financial statements (including consolidated & stand-alone) and the hiring of CPA	√	
		3. Approved the proposal for distribution of 2025 profits	√	
		4. Approved 2025 business operation report	√	
		5. Approved the proposal of convening 2026 Annual General Shareholders' Meeting		
		6. Approved the proposal for 2026 operating budget and capital expenditure budget		
		7. Approved the Company's donation to related parties	√	
		8. Approved the acquisition of patent rights by the Company		
		9. Approved the issuance of corporate bonds		
		10. Approved amending the Company bylaws of "Corporate Sustainability Development Policy" and "Sustainability Committee Organizational Regulations", and formulating the "Sustainability Information Management Procedures"	√	
		11. Approved the formulation of the Company bylaw of "Environmental Sustainability Policy"		
		12. Approved amending the Company bylaws of "Internal Control System" and "Internal Audit Implementation Rules"	√	
		13. Approved the declaration of internal control system of Far Eastern New Century Corporation	√	

2.10 In recent years until the annual report being published, Dissenting Comments on Major BOD Resolutions from Directors and Supervisors: None

3. Certified Public Accountant (CPA) Audit Fees

3.1 Information of CPA Audit Fees Unit:

NT\$ thousands

Accounting Firm	Name of CPA	CPA Audit period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Guo-Ning Huang	Jan 1, 2025 – Dec 31, 2025	9,230	4,439 (Note)	13,669	NIL
	Chih-Ming Shao					

Note: Service fees for the adoption of IFRS Sustainability Disclosure Standards, business registration, corporate bonds issuance, direct deduction method for business tax, education program, information security consultancy and disbursement fee, etc.

Corporate Governance Report

3.2 In the Event that the CPA Firm is Changed and the Audit Fees Paid in the Year When the CPA Firm is Less than that Paid in the Preceding Year, Reduction of the Audit Fees, Percentage and Causes: None

3.3 In the Event that the Audit Fees Reduced by 15% Compared with that was Charged in the Preceding Year, Reduction of Audit Fees, Percentage and Causes: None

4. Information for Change of CPA

4.1 Regarding the Former CPA:

Date of Change	April 2024		
Cause and explanation	To maintain the independency of the CPA, the internal transfer and arrangement taking place in Deloitte & Touche.		
Specify whether appointer or CPA terminates or rejects the appointment	Concerned party Circumstance	CPA	Appointer
	Terminate the appointment voluntarily	✓	
	Reject (refuse to accept) the appointment		
The comments and causes for issue of the audit report other than unqualified opinions within the latest two years	None		
Disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statement
			Scope or steps of audit
			Others
	No	✓	
Note			
Other information to be disclosed (to be disclosed according to Item 4-7 of paragraph 6 of Article 10 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers")	None		

4.2 Regarding the Succeeding CPA:

Name of Office	Deloitte & Touche
Name of CPA	CPA Guo-Ning Huang
Date of appointment	April 2024
Accounting measures or principles with respect to certain transactions prior to the appointment and inquiries and result as to the comments likely to be issued with respect to the financial statements	—
Succeeding CPA's written opinion towards the disagreement with the former CPA	—

4.3 The Former CPA's Response to the Issues Referred to Item 1 and Item 2-3 of Paragraph 6 of the Article 10 of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"

Not applicable

5. The Company's Chairman, Presidents, and Managers Responsible for Finance or Accounting Who Have Held A Position in the CPA Office or its Affiliates Within the Latest Year

None

6. Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of the Company Shares or More

6.1 Shareholding Variation

Please refer to the Market Observation Post System (<https://emops.twse.com.tw>) and follow the path below to search for company code: 1402, in order to view the relevant information.

MOPS > Summaries > Summaries > Summary Table of Shareholding by Directors, Supervisors, Managers, and Major Shareholders > Listed Companies

6.2 Shareholding Transferred (While the Counterparty is a Related Party): None

6.3 Shareholding Pledged (While the Counterparty is a Related Party): None

Corporate Governance Report

7. Relationship Between Top Ten Shareholders Defined as Related Parties, Spouse or a Relative within Two Degrees

Book closure date: March 30, 2026

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Asia Cement Corporation	1,226,945,085	22.92	0	0.00	0	0.00	Asia Eastern University of Science and Technology	The same Chairman	-
							Far Eastern Medical Foundation		
							Yuan Ze University		
Representative: Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
							Peter Hsu	The Director	
Asia Eastern University of Science and Technology	257,651,603	4.81%	0	0.00	0	0.00	Asia Cement Corporation	The same Chairman	
							Far Eastern Medical Foundation		
							Yuan Ze University		
Representative: Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
							Peter Hsu	The Director	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd.	233,709,000	4.18%	0	0.00	0	0.00	None	None	-
Far Eastern Medical Foundation	193,310,445	3.61%	0	0.00	0	0.00	Asia Cement Corporation	The same Chairman	
							Asia Eastern University of Science and Technology		
							Yuan Ze University		
Representative: Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
							Peter Hsu	The Director	
Far Eastern Memorial Foundation	183,141,383	3.42%	0	0.00	0	0.00	Asia Cement Corporation	Director of the Foundation is the Chairman of the aforesaid organizations.	
							Asia Eastern University of Science and Technology		
							Yuan Ze University		
Representative: Kwan-Tao Li	0	0.00%	0	0.00	0	0.00	Far Eastern Medical Foundation	The Director	
							Douglas Tong Hsu		
							Peter Hsu		

Name	Current shareholding		Spouse & minor children's shareholding		Shareholding in name of others		Name, relationship of top ten shareholders are spouses of within 2 degrees of consanguinity to each other		Major institutional shareholders
	shares	%	shares	%	shares	%	Name	Relationship	
Yuan Ze University	146,570,213	2.74%	0	0.00	0	0.00	Asia Cement Corporation	The same Chairman	
							Asia Eastern University of Science and Technology		
							Far Eastern Medical Foundation		
Representative: Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Far Eastern Memorial Foundation	Chairman is the Director of the Foundation	
							Douglas Tong Hsu	The Chairman	
							Peter Hsu	The Director	
Douglas Tong Hsu	91,748,698	1.71%	0	0.00	0	0.00	Asia Cement Corporation	The Chairman	
							Asia Eastern University of Science and Technology		
							Far Eastern Medical Foundation		
							Yuan Ze University		
							Far Eastern Memorial Foundation	The Director	
							Peter Hsu	Brother	
Cathay Life Insurance Company, Ltd. Representative: Ming-Ho Hsiung	88,580,000	1.65%	0	0.00	0	0.00	None	None	
	0	0.00%	0	0.00	0	0.00			
Chunghwa Post Co., Ltd. Representative: Kwo-tsai Wang	70,285,000	1.31%	0	0.00	0	0.00	None	None	
	0	0.00%	0	0.00	0	0.00			
Peter Hsu	60,269,210	1.13%	0	0.00	0	0.00	Asia Cement Corporation	The Director	
							Asia Eastern University of Science and Technology		
							Far Eastern Medical Foundation		
							Far Eastern Memorial Foundation		
							Yuan Ze University		
							Douglas Tong Hsu	Brother	

Corporate Governance Report

8. Shareholding Proportion of FENC to Investees

Book closure date: March 30, 2026

Investees by equity method	The Company's Holdings		Investment of Direct or Indirect Ownership by Directors /Managerial Officers and Directly or Indirectly Controlled Companies		Total Holdings	
	Shares (Thousand)	%	Shares (Thousand)	%	Shares (Thousand)	%
Asia Cement Corporation	705,509	19.89	263,053	7.42	968,562	27.31
Far Eastern Dept. Store, Ltd.	241,746	17.06	318,533	22.48	560,279	39.54
Oriental Union Chemical Corporation	81,216	9.17	244,467	27.60	325,683	36.77
Far Eastern International Bank	121,654	2.50	886,289	18.22	1,007,943	20.72
Everest Textile Co., Ltd.	108	0.02	257,814	37.11	257,922	37.13
Yuan Ding Investment Corporation	1,833,826	100.00	-	0.00	1,833,826	100.00
Far Eastern Resources Development Co., Ltd.	1,216,207	100.00	-	0.00	1,216,207	100.00
Yuan Tone Investment Co., Ltd.	746,644	100.00	-	0.00	746,644	100.00
Far Eastern Investment (Holding) Ltd.	7,750	100.00	-	0.00	7,750	100.00
Far Eastern Polychem Industries Ltd.	830,815	63.60	475,472	36.40	1,306,287	100.00
Kai Yuang Investment Corp.	373,901	100.00	-	0.00	373,901	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	1,347,502	65.97	404,000	19.78	1,751,502	85.75
Far Eastern Polytex (Holding) Ltd.	173	100.00	-	0.00	173	100.00
Yuan Ding Co., Ltd.	186,929	33.78	286,224	51.72	473,153	85.50
Far Eastern Construction Co., Ltd.	336,020	65.11	4,959	0.96	340,979	66.07
Din Yuang Investment Co., Ltd.	260,593	100.00	-	0.00	260,593	100.00
Oriental Securities Co., Ltd.	82,997	19.65	278,510	65.95	361,507	85.60
PET Far Eastern (H) Ltd.	507	93.58	35	6.42	542	100.00
An Ho Garment Co., Ltd.	77,089	100.00	-	0.00	77,089	100.00
Fu Kwok Knitting & Garment Co., Ltd.	4,000	100.00	-	0.00	4,000	100.00
FEDP (H) Ltd.	244	50.43	240	49.57	484	100.00
Far Eastern Textile Limited	1,300	100.00	-	0.00	1,300	100.00
Ding Ding Hotel Co., Ltd.	30	0.03	104,009	99.96	104,039	99.99
FE Oriental Investment Holding (Singapore) Pte. Ltd.	400	100.00	-	0.00	400	100.00
Far Eastern Apparel Co., Ltd.	21,098	100.00	-	0.00	21,098	100.00
Far Eastern Fibertech Co., Ltd.	101,000	100.00	-	0.00	101,000	100.00
Oriental Resources Development Limited	5,739	100.00	-	0.00	5,739	100.00
Oriental Green Materials Limited	76,934	100.00	-	0.00	76,934	100.00

III. Capital Overview

1. Capital and Shares

1.1 Issued Shares

Unit: NT\$ thousands, thousand shares

Month/ Year	Par value (NT\$/ Share)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital increased by assets other than cash	Other
Sep 21	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 22	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 23	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 24	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
Sep 25	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-

Note: No capitalization of share dividends in 5 years.

Unit: thousand shares

Type of Stock	Authorized Share Capital							Note
	Outstanding issued shares			Unissued Shares	Shares convertible from corporate bonds	Shares convertible from stock warrants	Total	
	Listed	Non-Listed	Total					
Common Stock	5,352,875	-	5,352,875	487,125	150,000	10,000	6,000,000	-

1.2 Shelf Registration: None

1.3 Preferred Shares: None

1.4 Major Shareholders

Book closure date: March 30, 2026

Shareholders	Total shares owned	Ownership %
Asia Cement Corporation	1,226,945,085	22.92%
Asia Eastern University of Science and Technology	257,651,603	4.81%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd.	223,709,000	4.18%
Far Eastern Medical Foundation	193,310,445	3.61%
Far Eastern Memorial Foundation	183,141,383	3.42%
Yuan Ze University	146,570,213	2.74%
Douglas Tong Hsu	91,748,698	1.71%
Cathay Life Insurance Company, Ltd.	88,580,000	1.65%
Chunghwa Post Co., Ltd.	70,285,000	1.31%
Peter Hsu	60,269,210	1.13%

Capital Overview

1.5 Dividend Policy and its Execution Results

1.5.1 Dividend policy under the Articles of Incorporation: Apart from paying all its income taxes in the case where there are profits for the current year, making up for accumulated losses in past years, and deducting legal reserve and special reserve required by law, the Company may distribute to the shareholders the remainder together with undistributed profits from previous years. The distribution of shareholders' dividend shall take into consideration the changes in the outlook for the Company's businesses, the lifespan of the various products or services that have an impact on future capital needs and taxation. Shareholders' dividend shall be distributed aimed at maintaining the stability of shareholders' dividend distributions. Save for the purposes of improving the financial structure, reinvestments, production expansion or other capital expenditures in which capital is required, when distributing shareholders' dividend, which is not less than 50% of the final surplus of after-tax profit in same year to withhold accumulated losses, legal reserve and special reserve, and the cash dividend is not less than 10% of the shareholders' dividend distributed in the same year.

For example, the cash dividend payout ratios over the past three years are not less than 50% of the final surplus of after-tax profit in same year to withhold accumulated losses, legal reserve and special reserve and either not less than 10% of the shareholders' dividend distributed in the same year, which are in compliance with the Articles of Incorporation.

Unit: NT\$/share

Year	EPS after Income Tax	Cash Dividend from Retained Earnings(A)	Stock Dividend from Capital Surplus (B)	Total Dividend (A+B=C)
2023	1.64	1.35	-	1.35
2024	2.00	1.60	-	1.60
2025	1.55	1.25	-	1.25

Note: The Company paid all in cash dividend in recent three years

1.5.2 Proposed distribution of 2025 profits to be approved at the Shareholders' Meeting: Cash dividend of NT\$ 1.25 per share is proposed to be distributed.

1.6 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2024 Annual General Shareholders' Meeting: Not applicable.

1.7 Employees' Compensation and Directors' Remuneration

1.7.1 Description regarding employees' compensation and Directors' remuneration in the Articles of Incorporation: According to the Company Act and the Article 26 in the Articles of Incorporation, if the Company makes a profit for the current year, no more than 2.5% of the profit shall be allocated as Directors' remuneration, and 2% to 3.5% shall be allocated as employees' compensation, with no less than 25% of the employees' compensation reserved for non-executive employees, provided that the Company's accumulated losses have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of Directors, to determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as Directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.

1.7.2 The discrepancy, if there is any, between the total amount of estimated employees' compensation, Directors' remuneration, stock dividends and total amount actually being paid: Treated as the changes at the accounting estimate, and such changes will be recorded in the following fiscal year.

1.7.3 Proposed employees' compensation and Directors' remuneration:

The 2025 employees' compensation and Directors' remuneration was resolved in the 8th meeting on March 11, 2026 by the 25th term Board of Directors, and will be submitted to the 2026 shareholders' meeting. The amounts and forms are listed below:

a. Employees' compensation: NT\$ 274,277,440 in cash

b. Directors' remuneration: NT\$ 143,208,080 in cash

c. Regarding the amount of employees' compensation and Directors' remuneration in cash or in shares, the discrepancy, if there is any, between the estimated amount and the amount being actually paid, and the reason for such discrepancy: None

d. Proposed employees' compensation in shares as percentage of net income and total employees' compensation: Not applicable

1.7.4 The discrepancy, if there is any, between the total amount being actually paid as employees' compensation, remuneration for Directors and Supervisors for 2024 (including number of shares, dollar amount, and share price) and the amount of such compensation and remuneration being recognized should be stated, and the reason for such discrepancy:

a. Employees' compensation: Resolved amount is NT\$ 370,447,636. The dollar amount actually being paid is NT\$ 370,447,636.

b. Remuneration for Directors: Resolved amount is NT\$ 189,121,025. The dollar amount actually being paid is NT\$ 94,300,000.

The difference between the resolved amount and the amount actually being paid will be paid in the following years.

1.8 Share Buyback by the Company:

The Company did not buy back share from Jan 1, 2025 until March 30, 2026.

Capital Overview

2. Corporate Bonds

2.1 Corporate Bonds

Book closure date: March 30, 2026

Corporate Bond Type	2 nd Unsecured Bond 2020 (Tranche B)	3 rd Unsecured Bond 2020	1 st Unsecured Bond 2021	2 nd Unsecured Bond 2021 (Social Bond)
Issue Date	Jun 10, 2020	Sep 17, 2020	Apr 28, 2021	May 24, 2021
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 3,000,000,000	NT\$ 5,500,000,000	NT\$ 9,500,000,000	NT\$ 1,200,000,000
Coupon rate	0.85%	0.83%	0.67%	0.52%
Maturity	7 years Maturity date: Jun 10, 2027	7 years Maturity date: Sep 17, 2027	5 years Maturity date: Apr 28, 2026	5 years Maturity date: May 24, 2026
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Masterlink Securities Corporation	KGI Securities Co. LTD.
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 3,000,000,000	NT\$ 5,500,000,000	NT\$ 9,500,000,000	NT\$ 1,200,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Corporate Bond Type	3 rd Unsecured Bond 2021	1 st Unsecured Bond 2022 (Sustainability-Linked Bond)	2 nd Unsecured Bond 2022 (Tranche B) (Green Bond)	1 st Unsecured Bond 2023 (Tranche B)
Issue Date	Sep 27, 2021	Sep 14, 2022	Oct 26, 2022	Jan 6, 2023
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 6,500,000,000	NT\$ 2,500,000,000	NT\$ 900,000,000	NT\$ 2,300,000,000

Coupon rate	0.63%	1.75%	1.80%	1.80%
Maturity	5 years Maturity date: Sep 27, 2026	5 years Maturity date: Sep 14, 2027	5 years Maturity date: Oct 26, 2027	5 years Maturity date: Jan 6, 2028
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Masterlink Securities Corporation	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 6,500,000,000	NT\$ 2,500,000,000	NT\$ 900,000,000	NT\$ 2,300,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Capital Overview

Corporate Bond Type		2 nd Unsecured Bond 2023 (Green Bond)	3 rd Unsecured Bond 2023 (Tranche A)	3 rd Unsecured Bond 2023 (Tranche B) (Green Bond)	4 th Unsecured Bond 2023
Issue Date		Mar 30, 2023	Jul 27, 2023	Jul 27, 2023	Oct 30, 2023
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 2,500,000,000	NT\$ 900,000,000	NT\$ 2,100,000,000	NT\$ 3,000,000,000
Coupon rate		1.50%	1.60%	1.67%	1.73%
Maturity		5 years Maturity date: Mar 30, 2028	3 years Maturity date: Jul 27, 2026	5 years Maturity date: Jul 27, 2028	5 years Maturity date: Oct 30, 2028
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd	Capital Securities Corporation	Capital Securities Corporation	Capital Securities Corporation
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	70% and 30% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 2,500,000,000	NT\$ 900,000,000	NT\$ 2,100,000,000	NT\$ 3,000,000,000
Redemption or early repayment clause		None	None	None	None
Covenant applicable		None	None	None	None
Credit rating		None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None	None
	Conversion rights	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Corporate Bond Type	5 th Unsecured Bond 2023 (Tranche A) (Green Bond)	5 th Unsecured Bond 2023 (Tranche B)	1 st Unsecured Bond 2024 (Tranche A) (Green Bond)	1 st Unsecured Bond 2024 (Tranche B)
Issue Date	Dec 25, 2023	Dec 25, 2023	Apr 8, 2024	Apr 8, 2024
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 1,250,000,000	NT\$ 3,150,000,000	NT\$ 1,600,000,000	NT\$ 4,600,000,000
Coupon rate	1.77%	1.80%	1.66%	1.75%
Maturity	5 years Maturity date: Dec 25, 2028	5 years Maturity date: Dec 25, 2028	5 years Maturity date: Apr 8, 2029	5 years Maturity date: Apr 8, 2029
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Capital Securities Corporation	Capital Securities Corporation
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	80% and 20% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 1,250,000,000	NT\$ 3,150,000,000	NT\$ 1,600,000,000	NT\$ 4,600,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Capital Overview

Corporate Bond Type	2 nd Unsecured Bond 2024 (Tranche A)	2 nd Unsecured Bond 2024 (Tranche B)	2 nd Unsecured Bond 2024 (Tranche C)	3 rd Unsecured Bond 2024 (Tranche A)
Issue Date	Sep 27, 2024	Sep 27, 2024	Sep 27, 2024	Dec 26, 2024
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 2,800,000,000	NT\$ 700,000,000	NT\$ 800,000,000	NT\$ 2,900,000,000
Coupon rate	1.97%	1.99%	2.04%	1.95%
Maturity	3 years Maturity date: Sep 27, 2027	5 years Maturity date: Sep 27, 2029	7 years Maturity date: Sep 27, 2031	3 years Maturity date: Dec 26, 2027
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 6 th and 7 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 2,800,000,000	NT\$ 700,000,000	NT\$ 800,000,000	NT\$ 2,900,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Corporate Bond Type	3 rd Unsecured Bond 2024 (Tranche B) (Green Bond)	3 rd Unsecured Bond 2024 (Tranche C)	3 rd Unsecured Bond 2024 (Tranche D)	1 st Unsecured Bond 2025 (Tranche A) (Green Bond)
Issue Date	Dec 26, 2024	Dec 26, 2024	Dec 26, 2024	June 9, 2025
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 1,150,000,000	NT\$ 1,500,000,000	NT\$ 950,000,000	NT\$ 1,800,000,000
Coupon rate	1.95%	1.98%	2.02%	2.03%
Maturity	5 years Maturity date: Dec 26, 2029	5 years Maturity date: Dec 26, 2029	7 years Maturity date: Dec 26, 2031	3 years Maturity date: June 9, 2028
Guarantor	-	-	-	-
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 4 th and 5 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	50% of the face value of the bond is repayable at the end of the 6 th and 7 th years respectively. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 1,150,000,000	NT\$ 1,500,000,000	NT\$ 950,000,000	NT\$ 1,800,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Capital Overview

Corporate Bond Type	1 st Unsecured Bond 2025 (Tranche B) (Green Bond)	1 st Unsecured Bond 2025 (Tranche C)	2 nd Unsecured Bond 2025 (Tranche A)	2 nd Unsecured Bond 2025 (Tranche B)
Issue Date	June 9, 2025	June 9, 2025	August 7, 2025	August 7, 2025
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 700,000,000	NT\$ 1,300,000,000	NT\$ 1,100,000,000	NT\$ 2,700,000,000
Coupon rate	2.05%	2.12%	1.98%	2.05%
Maturity	5 years Maturity date: June 9, 2030	5 years Maturity date: June 9, 2030	3 years Maturity date: August 7, 2028	5 years Maturity date: August 7, 2030
Guarantor	None	None	None	None
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 700,000,000	NT\$ 1,300,000,000	NT\$ 1,100,000,000	NT\$ 2,700,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Corporate Bond Type	2 nd Unsecured Bond 2025 (Tranche C)	3 rd Unsecured Bond 2025 (Tranche A)	3 rd Unsecured Bond 2025 (Tranche B)	3 rd Unsecured Bond 2025 (Tranche C)
Issue Date	August 7, 2025	November 4, 2025	November 4, 2025	November 4, 2025
Face value	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing	Taipei Exchange	Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate	Par	Par	Par	Par
Total amount	NT\$ 700,000,000	NT\$ 1,000,000,000	NT\$ 2,800,000,000	NT\$ 500,000,000
Coupon rate	2.05%	1.88%	1.95%	2.00%
Maturity	7 years Maturity date: August 7, 2032	3 years Maturity date: November 4, 2028	5 years Maturity date: November 4, 2030	7 years Maturity date: November 4, 2032
Guarantor	None	None	None	None
Trustee	Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel	N.C. Liao	N.C. Liao	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount	NT\$ 700,000,000	NT\$ 1,000,000,000	NT\$ 2,800,000,000	NT\$ 500,000,000
Redemption or early repayment clause	None	None	None	None
Covenant applicable	None	None	None	None
Credit rating	None	None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders	None	None	None	None
Custodian	None	None	None	None

Capital Overview

Corporate Bond Type		4 th Unsecured Bond 2025 (Tranche A)	4 th Unsecured Bond 2025 (Tranche B)	4 th Unsecured Bond 2025 (Tranche C) (Green Bond)
Issue Date		December 19, 2025	December 19, 2025	December 19, 2025
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		Taipei Exchange	Taipei Exchange	Taipei Exchange
Offering rate		Par	Par	Par
Total amount		NT\$ 1,900,000,000	NT\$ 1,900,000,000	NT\$ 1,600,000,000
Coupon rate		1.80%	1.85%	1.88%
Maturity		3 years Maturity date: December 19, 2028	5 years Maturity date: December 19, 2030	7 years Maturity date: December 19, 2032
Guarantor		None	None	None
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd
Legal counsel		N.C. Liao	N.C. Liao	N.C. Liao
CPA		Deloitte & Touche	Deloitte & Touche	Deloitte & Touche
Repayment		These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.	These bonds are repayable in lump sum on maturity. The interest is calculated and paid annually on the outstanding amount of the bond.
Outstanding amount		NT\$ 1,900,000,000	NT\$ 1,900,000,000	NT\$ 1,600,000,000
Redemption or early repayment clause		None	None	None
Covenant applicable		None	None	None
Credit rating		None	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	None	None	None
	Conversion rights	None	None	None
Dilution and other effects on existing shareholders		None	None	None
Custodian		None	None	None

2.2 Exchangeable Corporate Bonds

Book closure date: Mar 30, 2026

Corporate Bond Type	1 st Domestic Unsecured Exchangeable Bonds (Green Bond)	2 nd Domestic Unsecured Exchangeable Bonds (Green Bond)
Issue Date	Aug 8, 2024	Aug 8, 2024
Face value	NT\$ 100,000	NT\$ 100,000
Issuance and listing	Taipei Exchange	Taipei Exchange
Offering rate	102%	102%
Total amount	NT\$ 1,020,000,000 (Face Value: NT\$ 1,000,000,000)	NT\$ 1,550,000,000 (Face Value: NT\$ 1,500,000,000)
Coupon rate	0.00%	0.00%
Maturity	5 years Maturity date: Aug 8, 2029	5 years Maturity date: Aug 8, 2029
Guarantor	-	-
Trustee	Bank SinoPac	Bank SinoPac
Underwriter	KGI Securities Co. LTD.	KGI Securities Co. LTD.
Legal counsel	N.C. Liao	N.C. Liao
CPA	Deloitte & Touche	Deloitte & Touche
Repayment	Except for bondholders who exchange their bonds for common shares of Asia Cement Corporation (as 'ACC') in accordance with Article 10 of this issuance and exchange rule (as 'the rule'), exercise their put option in accordance with Article 18 of the rule, or the Company redeems the bonds early in accordance with Article 17 of the rule, or the Company repurchases and cancels the exchangeable bonds through over-the-counter market, the Company will repay the exchangeable bonds in cash at face value in one lump sum upon maturity.	Except for bondholders who exchange their bonds for common shares of Asia Cement Corporation (as 'FED') in accordance with Article 10 of this issuance and exchange rule (as 'the rule'), exercise their put option in accordance with Article 18 of the rule, or the Company redeems the bonds early in accordance with Article 17 of the rule, or the Company repurchases and cancels the exchangeable bonds through over-the-counter market, the Company will repay the exchangeable bonds in cash at face value in one lump sum upon maturity.
Outstanding amount	NT\$ 999,900,000	NT\$ 1,499,200,000
Redemption or early repayment clause	<p>1. For the period from the following three months after the issuance of the exchangeable bonds (Nov 9, 2024) until forty days before the end of the issuance period (June 29, 2029), if the closing price of ACC's common shares exceeds the exchange price by 30% (inclusive) for thirty consecutive trading days, the Company may, within the next thirty trading days, pursuant to the exchange terms, redeem the exchangeable bonds at par value in cash.</p> <p>2. For the period from the following three months after the issuance of the exchangeable corporate bonds (Nov 9, 2024) until forty days before the end of the issuance period (June 29, 2029), if the outstanding exchangeable bonds is below 10% of the original issue size, the Company may at any time, pursuant to the exchange terms, redeem the exchangeable bonds at par value in cash.</p>	<p>1. For the period from the following three months after the issuance of the exchangeable corporate bonds (Nov 9, 2024) until forty days before the end of the issuance period (June 29, 2029), if the closing price of FED's common shares exceeds the exchange price by 30% (inclusive) for thirty consecutive trading days, the Company may, within the next thirty trading days, pursuant to the exchange terms, redeem the exchangeable bonds at par value in cash.</p> <p>2. For the period from the following three months after the issuance of the exchangeable corporate bonds (Nov 9, 2024) until forty days before the end of the issuance period (June 29, 2029), if the outstanding exchangeable bonds is below 10% of the original issue size, the Company may at any time, pursuant to the exchange terms, redeem the exchangeable bonds at par value in cash.</p>
Covenant applicable	None	None
Credit rating	None	None
Other rights of bond holders	Amount converted in, exchanged, or subscribed to common shares, ADRs or other securities	As of April 15, 2026, 1 bond has been exchanged, each with a face value of NT\$ 100,000, for a total bond exchange amount of NT\$ 100,000, resulting in a cumulative exchange of 2,320 ordinary shares.
	Conversion rights	Please refer to the prospectus of this issue published on the Market Observation Post System of the Taiwan Stock Exchange
Dilution and other effects on existing shareholders	None	None
Custodian	Taiwan Depository & Clearing Corporation	Taiwan Depository & Clearing Corporation

Capital Overview

2.3 Exchangeable Corporate Bonds

Types		1 st Domestic Unsecured Exchangeable Bonds			
Items	Year	Date of Issuance	2024 (Aug.8~Dec.31)	2025	2026 (Jan.1~Apr.15)
	Number of shares as underlying assets		750,511,324 Shares	750,511,324 Shares	705,511,324 Shares
Exchangeable Price		45.4	45.4	43.1	43.1
Market Price	High	105.4	113.5	108.95	105.5
	Low	101.0	101.0	98.7	100.05
	Average	104.05	107.1	104.25	101.89
Issue Date		Aug 8, 2024			
Exchange Target		Common Stock of Asia Cement Corporation			

Types		2 nd Domestic Unsecured Exchangeable Bonds			
Items	Year	Date of Issuance	2024 (Aug.8~Dec.31)	2025	2026 (Jan.1~Apr.15)
	Number of shares as underlying assets		241,769,702 Shares	241,748,932 Shares	241,745,965 Shares
Exchangeable Price		33.7	33.7	31.7	31.7
Market Price	High	102.6	104.4	99.4	99
	Low	100.1	95.05	95	96.4
	Average	101.88	102.09	96.82	97.61
Issue Date		Aug 8, 2024			
Exchange Target		Common Stock of Far Eastern Department Stores Ltd.			

3. Preferred Shares

None

4. Issuance of Overseas Depository Receipts

None

5. Employee Stock Options

None

6. Employee Restricted Stock Options

None

7. Share Issued for Merger or Acquisition

None

8. Fund Utilization Plans and Status

Uncompleted bond issues, private placement of securities, completed bond issues or private placement of securities in recent 3 years whose return of investment has not emerged: None

IV. Operational Highlights

1. Business Activities

1.1 Business Scope

Far Eastern New Century and its subsidiaries have diversified businesses ranging from production, telecommunication, property development, investments, & others. Please refer to "Letter to Shareholders" for more business information.

1.1.1 Sales Breakdown of Main Business Segments

Unit: NT\$ thousands

Business Segment	Year	2025		2024	
		Amount	% of sales	Amount	% of sales
Production		124,800,429	49	148,552,435	55
Property Development		10,224,009	4	10,989,065	4
Investment & Others		119,031,555	47	111,412,483	41
Consolidated revenue		254,055,993	100	270,953,983	100

1.1.2 Current Products and Services Provided by the Company and Subsidiaries

- Pure Terephthalate Acid (PTA)
- Polyester chip, polyester staple fiber, polyester filament, solid-state polymer, drawn textured yarn, high denier industrial yarn, PET bottle preforms, PET bottles, PET sheets, and heat shrinkable PET films
- Cotton yarn, CVC yarn, polyester yarn, OE yarn and functional yarn
- Cotton fabrics, cotton blended fabrics, yarn-dyed fabrics, polyester fabrics, knitted fabrics and industrial fabrics
- Business suits from Hart Schaffner Mark (H.S.M), John Henry; shirts from Manhattan; beddings from Tonia Nicole, Charisma, La Mode; undergarments from FET, Active, Paul Simon, and men's undergarments from Punto Blanco
- Wireless telecommunication services, fixed line communication services, new economy, professional telecommunication integrated services, ICT Integrated Communication Services, Microsoft LSP enterprise transformation services, cloud services and information security services.
- Shopping malls, residential buildings, public infrastructure, civil engineering and construction of roads, bridges, subways and electrical routing
- SavDerm wound care products, NuROs[®] bone graft substitutes, and Next Fill dental materials

1.1.3 Products and Services Planned to be Developed and Launched by the Company and Subsidiaries

- Low shrinkage polyester for spunbond, low rewet hydrophilic finish oil, rPET-based thermoplastic polyester elastomer filament, self-crimping polyester fiber, weather-resistant and flame-retardant industrial yarn, PET single-end cord for car air springs, Telix high-strength fibers for high-performance concrete applications, CO₂-based NIPU elastic monofilament, scar stick, hemorrhoidal gel & oral spray.
- Smart street lights/poles, smart charging, energy management, uninterruptible traffic signal power system, microgrid, carbon management (Microsoft Cloud for Sustainability or SaaS), and Smart Health Solutions.
- Construct high quality official building for lease and residential products for sale, mass rapid transit (MRT), and expressways.

1.2 Business Environment

1.2.1 Current Industry Situation and Prospects

1.2.1.1 Production Business

1.2.1.1.1 Pure Terephthalic Acid (PTA)

In 2025, global PTA production reached 87.90 million tons, growing by 4% YoY - a decelerated pace compared to the previous year (Source: Wood Mackenzie). Global PTA capacity rose by 4% to a new high of 121.63 million tons. The global PTA utilization rate decreased by approximately 0.5 percentage points to 72%. The world's top five PTA producing regions in 2025 were China, India, South Korea, the United States, and Thailand, collectively accounting for nearly 90% of global output. China remained the dominant producer, contributing around 70% of global PTA production with 63.15 million tons, marking a 5% increase. Taiwan's PTA output was 2.38 million tons, representing about 3% of the global total. In terms of application, polyester fiber remained the primary use for PTA, accounting for approximately 65% of consumption, followed by PET production at around 30%, with the remaining used in other chemical and specialized materials.

Operational Highlights

1.2.1.1.2 PET

In 2025, global PET production reached 30.25 million tons, representing a 0.5% YoY increase (Source: Wood Mackenzie). Global capacity expanded by 6%, leading to a decline in utilization rates by 4 percentage points to 69%. PET prices fluctuated within a range along with crude oil prices due to regional capacity additions and unimproved supply-demand dynamics. The top five PET producing regions were China, the United States, India, Vietnam, and Turkey, which together accounted for 71% of global production. China remained the largest contributor, producing 15.40 million tons - a 12% increase - and accounted for 51% of global output. China's capacity expanded by approximately 2.70 million tons from the previous year, with a utilization rate of around 70%. The United States produced 2.34 million tons, down 0.18 million tons from the prior year, with a utilization rate of around 80%, while Taiwan's PET output declined by 13% to 0.91 million tons. PET is used in a wide range of applications, generally categorized into food-grade and industrial-grade. Food-grade PET is used for beverage bottles and packaging for fresh, frozen, and microwavable food. Industrial-grade PET is widely applied across sectors, including seat belts, airbags, tire cord fabrics, conveyor belts, electronics packaging, toy packaging, geotextiles, medical protection, and fishing nets

1.2.1.1.3 Polyester fibers

In 2025, global polyester fiber production reached 71.21 million tons, marking a 5% increase (Source: Wood Mackenzie). Polyester filament accounted for approximately 70% of the total, while polyester staple fiber made up the remaining 30%. Global polyester filament production in 2025 was 51.36 million tons, up 5%. The top five producing regions were China, India, Turkey, Indonesia, and the United States. China remained the dominant producer with an output of 41.13 million tons, representing a 5% increase and accounting for 80% of global production. India produced 4.87 million tons, a 5% growth, accounting for 9% of global output. Turkey, Indonesia, and the United States each contributed around 1–2% of the global total. Global polyester filament capacity increased by 3% in 2025, with the growth rate decreasing by 5 percentage points from the previous year. With capacity expansion under control, capacity utilization increased by 1 percentage point from the previous year. Global production of polyester staple fiber reached 19.86 million tons in 2025, a 5% increase. China contributed approximately 61% of total output with 12.15 million tons produced, up 6%. India was the second largest producer with a 10% share, followed by Turkey, Indonesia, and South Korea, each contributing about 3–4% of global output. Polyester staple fiber capacity increased by 1% globally in 2025, and capacity utilization increased by 2 percentage points from the previous year.

1.2.1.1.4 Spun yarn

During the 2024/2025 crop year, global cotton production rose by nearly 6% to 25.81 million tons (Source: U.S. Department of Agriculture). Global consumption increased by 3% to 25.90 million tons. China remained the world's largest cotton producer and consumer, accounting for 27% and 33% of global totals, respectively. According to the cotton yarn market report by market research firm Market.us, the global cotton yarn market size reached US\$77.5 billion in 2025, growing by 6% from the previous year. In terms of application, approximately 70% was used in apparel products, with the remaining 30% applied in home furnishings, industrial textiles, and other products.

1.2.1.1.5 Industrial yarn

In 2025, the global capacity for polyester industrial yarn grew by 5% YoY to 4.35 million tons (Source: Wood Mackenzie and market survey). China continued to dominate as the largest producer, accounting for over 80% of global capacity. Global demand reached 2.17 million tons, reflecting a 3% growth. However, the overall market remained in a state of oversupply, placing considerable pressure on manufacturers, particularly those producing standard-grade products. Polyester industrial yarn is widely used across various industries, with applications including tire cord fabric, airbags, conveyor belts, advertising canvas, waterproof fabrics, heavy-duty slings, safety nets, and construction applications, etc.

1.2.1.1.6 Knitted fabrics and apparel

China remains the world's largest exporter of textiles and apparel, accounting for around 30% of global exports (Source: WTO). In 2025, China's total textile and apparel exports reached US\$293.8 billion (Source: China Customs), down 2% from the previous year and falling below the US\$300 billion level. Textile exports remained relatively flat, while apparel exports declined by 5%. Looking at the long-term trend, textile exports represented 37% of total textile and apparel exports in 2010, and have

increased by 12 percentage points to 49% in 2025, reflecting a structural shift in China's textile export composition. Vietnam remains one of the major textile and apparel exporters globally. In 2025, its total textile and apparel export value reached US\$44.0 billion (Source: Vietnam Customs), representing a 6% increase.

1.2.1.2 Telecommunication Business

1.2.1.2.1 Consumer business

According to the 2025 communication market survey conducted by the National Communications Commission (NCC), mobile service is the majority's choice when it comes to voice and data communications. Mobile data usage continues to grow while people have spent over 37 hours per week on the internet in average. According to NCC statistics, the mobile data transmission volume indicates 13.4% YoY growth in December 2025. As People rely on mobile internet for daily communication and digital services, and the increasing demand for quality internet experience, the 5G adoption rate continues to grow each month, providing sustained momentum for the development of the telecommunications industry.

1.2.1.2.2 Enterprise business

Major international organizations have recently released their forecasts for global economic growth in 2026. Amid rising trade protectionism, escalating tariff pressures, and heightened geopolitical tensions, global supply chains are facing increasing risks of disruption. Nevertheless, artificial intelligence (AI) continues to provide supportive momentum to economic activity, with global economic growth projected to range between 2.7% and 3.1%. From a corporate investment perspective, strengthening supply chain resilience and advancing AI-driven transformation are expected to remain key priorities. Emerging technologies—including agentic AI, zero-trust cybersecurity, integrated IoT sensing, and high-performance computing environments that combine cloud and edge architectures—are anticipated to support the development of high-technology industries. As generative and agentic AI are increasingly integrated into core enterprise processes, demand for flexible cloud architectures, high-performance computing, and data integration is expected to rise, prompting broader adoption of hybrid cloud and edge computing solutions. At the same time, geopolitical uncertainty, evolving cyber threats, and service continuity requirements are driving greater emphasis on network resilience, diversified connectivity, redundancy planning, and zero-trust security frameworks. Overall, continued AI adoption is expected to sustain investment in cloud and network infrastructure, while the timing and scale of such investments remain subject to ongoing economic and geopolitical uncertainties.

1.2.1.3 Property Development Business

In 2025, the global economy demonstrated resilience. According to the latest IMF statistics, the global economic growth rate was 3.3%, remaining unchanged from 2024. Reviewing the past year, despite challenges posed by rising US protectionism and uncertainties surrounding tariff policies, massive investments in the technology sector—specifically the explosive growth in AI infrastructure and data centers—successfully offset external headwinds, acting as the core driver of global economic growth. Global Foreign Direct Investment (FDI) reached US\$1.6 trillion, marking a 14% increase compared to the previous year (UNCTAD, Global Investment Trends Monitor, No. 50). Additionally, real estate ranked fourth in FDI investment categories, with a total investment of US\$102.8 billion, up from US\$96 billion the previous year (fDi Markets, The 2025 investment matrix). Looking ahead to 2026, the IMF forecasts a global growth rate of 3.3%, with global FDI expected to continue its moderate growth trend.

Taiwan's economy in 2025 benefited from booming business opportunities in artificial intelligence, high-performance computing (HPC), and cloud services. Total exports reached US\$640.74 billion (+34.9%), while total imports amounted to US\$483.60 billion (+22.6%). The annual trade surplus reached a record high of US\$157.14 billion.

Taiwan's GDP growth rate saw a significant increase from 5.27% in 2024 to 8.63% in 2025, the highest since 2011. The Business Monitoring Indicators fluctuated throughout the year, starting with a yellow-red light (35 points), transitioning to a green light (29 points) mid-year, and climbing to a red light (38 points) by year-end, indicating sustained and robust domestic economic momentum. Meanwhile, inflationary pressures eased significantly, with the annual growth rate of the Consumer Price Index (CPI) at 1.66% in

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2025, down from 2.18% in 2024, marking a five-year low and indicating a slowdown in price increases. The annual growth rate of the Construction Cost Index (CCI) was 0.78%, lower than the 1.99% recorded in 2024, also a five-year low, reflecting that construction cost pressures have gradually eased and stabilized.

By the end of 2025, Taiwan's central bank announced that interest rates would remain unchanged for the seventh consecutive quarter, maintaining the rates set after the 0.125% hike in the first quarter of 2024 (discount rate at 2%, secured loan facility rate at 2.375%, and short-term financing rate at 4.25%). At the same time, the bank continued to enforce the seventh round of selective credit control measures and real estate lending restrictions implemented since the third quarter of 2024. However, considering that the overheating of the real estate market has become controllable, the central bank announced in the fourth quarter the removal of the intensive supervision measures on the concentration of real estate lending by banks. Effective from 2026, the control of total real estate loan volume will return to the discretion of individual banks.

In 2025, the real estate market was significantly impacted by the seventh round of credit controls and the full lending capacity of banks, causing market sentiment to freeze. According to the Ministry of the Interior, nationwide land transaction volume was 21,466 hectares (-16.0%), while housing transaction volume totaled 25.66 million sq-meters (-25.8%) or approximately 261,000 units (-25.5%). The total House and Land Transactions Income Tax revenue for the year reached NT\$ 92.34 billion (-8.3%). The real estate transaction volume hit a nine-year low, surpassing only the 245,000 units recorded in 2016 (following the implementation of the House and Land Tax) and the 259,000 units during the dot-com bubble in 2001.

1.2.1.4 Investment & Others Business

Reviewing the global economic landscape in 2025, the global economy continued to expand, supported by strong demand for emerging technologies such as artificial intelligence (AI) and high-performance computing. According to the Directorate General of Budget, Accounting, and Statistics (DGBAS) in its January 2026 report, Taiwan's economic growth rate for 2025 was estimated at 8.63%, with a Consumer Price Index (CPI) increase of 1.66%. The Central Bank of the Republic of China (Taiwan), in its December 2025 report, indicated that, due to a higher comparison base, the economic growth rate for 2026 is expected to moderate to 3.67%, with CPI projected to increase by 1.63%. Looking ahead to 2026, the global economy faces a number of significant challenges, including uncertainties surrounding U.S. trade policies, China's economic outlook, and geopolitical developments. In response to potential changes in the economic environment, Taiwan's central bank is expected to adjust its monetary policy as appropriate to maintain price stability and financial stability. Amid the rapidly evolving domestic and international economic environment, the Company will continue to regularly assess and review the performance of its long-term equity investments, strengthen risk management related to interest rate and foreign exchange fluctuations, and adopt a more flexible approach in managing its investment portfolio. At the same time, the Company will actively pursue new investment opportunities and develop specialized investment capabilities to enhance overall performance and maximize shareholder value.

1.2.2 The Supply Chain Analysis

The polyester industry plays an essential role in everyday life through its wide range of end-use applications. Upstream, polyester is derived from pure terephthalic acid (PTA) and monoethylene glycol (MEG). Midstream products include PET resin, polyester filament, and staple fiber. These are used downstream across diverse sectors such as food and non-food packaging, textiles, and industrial materials - highlighting the industry's well-integrated value chain and broad market presence. Please refer to page 109 for a summary of the upstream, mid-stream, and downstream linkages of our company's industry.

1.2.3 Industry Trends and Competition

1.2.3.1 Production Business

1.2.3.1.1 Pure Terephthalic Acid (PTA)

Global PTA capacity is expected to increase by 3% to 125.28 million tons, continuing to reach record highs in 2026 (Source: Wood Mackenzie). Global production is projected to grow by 6% to 93.56 million

tons, while the overall capacity utilization rate is forecast to rise by approximately 2 percentage points compared to the previous year. China's PTA production capacity is expected to grow by 3%, with an additional 2.47 million tons, a growth rate 4 percentage points lower than the previous year.

Due to the continuous release of new PTA capacity in China, the industry faces ongoing competitive pressure and intensified price volatility, with the oversupply situation yet to improve significantly. In response, the Company has continued to optimize its production structure, enhance vertically integrated manufacturing advantages, and improve digital operational efficiency to ensure steady growth amid an increasingly competitive market environment.

1.2.3.1.2 PET

Global PET production is projected to grow by 3% to 31.19 million tons in 2026, while global PET capacity is expected to increase by 2% to 44.57 million tons (Source: Wood Mackenzie). The new capacity will primarily come from Chinese manufacturers. Due to capacity additions, regional supply-demand disparities, and rising oil prices exacerbated by geopolitical conflicts in the Middle East, PET prices are expected to fluctuate throughout 2026. FENC has established PET production facilities across Taiwan, China, the U.S., Japan, and Southeast Asia, which enables the Company to offer regional manufacturing and supply chain advantages.

In line with its commitment to sustainability, FENC established Taiwan's first PET bottle recycling plant in 1988. Through ongoing advancements in recycling technology, the Company transforms post-consumer waste into high-quality recycled polyester (rPET), widely applied in food and non-food packaging, functional apparel, footwear, home goods, and automotive materials. In 2022, FENC became the first company in Taiwan certified by the Taiwan Food and Drug Administration (TFDA) to produce food-grade rPET pellets, and has actively promoted circular economy development in Taiwan. In addition to its ongoing collaboration with convenience store chains in Taiwan to collect and recycle PET bottles, in 2025, FENC partnered with the Taipei City Government, New Taipei City Government, and iTrash, a Taiwanese smart recycling machine brand, to expand PET bottle recycling locations to public areas such as government agencies, social housing, and public transportation systems. This diversified recycling channel enhances convenience for the public and realizes the circular use of resources.

1.2.3.1.3 Polyester fibers

Global polyester fiber production is expected to increase by 4%, reaching 74.37 million tons in 2026 (Source: Wood Mackenzie). This includes 53.81 million tons of polyester filaments (up 5%) and 20.56 million tons of polyester staple fibers (up 4%).

As a leading supplier of polyester filaments in Taiwan, FENC offers a comprehensive portfolio including POY and DTY products with a wide range of performance features such as cooling, moisture absorption and heat generation, sweat-wicking, flame retardancy, and UV protection. The Company collaborated with consumer electronics brands to launch the "e2cycle" technology, transforming electronic waste into high-performance textile materials. FENC processes e-waste into pellets, which are then regenerated into recycled fiber yarns used in functional fabrics. FENC's eco-friendly recycled fibers, made from waste PET bottles, are combined with special knitting techniques and product design to enhance fabric breathability, stretchability, and temperature regulation. These fibers have been applied to the jerseys of 22 national teams for the 2026 FIFA World Cup, with 12 of these teams qualifying for the final tournament, highlighting the Company's innovative strength in sustainable materials.

FENC is a global leader in polyester staple fibers for non-textile applications. These fibers are widely used in high value-added products across industries such as healthcare, hygiene, construction, sports, automotive, and home goods. The Company is actively developing eco-friendly solutions including bio-based, biodegradable, energy-saving, and waste-reducing fibers to enhance competitiveness through differentiated products. FENC pioneered the use of coffee grounds sourced from convenience stores, spinning them into fiber yarns, which are then processed by downstream manufacturers into nonwoven dry wipes and facial masks. This not only reduces environmental impact but also creates circular economy and renewable product value.

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FENC's nylon 6,6 filaments are widely used in various high-end textiles, including yoga wear, running apparel, outdoor gear, puffer jackets, lingerie, and premium fashion. Responding to eco-friendly trends, the Company has developed the high-performance Power X nylon 6,6 stretch fiber using a single nylon 6,6 material. This reduces reliance on spandex, which is chemically complex and difficult to recycle, thereby enhancing the feasibility of mono-material recycling and driving functional apparel toward a more circular design.

1.2.3.1.4 Spun yarn

The global cotton yarn market size is expected to reach US\$82.2 billion in 2026 (Source: Market.us), representing a 6% increase, and projected to reach US\$104.1 billion by 2030. Furthermore, with the rise of the sustainable fashion trend, the cotton yarn industry is accelerating its transition toward high value-added and eco-friendly products.

FENC's spun yarn business focuses on developing differentiated and functional products, including yarns with temperature regulation, moisture-wicking, heat-retention, flame-retardant properties, and specialty yarns designed for versatile fiber blending applications. In 2025, the Company developed yarns sourced from plant fibers such as hemp and pineapple, which can be blended with cotton and other fibers. This further provides customers with natural and sustainable material options, helping brands achieve their sustainability goals for next-generation products.

1.2.3.1.5 Industrial yarn

Global demand for polyester industrial yarn is expected to remain flat from the previous year at 2.17 million tons in 2026 (Source: Wood Mackenzie and market surveys). Due to continued capacity expansion in China, the overall market remains in a state of oversupply.

FENC's industrial yarn business focuses primarily on producing automotive materials and developing high value-added products, including yarns used in seat belts, airbags, and tire cord fabrics. In 2025, the Company further extended its automotive applications into airbag production, enhancing the benefits of vertical integration. With growing global attention on carbon reduction and environmental sustainability, the Company has successfully taken the lead over its peers in producing 100% recycled polyester high-performance tire cord fabrics, which is now in commercial production with shipment volumes continuing to rise. In addition, the Company has successfully co-developed the industry's first 100% chemically recycled polyester airbag in partnership with an automotive safety system manufacturer. This breakthrough overcomes technical barriers in applying recycled polyester materials to automotive textiles, offering more sustainable material solutions for the automotive industry.

1.2.3.1.6 Knitted fabrics and apparel

In 2025, U.S. apparel imports reached US\$ 77.9 billion, a 2% decline. The top six apparel suppliers were Vietnam, China, Bangladesh, CAFTA-DR (Dominican Republic-Central America Free Trade Agreement) member countries, India, and Indonesia. Collectively, these regions accounted for 70% of U.S. apparel imports. The largest apparel supplier to the U.S. has shifted from China to Vietnam. In 2025, Vietnam accounted for 21.5%, an increase of 2.6 percentage points from the previous year. Due to the ongoing US-China trade tensions and tariff measures, China fell to the second-largest supplier, with its share dropping to 14%.

FENC's knitted fabric and apparel production bases are located across Taiwan, China, and Vietnam, serving internationally renowned brands in sportswear, casual wear, and yoga apparel. The Company has established solid, long-term partnerships with its customers.

FENC has long been committed to developing sustainable and functional technologies. Combining its exclusive knitting techniques and fabric design capabilities, the Company continuously develops innovative products. FENC® Thermobionic—a bio-mimetic thermoregulating knitted fabric—and FENC® LoopFlex—a high-stretch, mono-material recyclable fabric—were awarded the Platinum and Gold Awards, respectively, at the 2025 A' Design Award in Italy, underscoring the Company's strengths in functional textiles and sustainable materials. In addition, in response to the growing trend of digitalization, the Company has actively adopted advanced production equipment, such as automated fabric cutting systems and intelligent hanging systems. Through real-time production data analytics, FENC comprehensively optimizes its manufacturing processes and enhances operational efficiency.

1.2.3.2 Telecommunication Business

1.2.3.2.1 Consumer business

Far EasTone(FET) spends a lot of efforts in developing 5G network after acquiring the best 5G spectrum in the auction. FET utilizes "AI cell site location" to maximize 5G network population coverage and user experience, proactively plans network construction in remote villages and leads green energy cell site to conduct ESG vision. FET will continuously enhance network quality and security, and dedicate itself to developing innovative services, which would work greatly with its excellent network quality. Moreover, through integrating group resources and partnership with diverse companies, FET will strive to innovate in the fields of big data, artificial intelligence, and IoT (Big.AI.IoT), and lead the 5G revolution in Taiwan. Leveraging its 'Big.AI.IoT' technologies, FET has developed the 'Anti-Fraud Genius' platform. This platform utilizes AI to establish a triple-layered defense system: 'AI Call Guard,' 'AI SMS Guard,' and 'AI Web Guard.' These measures effectively mitigate security risks across internet browsing, voice calls, and messaging, ensuring a safer and more secure digital experience for its users. FET established the Startup Accelerator at the end of 2021, recruiting start-up companies annually and providing comprehensive support including development tools, innovative technologies, field verification, and commercialization to drive diverse 5G applications across consumer and enterprise sectors, covering areas such as smart healthcare, digital transformation, and smart cities. As of February 2026, the program has supported a total of 48 start-ups, with cumulative personnel participation reaching 3,790 person-times, 72 sessions of executive-level start-up clinics conducted, and 14 strategic investment evaluations completed, successfully attracting more than NT\$ 450 million in investments and capital increases. In addition, FET completed strategic investments in IHH Co., Ltd., which leverages patented encrypted transmission technology for secure monitoring and business flow analysis, and Sustaihub Inc., specializing in ESG big data and AI-powered carbon inventory platforms.

Following the completion of two major mergers in late 2023, the domestic mobile industry has returned to a three-player market structure. The competitive focus has shifted from price-cutting to value, quality, and service. This transition allows operators to offer consumers higher quality and more differentiated services. FET remains committed to enhancing customer experience across six key dimensions: network performance, cybersecurity, device selection, personalized digital services, in-store experience, and payment flexibility. FET enables customers to choose services and plans that fit their needs as it enhances the overall perceived value of its offerings. This attracts consumers to adopt a more diverse range of high-quality mobile and digital services from FET, thereby increasing overall customer contribution and ARPU (Average Revenue Per User). FET aims to optimize returns on the investments in spectrum and infrastructure while driving sustained growth in mobile communication revenue.

1.2.3.2.2 Enterprise business

FET continues to be customer-oriented and innovative. FET is well-informed of the development trends in the technology market, introduces ICT integrated services such as cloud, big data and IoT, and provides customers with one-stop ICT solutions. At the same time, FET extends its practical experience in digital transformation to build hybrid cloud and intelligent multi-cloud monitoring services from the inside out, assisting the government and enterprises in their digital transformation.

In the enterprise market, Chunghwa Telecom maintains its leading position, leveraging both its extensive fixed-line network and scale advantages, and remains the primary competitor. Meanwhile, FET continues to capitalize on the synergies from its merger with Asia Pacific Telecom, not only optimizing infrastructure but also addressing customers' growing demand for resilient networks. On the other hand, FET focuses on 5G private network applications for smart manufacturing and the development of IoT technologies. The Information & Digital Transformation Technology takes a more aggressive approach in developing intelligence applications and solutions to fulfill the needs of various industries and government departments. These applications and solutions cover sectors of smart city, smart transportation/Internet of Vehicles, smart medical treatment, and smart manufacturing. At the same time, in response to the global ESG trend, an increasing number of solution providers have entered the field of energy management and carbon inventory applications. By integrating products related to energy transition and carbon management, and leveraging its strong innovation and system integration capabilities as well as flexible service models, FET is able to differentiate itself from competitors and strengthen its competitive position in the market.

Operational Highlights

1.2.3.3 Property Development Business

In order to accelerate land development and integrate the Group's land resources, FENC leverages the Group's synergies to enhance asset utilization efficiency and investment performance. For example, prime locations in Banqiao District, New Taipei City, and Jiaoxi Township, Yilan County, are being developed into Tpark—an ICT hub—and a hot spring resort project, respectively. Notably, the Neili Project has successfully passed the review by the Ministry of the Interior's Urban Planning Commission. Additionally, land in Wugu District, New Taipei City, has been developed into a logistics center to improve supply chain operation efficiency. In the future, the Company will accelerate the strategic development of land, initiating construction projects on buildable land for sale or lease, to further unlock hidden land value and generate profits.

1.2.3.4 Investment & Others Business

The Company leverages its management experience and integrates group resources to enhance the benefits of its investments, resulting in solid performance from its investee companies. Asia Cement Corporation has demonstrated stable performance in its core business, as well as in its ready-mix concrete and power-related investments, while also expanding into the low-carbon cement market and developing low-carbon products. Far Eastern Department Stores, Ltd. (FEDS) has adopted new technologies to develop smart retail, expand its retail footprint, and continues to plan new store openings, reflecting its growth potential. The Company will continue to seek quality investment opportunities to enhance profitability and strengthen its overall returns.

1.3 Technology Innovation and R&D Overview

1.3.1 R&D Expense in Recent Years

R&D expenses in 2025 & 2024 were NT\$ 1,146.109 million and NT\$ 1,319.026 million, respectively.

1.3.2 Successful Technology or Products from the Development

1.3.2.1 Production Business

Anti-static APET sheet for flexible circuit applications, film for HDPE bottles, high elastic recovery hot melt fiber, rPET-based polyester elastomer for shoe foams, anti-sweat staining polyester fiber, quick-drying polyester fiber, liquid bandage.

1.3.2.2 Telecommunication Business

friDay Video, friDay Shopping, FET Network Security, FET Mobile Circle App, insurance services, Smart Plus, Health +, Smart Kids Watch, 5G smart manufacturing application, 5G smart warehousing with integrated human-machine connectivity, Smart Intersection, uninterruptible traffic signal power system, smart streetlamps, Energy Management System, 5G telemedicine.

1.3.2.3 Property Development Business

Implementation of cutting-edge construction technologies serves to optimize project timelines, enhance quality, and reduce costs. Furthermore, incorporating Green Building standards, Net-Zero Carbon initiatives, and Building Energy Efficiency ratings into development assessments reflects a steadfast commitment to sustainable development and environmental responsibility.

1.4 Long-term and Near-term Business Plans

1.4.1 Near-term Business Plan

1.4.1.1 **Strengthening Industry Leadership**

FENC, as the world's only vertically integrated supplier spanning from upstream polyester raw materials to downstream end-product applications, is well positioned to respond to the growing trend of regionalization and localized production amid escalating trade tensions. Leveraging its strategic supply of upstream raw materials, its global leadership in polyester, and its role as a long-term key supplier to international brands in textiles, the Company fully capitalizes on its vertical integration advantages to establish a highly competitive production and sales model, effectively mitigating operational risks. The Company operates a global manufacturing footprint and maintains industry-leading capacity in rPET while continuing to expand its scale of operations, including the commencement of production at its Vietnam plant in 2025 and expected capacity coming onstream in Malaysia in 2026. Looking ahead, the Company will continue to advance its green material expansion plans, strengthening overall supply chain resilience and reinforcing its industry leadership.

1.4.1.2 **Pioneering Innovation in Eco-friendly Technology**

The Company has long been committed to the circular economy and is a global leader in PET bottle recycling and regeneration. The Company continues to invest in research and development (R&D) and has introduced chemical recycling technologies to convert mixed-material and hard-to-recycle textile waste into high-quality recycled materials, while successfully overcoming application barriers in high-performance segments with stringent requirements, such as automotive airbags. In 2025, the Company pioneered the development of CO₂-based non-isocyanate polyurethane (PU)—FENC® TopGreen® AirTek PU—which combines carbon capture, carbon reduction, and non-toxic advantages, reducing carbon emissions by 58% compared with conventional PU. This innovation received the “Best CO₂ Utilisation 2025” Innovation Award in Germany, making FENC the first Asian company to receive this recognition since the award's inception. The Company has also developed mono-material circular design materials, advancing closed-loop recycling for footwear and textiles. In 2025, in collaboration with the French sports brand Salomon, FENC launched the world's first trail running shoe featuring a midsole made from recycled polyester materials, demonstrating innovative applications of circular materials.

1.4.1.3 **Driving Digital Transformation**

FENC is actively advancing digital transformation by deploying intelligent systems and AI application strategies, and has established dedicated project teams to accelerate the implementation of AI across manufacturing, sales, and administrative management. On the production side, the Company integrates big data, the Internet of Things (IoT), and drone inspection to develop smart factories. On the management side, its self-developed AI platform, AIFE (AI Far Eastern), serves as the core architecture for transformation, emphasizing user-friendliness and cross-domain scalability, enabling AI to serve as a cross-functional digital assistant and support decision-making. The Company's AI application achievements have also received recognition. In 2025, FENC received an Honorable Mention in the “Best AI Awards” (Company category) from the Ministry of Economic Affairs, as the only manufacturing company recognized, and was awarded the Potential Star Award in the “GenAI Stars” competition organized by the Ministry of Digital Affairs, demonstrating the maturity and innovation of its AI-driven operations.

1.4.2 Long-term Business Plan

1.4.2.1 **Expanding the Circular Economy Landscape**

FENC actively promotes the use of low-carbon and green raw materials to establish waste recycling models, leveraging green technologies to drive corporate transformation. As an industry leader in circular economy practices, the Company continues to push boundaries and has set a target for green products to account for 50% of production business revenue by 2030. In 2025, revenue from FENC's green products reached a record high of NT\$ 50.6 billion, representing a 5% increase from the previous year. Green products accounted for over 40% of production business revenue, providing strong momentum for the Company's growth.

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1.4.2.2 Advancing Toward Net-Zero Emissions

The Company is committed to achieving net-zero emissions by 2050 and is pursuing a structured and actionable decarbonisation pathway. Key initiatives include improving process energy efficiency, adopting low-carbon fuels, increasing the use of renewable energy, and advancing technologies such as carbon capture and utilization (CCU). The Company is progressing toward its 2030 target of a 50% reduction in greenhouse gas (GHG) emissions, with combined Scope 1 and Scope 2 emissions already reduced by 40% from the 2020 baseline as of 2025. The Company has adopted the Science Based Targets initiative (SBTi) and is the world's first polyester and synthetic fiber company to have its GHG emissions reduction targets validated under the 1.5°C pathway. It also aligns with the IFRS Sustainability Disclosure Standards (IFRS S2) and the TCFD framework to strengthen its management of climate-related risks and opportunities, supported by internal carbon pricing mechanisms.

1.4.2.3 Pursuing Sustainable Growth

FENC continues to embed ESG development into the core of its business operations and has received broad recognition across major domestic and international sustainability assessments. In 2025, the Company was named to the CDP Climate Change A List, the highest rating awarded by the global climate disclosure platform. It also received the Gold Award for sustainability reporting at the Global Corporate Sustainability Awards (GCSA), as well as the Platinum Award and Climate Leadership Award at the Taiwan Corporate Sustainability Awards (TCSA). In sustainable finance, the Company continues to set industry benchmarks and drive innovation. Since 2018, FENC has issued over 50 sustainable financial instruments, many of which represent firsts in Taiwan or Asia, raising more than NT\$ 90 billion to support sustainability-related projects. Through these efforts, the Company continues to translate its sustainability strategy into tangible industrial impact.

2. Overview of Market, Production, and Sales Market Analysis

2.1 Market Analysis

2.1.1 Sales Regions of the Company's Main Products (Services)

The major sales regions and the percentage sales of the production business: Asia (61%), America (31%), Europe (5%), and others (3%).

2.1.2 Domestic Market Share of Major Products (KPI Value)

Items \ Products	Polyester Polymer		Polyester Staple Fiber		Polyester Filament	
	Production	Sales	Production	Sales	Production	Sales
FENC (tons)	544,810	14,004	70,308	71,964	36,513	16,611
Taiwan (tons)	2,107,856	1,094,469	183,172	190,312	386,827	249,514
Market Share (%)	25.8%	1.3%	38.4%	37.8%	9.4%	6.7%

Source: Department of Statistics, Ministry of Economic Affairs & FENC

Note: Polyester polymer manufactured by the Company is mainly for internal downstream usage.

According to NCC statistics for December 2025, mobile user market shares are as follows: CHT: 39.7%, FET: 28.8%, and TWM: 31.5%. FET's 5G postpaid penetration rate reached 47.5%, the highest among the three telecom operators. Therefore, FET has repeatedly set new highs in mobile service revenue and is well positioned to further expand its overall revenue.

2.1.3 Future Supply/Demand Situation and the Prospects of the Market

2.1.3.1 Production Business

In 2026, global GDP growth is projected to reach 2.9% (source: OECD), representing a 0.3 percentage point decline from 2025. This slowdown is primarily driven by geopolitical conflicts and policy uncertainties, which continue to weigh on global economic momentum. Among major economies, U.S. GDP growth is expected to decrease by 0.3 percentage points YoY to 1.7%, reflecting moderating employment growth, reduced fiscal spending, and the impact of tariff policies on consumer demand. Meanwhile, China's GDP growth is projected to slow to 4.4%, down 0.6 percentage points from the previous year, due to ongoing adjustments in the real estate market, weakened investment momentum, and rising trade barriers.

In response to these external uncertainties, FENC continues to leverage its strengths in innovation and advanced manufacturing. The Company is further advancing its recycling technologies, promoting low-carbon processes, and expanding downstream applications for recycled polyester to strengthen its market competitiveness. At the same time, it maintains close partnerships with global brand customers while enhancing supply chain resilience and improving cross-regional production and logistics efficiency, ensuring stable operations amid market volatility.

As technological advancement accelerates alongside increasing pressure for green transition, global industrial structures continue to evolve. With sustainability at the core of its strategy, FENC is strengthening its capabilities in AI and low-carbon development to navigate this transformation, demonstrating its commitment and resilience in leading the industry forward.

2.1.3.2 Telecommunication Business

After Taiwan telecom industry officially entered 5G era, consumer and enterprise applications constantly emerging, and lead to a growth in the industry. Beyond 5G AI smartphones, digital entertainment, and smart living applications, cybersecurity and anti-fraud services have emerged as critical market demands. Consequently, building on the foundation of fast, stable connectivity and secure transmission, telecom operators are aggressively developing innovative services to lead various customer segments into a transformative 5G digital lifestyle.

Operational Highlights

2.1.3.3 Property Development Business

In 2025, Taiwan's real estate market continued to be impacted by the central bank's seventh round of selective credit controls, leading to a "shrinking volume and slowly falling prices" trend in the residential market. In contrast, the commercial and industrial real estate markets showed relative stability. The government adhered to a policy of "curbing housing but not commercial," which helped maintain steady performance in the commercial real estate sector. Moreover, sustainability issues such as ESG (Environmental, Social, and Governance) practices, green buildings, carbon-reduction buildings, energy-efficient buildings, and the use of eco-friendly materials have gained increasing importance and are being legislated as standards. Both foreign and domestic listed companies also favored low-carbon and sustainable spaces when selecting locations, which will be a key competitive factor in the future office market. Looking at the supply trends through the issuance of construction licenses (future supply) and usage licenses (new supply), the numbers reveal important insights about market changes.

(A) Building Construction License in 2025

In the category of residential property: The total number of construction licenses issued for residential property nationwide reached 138,792 units (-11.5%), with a total floor area of 17.93 million sq-meters (-12.9%). Among the six municipalities, the top three in terms of the floor area of construction permits were Taichung City (3.763 million sq-meters), Taoyuan City (3.363 million sq-meters), and Kaohsiung City (2.491 million sq-meters). Except for Kaohsiung City (+30 thousand sq-meters, +1.2%), which saw positive growth, the other five municipalities experienced negative growth: Taipei City (-533 thousand sq-meters, -31.8%), Tainan City (-348 thousand sq-meters, -28.8%), Taichung City (-713 thousand sq-meters, -15.9%), New Taipei City (-359 thousand sq-meters, -13.2%), and Taoyuan City (-205 thousand sq-meters, -5.8%).

In the category of commercial property: The top three in terms of the floor area of construction permits among the six municipalities were Tainan City (94 thousand sq-meters), Taoyuan City (75 thousand sq-meters), and Taichung City (60 thousand sq-meters). Except for Kaohsiung City (+25 thousand sq-meters, +225.2%) and Tainan City (+41 thousand sq-meters, +77.3%), which recorded positive growth, the other four municipalities experienced negative growth: New Taipei City (-35 thousand sq-meters, -95%), Taichung City (-620 thousand sq-meters, -91.2%), Taipei City (-150 thousand sq-meters, -86.3%), and Taoyuan City (-310 thousand sq-meters, -80.6%).

In the category of office buildings: The top three in terms of the floor area of construction permits among the six municipalities were Tainan City (1.323 million sq-meters), Taipei City (575 thousand sq-meters), and New Taipei City (380 thousand sq-meters). Only New Taipei City (+119 thousand sq-meters, +45.9%) and Tainan City (+78 thousand sq-meters, +6.2%) recorded positive growth, while the remaining municipalities experienced declines: Taoyuan City (-222 thousand sq-meters, -61.3%), Taichung City (-206 thousand sq-meters, -58.1%), Taipei City (-282 thousand sq-meters, -32.9%), and Kaohsiung City (-24 thousand sq-meters, -15.2%).

In the category of industrial buildings: The top three in terms of the floor area of construction permits among the six municipalities were Taoyuan City (1.222 million sq-meters), Tainan City (806 thousand sq-meters), and Kaohsiung City (706 thousand sq-meters). Taoyuan City (-835 thousand sq-meters, -40.6%), New Taipei City (-310 thousand sq-meters, -38.8%), and Taichung City (-85 thousand sq-meters, -12.5%) recorded negative growth. The remaining three cities experienced positive growth: Tainan City (+242 thousand sq-meters, +43.0%), Kaohsiung City (+80 thousand sq-meters, +12.8%), and Taipei City (+0.4 thousand sq-meters, +0.7%).

(B) Building Usage License in 2025

In the category of residential property: The total number of usage licenses issued for residential property nationwide reached 142,616 units (+3.2%), with a total floor area of 19.47 million sq-meters (+0.7%). Among the six municipalities, the top three in terms of the floor area of usage permits were Taichung City (3.879 million sq-meters), Taoyuan City (3.586 million sq-meters), and New Taipei City (2.993 million sq-

meters). Except for Taipei City (-248 thousand sq-meters, -17.9%) and Taichung City (-113 thousand sq-meters, -2.8%), which saw negative growth, the remaining four cities recorded positive growth: New Taipei City (+550 thousand sq-meters, +22.5%), Kaohsiung City (+291 thousand sq-meters, +12.5%), Taoyuan City (+112 thousand sq-meters, +3.2%), and Tainan City (+7 thousand sq-meters, +0.6%).

In the category of commercial property: Among the six municipalities, the top three in terms of the floor area of usage permits were Taichung City (328 thousand sq-meters), Tainan City (166 thousand sq-meters), and Taipei City (125 thousand sq-meters). New Taipei City (-171 thousand sq-meters, -72.2%) and Taipei City (-82 thousand sq-meters, -39.5%) experienced negative growth. However, the other four cities recorded positive growth: Taichung City (+298 thousand sq-meters, +987.2%), Tainan City (+78 thousand sq-meters, +88.8%), Kaohsiung City (+22 thousand sq-meters, +25.3%), and Taoyuan City (+3 thousand sq-meters, +24.5%).

In the category of office buildings: Among the six municipalities, the top three in terms of the floor area of usage permits were Tainan City (774 thousand sq-meters), Taipei City (671 thousand sq-meters), and New Taipei City (236 thousand sq-meters). Taichung City (-45 thousand sq-meters, -22.2%), New Taipei City (-65 thousand sq-meters, -21.5%), and Taipei City (-109 thousand sq-meters, -13.9%) experienced negative growth. The remaining three cities recorded positive growth: Kaohsiung City (+122 thousand sq-meters, +188.5%), Taoyuan City (+99 thousand sq-meters, +101.7%), and Tainan City (+192 thousand sq-meters, +33.1%).

In the category of industrial buildings: Among the six municipalities, the top three in terms of the floor area of usage permits were Taoyuan City (1.263 million sq-meters), Taichung City (1.003 million sq-meters), and Tainan City (850 thousand sq-meters). Taipei City (-37 thousand sq-meters, -84.9%) and Taoyuan City (-481 thousand sq-meters, -27.6%) experienced negative growth. The remaining four cities recorded positive growth: Taichung City (+484 thousand sq-meters, +93.5%), Tainan City (+407 thousand sq-meters, +92.1%), Kaohsiung City (+277 thousand sq-meters, +53.5%), and New Taipei City (+11 thousand sq-meters, +2.2%).

Overall, the residential market presented a "shrinking volume and slowly falling prices" trend in 2025: The total housing transaction volume nationwide was only 261,000 units, a sharp contraction compared to 351,000 units in 2024. In terms of future supply, the number of construction permits issued for residential properties was 138,792 units, an 11.5% decrease compared to 2024. This was mainly due to the implementation of the seventh round of selective credit controls by the central bank in September 2024, causing banks to tighten lending and developers to adopt a conservative strategy of reducing project launches amidst uncertain market prospects. On the other hand, regarding completed new supply, the number of usage permits issued for residential properties reached 142,616 units, a record high since 1996; the total floor area was 19.47 million sq-meters, the highest since 2007. This phenomenon primarily reflects that the large number of projects launched by developers between 2020 and 2022 were completed sequentially, leading to a peak in handovers across Taiwan in 2025 and boosting the supply of new homes.

In the commercial real estate sector, benefiting from the increasingly perfected metro transit network and transportation infrastructure in the northern region, surrounding commercial and industrial real estate exhibited strong resilience against downturns. Rent for industrial and office spaces is expected to maintain stable growth. Looking ahead to 2026, as new office buildings are completed and supply is released, the market will face pressure from increased supply, and rental levels and absorption rates may enter an adjustment period. However, the overall vacancy rate is estimated to remain controlled within 10%, indicating a relatively stable market performance.

Operational Highlights

2.1.4 Competitive Advantages, Disadvantages, and the Company's Measures to Counteract Negative Factors

A. Competitive advantages

- (1) Long-term accumulation of industrial know-how
- (2) Industry leadership in the circular economy
- (3) Diversified product applications and innovation capabilities
- (4) Cross-regional supply capabilities supported by vertical integration

B. Positive factors

- (1) Rising demand for sustainable and circular materials
- (2) Expansion of polyester feedstocks and application areas
- (3) Clients' shift towards sourcing from diverse regions
- (4) Continued growth in global polyester demand

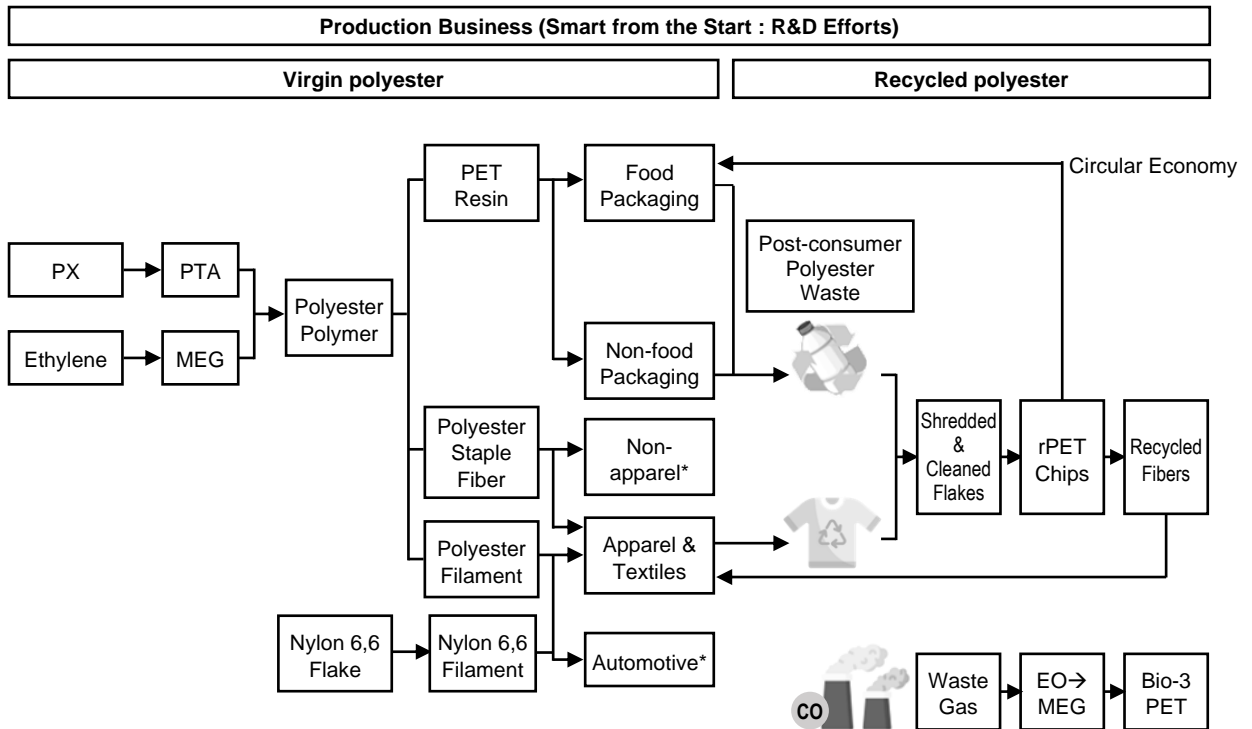
C. Negative factors

- (1) Significant volatility in global geopolitical conditions
- (2) Rise of global trade protectionism
- (3) Fluctuations in raw material and energy prices
- (4) Rapid expansion of peers' capacities

D. Company's measures to counteract negative factors

- (1) Expanding the scale and market penetration of green products
- (2) Strengthening carbon management and enhancing compliance advantages of low-carbon products
- (3) Promoting digital AI management and smart manufacturing
- (4) Strengthening customer relationships and establishing long-term partnerships
- (5) Establishing a sustainable business model
- (6) Leveraging vertical integration and regional supply chain advantages

2.2 Applications and Production Process of Major Products



* "Non-apparel" & "Automotive" have started to utilize recycled PET as raw materials

2.3 Sources of Major Raw Materials

Item	PTA, EG	Cotton, Polyester Staple Fibers	Fabrics	Finished fabrics	Remarks
Major sources	Internally supplied, Saudi Arabia	The United States, internally supplied	Internally supplied	The United States, internally supplied	Supplies of major raw materials are stable and sufficient.

2.4 Major Suppliers or Customers Who Account for above 10% (inclusive) of Purchases / or Revenues in Recent Two Years

2.4.1 Suppliers Who Account for above 10% (Inclusive) of Purchases in Recent Two Years: None

2.4.2 Customers Who Account for above 10% (Inclusive) of Revenues in Recent Two Years: None

Operational Highlights

2.5 Volume and Value of the Production in Recent Two Years

Unit: NT\$ thousands

Main Products		Year	2025			2024		
			Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Production Business	PTA	MT	1,520,000	1,157,863	24,651,941	1,520,000	1,377,631	33,573,742
	Polyester Chip	MT	2,213,800	1,820,023	48,226,660	2,505,800	1,930,386	61,468,670
	PET Resin (Note 1)	MT	2,371,800	2,056,171	55,651,126	2,308,250	2,192,075	74,057,670
	PET Bottle Preform	Thousand pieces	3,090,000	2,465,686	2,343,213	2,910,000	2,627,536	2,695,449
	PET Sheet	MT	90,600	76,811	2,704,865	90,600	79,886	3,127,339
	Polyester Staple Fiber (Note 2)	MT	260,640	152,168	6,035,923	341,000	242,187	9,766,706
	PET Film	MT	21,120	17,729	1,040,790	21,120	24,822	1,414,488
	Partially Oriented Yarn	MT	85,800	60,887	3,098,019	78,000	76,009	3,871,207
	Drawn Textured Yarn	MT	82,320	43,367	3,085,609	47,040	46,931	3,317,875
	Yarn (Note 2)	Bales	139,010	68,367	1,400,865	216,285	110,887	2,223,062
	Knitted Fabrics	MT	33,240	22,084	7,515,126	38,280	22,842	7,370,521
	Industrial Fabrics	MT	21,600	15,552	1,344,648	21,600	16,655	1,563,293
	Industrial Yarn	MT	125,000	105,194	5,351,497	125,000	116,154	6,596,548
	Apparel	Thousand pieces	72,475	64,366	11,731,811	74,484	60,322	10,843,628

Note 1: Including recycled PET.

Note 2: In response to cost optimization initiatives, annual capacity for yarn and polyester staple fiber has been rationalized, with reductions of 36% and 24%, respectively.

2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT\$ thousands

Main Products			Year		2025				2024			
					Domestic sales		Export sales		Domestic sales		Export sales	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue		
Production Business	PTA	MT	625,712	13,037,601	538,172	10,816,898	766,964	18,550,210	631,560	14,893,164		
	Polyester Chip (Note1)	MT	23,870	721,300	10,172	335,164	28,751	988,388	4,180	307,329		
	PET Resin (Note2)	MT	816,021	31,006,800	1,110,583	35,393,315	841,876	34,732,334	1,146,494	43,407,884		
	PET Bottle Preform	Thousand pieces	1,501,743	1,370,820	806,780	1,084,257	1,633,624	1,672,454	811,986	1,187,774		
	PET Sheet	MT	41,907	1,558,709	33,831	1,356,211	44,025	1,770,082	35,859	1,559,116		
	Polyester Staple Fiber	MT	82,905	3,176,648	99,165	4,167,334	98,776	3,927,195	149,346	6,606,615		
	PET Film	MT	3,725	295,271	14,124	1,064,527	6,424	518,894	18,387	1,558,616		
	Partially Oriented Yarn	MT	21,429	1,009,936	4,347	258,137	40,880	1,825,610	3,507	223,188		
	Drawn Textured Yarn	MT	27,152	1,714,889	22,390	1,532,388	24,642	1,650,954	26,479	1,878,901		
	Yarn	Bales	68,556	1,398,340	9,962	204,545	86,534	1,995,242	26,631	445,773		
	Knitted Fabrics	MT	7,586	2,092,901	20,754	9,136,819	5,788	2,196,108	21,415	8,738,124		
	Industrial Fabrics	MT	6,350	570,273	10,396	1,142,669	7,860	755,085	9,657	1,122,898		
	Industrial Yarn	MT	39,584	2,208,233	38,956	2,658,067	39,490	2,273,125	50,377	3,522,228		
Apparel	Thousand pieces	4,436	1,393,048	69,782	11,642,140	4,924	1,656,487	60,215	10,684,442			

Note1: Mainly due to internal consumption

Note2: Including recycled PET

3. Information about Employees

Year		2025	2024	Mar 31, 2026
Number of employees		30,603	30,896	30,498
Average age		38	38	39
Average years of service		8.6	8.5	8.5
Breakdown of educational level (Note)	Ph.D.	0.2%	0.2%	0.2%
	Master	7.1%	7.0%	7.1%
	Bachelor	44.0%	44.8%	43.5%
	High school and below	48.7%	48.0%	49.2%

Note: Foreign Labors are not included in this statistic.

Operational Highlights

4. Expenses on Environmental Protection

4.1 Loss or Damage Due to Pollution, Disclosure on Current and Future Estimates of Possible Damages and Countermeasures:

The Company has not incurred significant operational losses due to environmental pollution. Only a few isolated incidents have resulted in minor fines due to unintentional exceedances of discharge standards. For example, the Company's Hsinpu Chemical Fiber Plant was fined NT\$ 99,000 and required to complete two hours of environmental training on May 1, 2025 (Case No. 30-114-050002), for exceeding COD limits in discharged firefighting wastewater, in violation of Paragraph 1, Article 28 of the Water Pollution Control Act.

In response, the Company has strengthened its mechanisms for isolating and optimizing rainwater and wastewater discharge pathways, and conducts regular inspections and maintenance of drainage systems and interception facilities to reduce the risk of wastewater leakage. It also continues to promote greenhouse gas (GHG) emissions inventory and verification, with monthly reviews of environmental policy implementation to minimize the occurrence of pollution incidents.

5. Employees Welfare

5.1 Current Agreements with Employee and Employee Welfare

5.1.1 Recruitment

Employees are an important key to the Company's growth. In order to continue to strengthen the Company's operational efficiency, we actively recruit outstanding talents across various fields through diverse recruitment channels, including job banks, headhunting consultants, and staffing services, to provide the required manpower for every business unit.

Guided by the principles of "appropriate talents, suitable places" and "make the best use of employees' talents", we evaluate candidates based on character, personality traits, professional knowledge, job skills, etc., and treat applicants of different races, genders, ages, religions, nationalities or political stances equally through fair and transparent procedures. To uphold corporate sustainability and fulfill social responsibility, we proactively review whether our staffing partners comply with labor regulations before engaging in any employment arrangements. This compliance serves as a key criterion for partnership evaluations, ensuring the protection of the rights and interests of dispatched labor.

5.1.2 Compensation

The Company established a variable payroll system that rewards long-term individual and team performance. The Articles of Incorporations stipulates that 2%-3.5% of the Company's net profit shall be dedicated toward employee compensation, with no less than 25% of the employees' compensation reserved for nonexecutive employees. Company and Business-wide performance is taken into consideration for determining the monthly and annual employee bonuses. For production bonuses, additional consideration includes the actual output rate, scrappage rate, quality, energy as well as occupational safety. The bonus system is a means to encourage all units to ensure occupational safety and protect the environment through energy conservation, carbon reduction and recycling, and to incentivize employees to optimize the production flow and fully embody corporate sustainability. In addition, executive management remuneration is linked to ESG performance, covering short-, medium-, and long-term objectives. The applicable scope includes the President and the Chief Operating Officer, as well as Executive Vice Presidents, Assistant Vice Presidents, and Managers responsible for driving sustainability initiatives. Therefore, business sites in Taiwan participate in the salary survey conducted by Willis Towers Watson on a regular basis to stay up to date on the market rate and make proper adjustment.

5.1.3 Insurance

The Company ensures that their employees are covered with labor insurance and healthcare insurance. New recruits and those chose the new scheme, 6% of full salary will be allocated into employee's individual retirement pension account. We also offer accident insurance and special rates for cancer and illness insurances which are optional for all employees.

5.1.4 Employee Welfare

The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds, and manages various welfare activities for employees. The said activities include, but are not limited to, employee outings and hiking trips. The Company also organizes a volunteer club, a gymnastics club, a yoga club, a badminton club, an aerobic dance club, a table tennis club, a basketball club, all of which are held on regular basis. Additionally, the Company provides free health checkups, child education scholarships, holiday bonuses for birthdays, weddings, funerals, child births, and traditional festival holidays for its employees.

5.1.5 Employee Training and Development

The Company has established a systematic, strategy-driven career and capability development program to address employee development needs across job levels and career stages. The Human Development Center oversees the planning, implementation, and ongoing management of this program.

Key components include:

(1) New Employee Onboarding

We deliver a structured onboarding program, including new hire training camps and required foundational courses, to support employees in understanding our corporate culture, values, and product knowledge.

(2) Functional and Professional Capability Development

We provide role-based upskilling to strengthen the essential knowledge, skills, and operating standards required for each position, thereby improving work quality and operational efficiency.

(3) Leadership Development for Managers

Our leadership development offerings include management capability training and programs for newly appointed managers. Core topics cover business acumen, decision-making, communication and leadership, and cross-functional resource integration.

Implementation and Outcomes

- (1) In 2025, total training participation reached 243,142 attendances, with cumulative learning hours totaling 524,340 hours.
- (2) Cross-site deployment: The program covers major operating locations including Taiwan, Mainland China, and Vietnam, with localized and remote learning support for overseas employees.
- (3) We continue to enhance the learning experience through mobile learning via an app, integration of digital learning resources, and language localization—enabling employees to pursue self-directed learning anytime, anywhere.
- (4) Training quality has been recognized both domestically and internationally, including consecutive TTQS Silver Awards, the Brandon Hall HCM Excellence Awards, and the LinkedIn Learning Awards for Best Learning Culture.

5.1.6 Employee Rewards

The Company's growth and success are relying on all Far Easterners' hard work, non-stop innovation, and continuous dedication. We have many incentive programs like proposal improvement bonus of the production unit and research development bonus of the research unit. For high-performance employees or teams in different fields, the "Far East Spirit Award" and "Far East Energy Conservation Award" are selected annually. The Company encouraged employees to think creatively, work actively, and present the awards in joint meeting of affiliated companies publicly. In addition, senior colleagues are also given seniority service rewards and retirement thanks for their long-term commitment and contribution to the Company.

5.1.7 Talent Retention

The Company implements the talent retention policy in a multi-pronged approach. For example, through regular labor-management council and satisfaction surveys, we provide multiple channels for colleagues to speak out and accept their opinions to formulate corresponding policies for improvement. At the same time, the Company is committed to developing and promoting talents internally and provides a stage for employees to show their talents through institutionalized performance appraisal methods, education and training, project assignments and job rotation opportunities. In addition, a friendly retention environment is built through the employee stock ownership trust plan that shares the Company's operating results.

Operational Highlights

5.1.8 Pension and Retirement Plan

The pension fund, and all other employee retirement related affairs, is managed in compliance with the Labor Standards Act. "The Supervisory Committee of Employees' Pension Fund" has been established to review and supervise the management of employee pensions. The pension fund is appropriated to the pension fund trust account in custody of Bank of Taiwan to assure the interest of current and retired employees. In addition, pension funds are appropriated monthly to individual pension accounts for those who are qualified or voluntarily choose the new pension fund system in accordance with the "Labor Pension Act".

We handle retirement issue according to related laws and regulations. In Taiwan, FENC established Employee Retirement Fund Committee in 1980 and allocate fund for retirement pension. We opened account for employee retirement fund at Central Trust in 1984 and established Supervisory Committee of Employees' Retirement Fund. The Committee which employees exceed half of its members meets quarterly. It supervises whether each company has abided by regulation to handle retirement issue and whether there is enough money in the fund. Willis Towers Watson is in charge of retirement pension actuary and allocation. The Ministry of Labor launched new system for retirement pension in July 2005. FENC consulted all employees on transition of retirement system. For new recruits and those chose the new scheme, 6% of full salary will be allocated into employee's individual retirement pension account. For those opted old scheme, they will receive pension accumulated from years of working in the Company at retirement. The retirement scheme covers 100% of permanent employees.

5.1.9 Attendance and Leave Policy

The Company established regulations of rest days, annual leave, and overtime payment standards in accordance with the Labor Standards Act. Employees who need to take long leaves of absence for parental leave or severe injuries can also apply for unpaid leaves, and then apply for reinstatement after the expiration of the period, to fulfill both personal and family needs. Our Legal Department, Human Resource Department, Auditing Department, and all businesses convene joint meetings quarterly to ensure the legal compliance of each unit.

5.1.10 Collective Bargaining Agreement

The Company respects the right of employees at each production site to exercise freedom of association, form unions, and engage in collective bargaining. Every three years, discussions on the content of collective agreements are conducted, engaging in full communication, and implementing decisions accordingly. The participation rate of Far East New Century's unionized employees averages 92%, with collective agreements covering 100% of formally unionized employees. In addition, employees can express their opinions to management through various internal channels such as suggestion boxes, supervisor meetings, and speak up mechanisms. The Company actively fostering a good relationship of cooperation between labor and management. Furthermore, regular human rights due diligence investigations are conducted concerning stakeholders to prevent labor disputes from occurring.

5.1.11 Best Practice Principles of Ethical Corporate Management and Code of Ethics

In order to cultivate an enterprise culture to sustain the development of the Company and ensure all businesses conducted with sincerity and integrity. Guidelines such as Best Practice Principles of Ethical Corporation Management, Code of Ethics, and Procedures for Ethical Management and Guidelines for Conduct are to ensure that the management of each department charges forward under the guiding light of integrity. The principles shall be abided by directors, managers, employees, mandataries.

The contents of the Best Practice Principles of Professional Corporate Management include prohibition against business conduct without prudence and integrity, definitions and scopes of benefits, compliance with laws and regulations, policy, prevention procedures and rules, commitment and execution, prohibition against infringing intellectual property rights, ethical commercial activities, prohibition against disclosure of confidential information, prohibition against offering and receiving bribery, prohibition against illegal political donations, prohibition against improper charity donations and sponsorship, prohibition against improper gifts, hospitality, or other improper benefits, confidentiality agreement, organization and responsibility, compliance with laws and regulations, prevention of conflicts of interests, accounting and internal control, educational training and performance evaluating system, blow-the-whistle and discipline, disclosure...etc.

The contents of Code of Ethics include principle of prudent and ethical management, prevention of conflicts of interests, prohibition of inappropriate personal benefit, preservation of confidentiality, fair transactions and treatments, proper safeguard and use of the Company's assets, compliance with laws and regulations, to blow the whistle, discipline and remedy, disclosure...etc.

The contents of Procedures for Ethical Management and Guidelines for Conduct include prohibition against providing or accepting improper benefits, procedures for handling the acceptance of improper benefits, refusal, special unit in charge of confidentiality regime and its responsibilities, prohibition against disclosure of confidential information, non-disclosure agreement, announcement of policy of ethical management to outside parties, statement of ethical management policy to counterparties in commercial dealings, avoidance of commercial dealings with unethical operators, handling of unethical conduct by personnel of this Corporation, actions upon event of unethical conduct by others towards this Corporation, establishment of a system for rewards, penalties, and complaints, and related disciplinary measures...etc.

5.1.12 Working Environment and Employee Safety Protection Procedures

In order to create a healthy and comfortable work environment and continue to reduce occupational hazards, the Company has formulated occupational safety and health policies as the highest guiding principle in safety and health management at FENC.

Safety at work is of paramount importance to the Company. Legal compliance, continued improvement, all-out participation, risk management and public disclosure are our commitments to safety and health at FENC. We have spared no efforts to strengthen our capabilities in this regard and incorporated safety and health into our corporate culture.

A. With labor and management participated to establish a safety and health working environment:

The key to the successful occupational safety and health management is to fully incorporate each employee well participated. Each of our operational sites has a committee that holds quarterly meetings, develops policies, coordinates efforts and oversees the management of safety and health at work. Additionally, through the operation of the Safety and Health Committee, Management and labor representatives participated in health and safety meeting to address the feasible alternatives to better facilitate a safety and health working environment.

B. Occupational safety and health management:

In order to strengthen the occupational safety and health management and to mitigate the risk of related operation, the Company has obtained Occupational Safety and Health Management Systems certifications for its 20 production sites, covering 100% of the workforce. Additionally, 17 operational sites have obtained ISO 45001 and TOSHMS certifications, with the certificates valid from July 6, 2023, to July 5, 2026. This demonstrates the commitment to ensuring a safe and healthy work environment for the employees.

C. Work environment sustainability:

In accordance with the procurement policies of Taiwan Occupational Safety and Health Management (CNS45001), the Company's procurement of machinery, tools, equipment, material and feedstock met the related safety and health criteria on checking, discharging, delivery, storing and installing.

In addition, to better understand our employees' work environment and assess their exposure, the Company's commissions certified work environment monitoring institutes for different production bases to follow the monitoring plans twice each year. Based on the monitoring results, the Company has carried out construction improvement and adopted better management or control methods to ensure employees' health and safety at work.

D. Employee health sustainability:

The Company conducts annual employee health examinations and implements health management practices that exceed regulatory requirements. In addition to employing professional occupational health and nursing personnel at each site, the Company also engages medical specialists. These specialists provide personalized health guidance based on examination results, including support for chronic disease and metabolic syndrome prevention. For employees exposed to specific occupational health risks, the specialists perform post-examination risk classification and offer targeted analysis and recommendations to support effective health management.

Operational Highlights

E. Disaster response drills:

In order to respond to emergencies effectively, various drills are conducted annually in response to different types of disasters at all operational sites. The drills can better prepare our employees to handle contingencies and provide opportunities to examine their response and their familiarity with different tools and equipment. Our goal is to prevent or reduce casualties, minimize property damage and environmental impact as well as protect employees in the plant areas and those who living in the neighborhood.

F. Safety and health personnel training:

In order to familiarize everyone with laws and regulations concerning occupational safety and health and the Company's related measures, FENC provides training courses on safety and health periodically. Additionally, in order to have contractors safely work on each production site, the Company conducted differentiated safety and health training regarding difference operational functions.

Safety and health personnel training headcounts and hours in the recent three years:

Year	Training headcounts	Training hours
2023	86,239	254,595
2024	79,876	253,100
2025	66,434	264,180

G. Occupational injury statistics:

In 2025, the Company's occupational injury of 54 people accounted for 0.27% of the number of employees. In order to prevent the occurrence of occupational disasters, the Company will propose preventive measures according to the causes of the disasters as follows:

1. Look for safer working tools, and the equipment is designed with fool-proof devices.
2. Add mechanical equipment warning signs to remind operators.
3. Implement safety and health dynamic inspections and predict hazards before promoting work.
4. Construct occupational safety and health E-based or AI intelligent management and control measures.
5. Strengthen employee safety and health promotion to reduce the incidence of occupational disasters.

5.2 Loss Occurs Due to Labor Disputes in the Latest Years Till the Publishing Of This Annual Report:

Where an employer extends the working hours of employees, overtime wages shall be paid according to the Labor Standards Act. Failure to pay overtime wages in accordance with the required standards, violating Article 24 (1) of the Labor Standards Act. On March 17, 2025 and April 28, 2025, fines of NT\$ 50,000 and NT\$ 100,000 were imposed respectively (Case No.: 114-Fu-Lao-Zi-1143931240 and 114-Fu-Lao-Zi-1143932330). The system has been optimized and additional control mechanisms have been implemented to ensure that employees apply for overtime in accordance with regulations. Due to the delayed replenishment of migrant workers, instances of overtime have occurred. Overtime work exceeded statutory limits, violating Article 32 (2) of the Labor Standards Act. On June 27, 2025 and August 9, 2025, fines of NT\$ 50,000 and NT\$ 150,000 were imposed respectively (Case No.: 114-Fu-Lao-Jian-1140180266 and 114-Fu-Lao-Zi-1140030472). To address this, the Company will progressively introduce additional personnel based on onsite demands and strictly enforce management in compliance with the Labor Standards Act. Failure to provide wage compensation during the period in which an employee was unable to work due to an occupational injury, and failure to provide death compensation to bereaved family members in the event of an employee's work-related death, violating Article 59 (1) Subparagraph 2 of the Labor Standards Act. On September 17, 2025, a fine of NT\$ 40,000 was imposed (Case No.: 114-Fu-Lao-Zi-1140041867). The bereaved family refused to claim the death compensation; therefore, the Company has initiated the court deposit procedure in accordance with regulations. Failure to pay wages for holidays or provide additional premium pay for work performed on rest days as required by law, violating Article 39 of the Labor Standards Act. On November 17, 2025, a fine of NT\$ 50,000 was imposed (Case No.: 114-Fu-Lao-Zi-1143936328). The system has been optimized and additional control mechanisms have been implemented to ensure that overtime worked on national holidays is compensated for a full 8 hours, even if actual work is less than 8 hours, in accordance with regulations.

6. Information Security Management

6.1 Information security risk management framework, information security policy, specific management plan and resources invested

On 2022/11/09, FENC's Board of Directors approved the establishment of a Chief Information Security Officer (CISO), an information security department, and the Information & Technology Center (ITC) to oversee the Company's information security management. To ensure the confidentiality, integrity, and availability of information systems and operations, the Company developed the Information Security Policy and relevant operational procedures. FENC obtained ISO 27001 certification (certification period: 2025/09/10~2028/09/09) for its information security management system, which serves as a framework for all relevant personnel. The Company's information security management includes access control, data backup, secure system development, contractor oversight, and intellectual property protection. Regular vulnerability analysis and scanning are performed to continually enhance the security posture and resilience of FENC's IT environment.

FENC has established a well-defined information security management system (hereinafter referred to as ISMS) and policies to protect its competitive advantages, i.e., technological innovation and excellence throughout the industrial chain from downstream to upstream, and honor its commitment to shareholders, customers and partners. The Company has set up ISMS mechanisms and guidelines that apply in various dimensions, including personnel, operation, technology, and legal compliance. It continues to reinforce the management system and technologies and implements a thorough risk control program to effectively safeguard the security of information and resources and ensure that digital transformation is undertaken in the organization smoothly, systematically and consistently and that FENC's goals in information security management are achieved. Simultaneously, FENC has kept assessing the potential insurance plan for information security.

The Company started to implement ISO 27001 in 2014. Information security risks were assessed and ranked in terms of impact, probability, and treatment cost. An internal audit, including PDCA – Plan, Do, Check, and Act cycle, was conducted. ISO 27001 key performance indicators (KPIs) were established to measure the operating effectiveness of the ISMS. Since 2016, the Company has been ISO 27001 certified by an external auditor. It also makes timely adjustments in the allocation of resources to safeguard the security of production processes, protect customer information, sustain business operations and implement ISMS standards effectively.

6.1.1 Information security monitoring system:

Security policies and organizations; human resources and information assets; access control and password policies; system acquisition, development and maintenance; communications security; physical and environmental security; information security of the production process; operations security; management of supply chain relationships; management of security incidents; business continuity management; compliance management and management of business process and information system.

6.1.2 Handling and reporting of information security incidents:

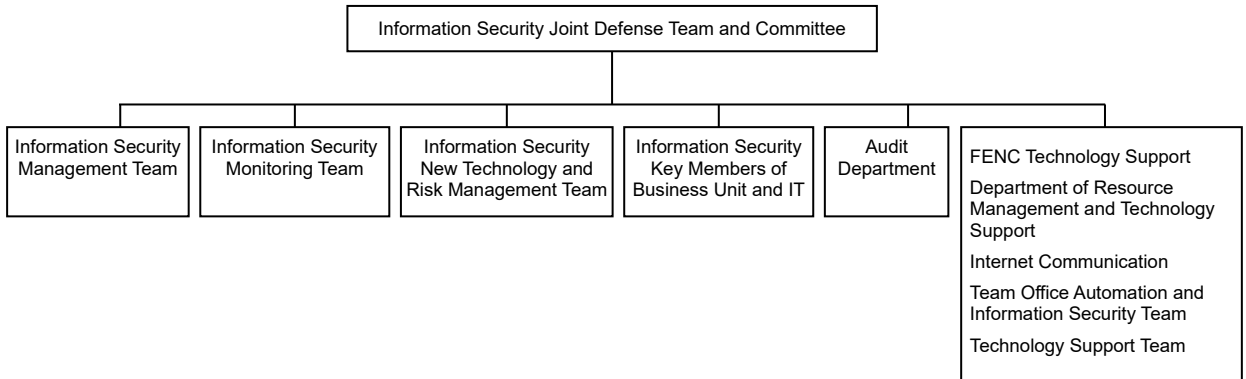
The Company has joined Taiwan CERT/CSIRT Alliance and established security incident management procedures that specify the process and measures to follow, including the incident reporting protocol and the description of the designated manager's responsibilities. In the event of an incident, the incident management team confirms the situation and then determines its severity. Next, they initiate the reporting process, handle the incident and track the progress of risk management until the case is closed. The team handling the incident is responsible for making subsequent improvements, reporting work results and putting forth a plan for corrective and preventive actions.

6.1.3 Personnel training on information security:

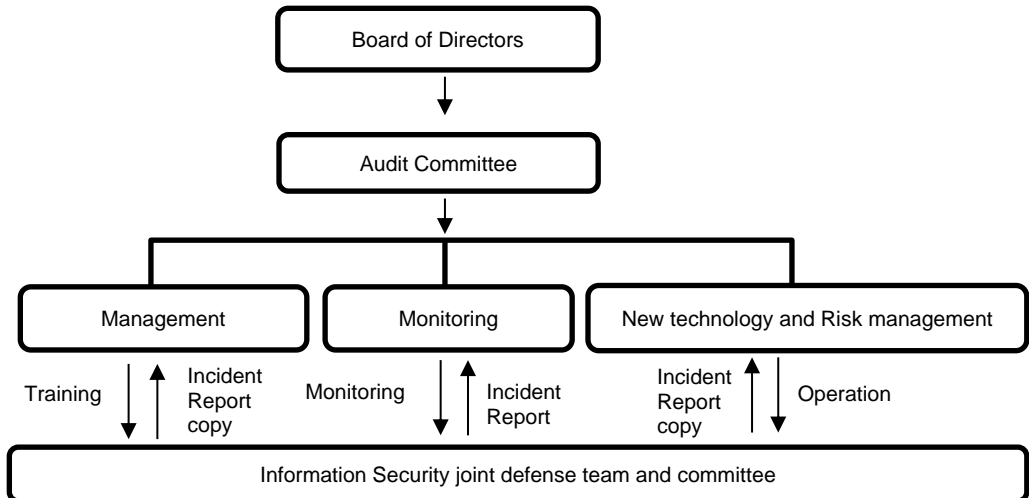
The Company designates the Information Security Department and the Human Resources Development Center to organize training on information security to promote understanding and raise awareness of its importance among employees. They are encouraged to participate in the training and acquire certificates. System developers and managers are required to comply with the regulations for system establishment and security management to ensure the stability, safety and efficiency of our systems and also to effectively reduce the risk posed by unauthorized access.

Operational Highlights

6.1.4 Information Security joint defense team and committee:



At the production sites, there are designated staff responsible for operation technology and information technology. Additionally, a third party, DDMC, has been involved in part of the structuring of the Company's information/security organization and other related matters, which are handled by a staff of 46 employees. On 2022/11/09, FENC established an information security department staffed by 5 employees. The department is responsible for developing the corporate information security management framework and briefing the Company at the monthly risk management meeting on risk-related issues, corresponding responses, security-strengthening measures and review of regulations. It also reports annually to the board-level Audit Committee and the Board of Directors, covering the year's cybersecurity risk identification, management, and response measures.



The Company's Information Security Committee oversees the implementation of corporate security policies and is entrusted with the management and promotion of IT security, information security of the production process, business continuity and other security-related issues. The Committee is tasked with the following duties:

1. Security operations: Analyzing security threats in a timely manner.
2. Cyber intelligence: Assisting the Board of Directors to understand potential security concerns.
3. Data protection: Preventing employees' abuse or theft of data.
4. Security structure: Ensuring that IT and network infrastructure be designed in such a way that its security is guaranteed.

5. Supply chain information security: To comply with customer information security requirements and communicate the latest information security regulations and precautions to suppliers.

6.2 List losses, potential impact, and countermeasures as a result of material incidents that occurred in Information security risk from the most recent year up to the printing of annual report for publication, and provide an explanation for reasons where losses cannot be reasonably estimated:

In 2025 and up to the date of the annual report's publication, the Company received notifications from key information and communication technology partners indicating that certain of their information systems had been subjected to cyberattacks. Upon assessment, it was determined that the affected systems may have involved components related to our collaboration, potentially posing a risk of personal data breaches. In compliance with relevant regulations, the Company issued a material information announcement on January 16, 2025. In response, the Company promptly activated its emergency protocol for information security incidents and engaged an external cybersecurity firm to assist with investigation and resolution. Following appropriate containment and remediation measures, the incident was concluded without any material impact on the Company's operations or financial position, and no financial loss was incurred.

7. Important Contracts and Agreements

Type	Company	Counter Party	Duration Period	Major Contents	Covenants
Technology Cooperation	FENC	Industrial Technology Research Institute	2023.10~2025.09	Polyester chemical recycling process evaluation and simulation	None
		Footwear & Recreation Technology Research Institute	2025.07~2026.08	The development of low carbon emission polyester material for footwear application	
	DDIM	Far Eastern International Bank	2009.09~Present	FEDirect HGI IC card agreement	No marketing for HGI card holders without prior approval of the parties.
		DBS Bank (Taiwan)	2023.08~2026.12	Co-Branded card agreement	Both parties shall not provide their cardholders' information to others for the promotional activities.
Long-Term Supply Contract	OPTC	A to B (total two companies)	2025.01~2025.12	PX supply agreement	None
	Far Eastern Industries (Shanghai)	SABIC	2026.01~2026.12	EG supply agreement	
	Far EasTone	Ericsson Taiwan Ltd.	2020.06 ~ Present 2024.12 ~ 2026.03 2024.12 ~ 2026.12 2024.12 ~ 2028.12	Purchase for 4G and 5G cell site, mobile phone system and network equipment, software, installation, system construction and technical service	Confidential Clause
		Apple Asia LLC	2010.01 ~ Present 2010.09 ~ Present	Procurement contract for iPhone Wireless Service License for Apple's iPad Products	
		Taiwan International Standard Electronics LTD.	2021.05~Present	Purchase Agreement for equipment	
		Fengmiao Wind Power Co.,Ltd.	25+5 years (estimated the initial supply from Q3 2027)	Renewable Energy Power Purchase Agreement	
Construction Agreement	Far Eastern General Contractor	Office of Aerotropolis Public Construction, Taoyuan	2021.11~2027.02	Taoyuan Aerotropolis Phase D1 Expropriation Project General Contracting	None
		Mass Rapid Transit Bureau, Kaohsiung	2022.03~2027.11	KMRT Gangshan Extension Line RKC02 Civil Construction and Rail Subcontracting Turnkey Project	

Operational Highlights

Type	Company	Counter Party	Duration Period	Major Contents	Covenants	
Long-Term Borrowing Contract	Far Eastern Fibertech	The Bank of Taiwan	2022.02~ 2027.02	"Action Plan for Accelerated Investment by Domestic Corporations" loan		
	Oriental Green Materials Limited	The Bank of Taiwan	2025.06~ 2030.06	"Action Plan for Accelerated Investment by SMEs" loan		
	FENC	First Commercial Bank	The Bank of Taiwan	2025.09~ 2027.03		Sustainability-Linked Loan
				2025.11~ 2029.05 2024.08~ 2028.02		Bank loan agreement Sustainability-Linked Loan
				2024.06~ 2027.06		Bank loan agreement
				2025.02~ 2028.02		Blue Loan and Sustainability-Linked Loan Facilities
				2025.07~ 2028.07		ESG Portfolio Lending
				2025.07~ 2028.07		ESG Portfolio Lending
Yuan Ding Investment Corporation	CTBC Bank Co., Ltd.	2025.07~ 2028.07	ESG Portfolio Lending			

V. Review and Analysis of the Financial Condition, Performance and Risk Management

1. Review and Analysis of Financial Conditions

Financial Conditions Analysis (on a consolidated basis)

Unit: NT\$ thousands

Item	Year	2025	2024	Variance	
				Amount	%
Current assets		156,998,408	155,793,795	1,204,613	0.77
Property, plant and equipment		174,119,148	182,119,491	(8,000,343)	(4.39)
Intangible assets		81,432,087	85,637,302	(4,205,215)	(4.91)
Other assets		258,365,301	258,519,535	(154,234)	(0.06)
Total assets		670,914,944	682,070,123	(11,155,179)	(1.64)
Current liabilities		149,777,639	129,620,698	20,156,941	15.55
Non-current liabilities		206,096,565	233,014,732	(26,918,167)	(11.55)
Total liabilities		355,874,204	362,635,430	(6,761,226)	(1.86)
Common stock		53,528,751	53,528,751	-	-
Capital surplus		13,259,448	13,252,812	6,636	0.05
Retained earnings		156,441,041	157,438,312	(997,271)	(0.63)
Other equity		6,185,938	9,535,017	(3,349,079)	(35.12)
Treasury stocks		(25,063)	(25,063)	-	-
Total equity attributable to owners of the Company		229,390,115	233,729,829	(4,339,714)	(1.86)
Non-controlling interests		85,650,625	85,704,864	(54,239)	(0.06)
Total equity		315,040,740	319,434,693	(4,393,953)	(1.38)
Analysis of variation exceeding 20% and NT\$ 10 million of the numbers in the previous year:					
Other equity decreased: mainly due to the decrease in exchange differences arising from the translation of financial statements of foreign operations.					

2. Review and Analysis of Financial Performances

Unit: NT\$ thousands

Item	Year	2025	2024	Variance	
				Amount	%
Operating revenues		254,055,993	270,953,983	(16,897,990)	(6.24)
Operating costs		202,270,622	217,016,352	(14,745,730)	(6.79)
Gross profit		51,785,371	53,937,631	(2,152,260)	(3.99)
Realized construction income		556	556	-	-
Operating expenses		34,620,304	37,275,517	(2,655,213)	(7.12)
Operating income		18,339,064	17,694,405	644,659	3.64
Nonoperating income (expenses)		3,282,028	6,269,236	(2,987,208)	(47.65)
Income before income tax		21,621,092	23,963,641	(2,342,549)	(9.78)
Income tax expenses		4,712,647	4,999,983	(287,336)	(5.75)
Net income		16,908,445	18,963,658	(2,055,213)	(10.84)
Other comprehensive income (net of income tax)		(3,870,829)	6,317,592	(10,188,421)	(161.27)
Total comprehensive income		13,037,616	25,281,250	(12,243,634)	(48.43)
<p>1. Analysis of variance: Nonoperating income (expenses): mainly due to the decrease in the share of profit of associates accounted for using the equity method and net foreign exchange gains and losses. Net income: mainly due to the decrease in nonoperating income and expenses. Other comprehensive income (net of income tax) and total comprehensive income: mainly due to the decrease in exchange differences from the translation of financial statements of foreign operations and the net income for the period.</p> <p>2. Expected sales volume in next one year and the reason for such expectation. The impact of such expectation on the Company's financial situation and operational performances, and the Company's plan: Please refer to the "Letter to Shareholders".</p>					

3. Review and Analysis of Cash Flow

Unit: NT\$ thousands

Cash and cash equivalents - Beginning balance (1)	Total cash inflows from operating activities (2)	Total cash outflows (3)	Cash and cash equivalents - Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
41,314,608	42,807,971	44,937,927	39,184,652	N/A	N/A
<p>1. Cash flow analysis for year 2025: (1) Operating activities: mainly cash inflows from operating activities and dividends received from investments. (2) Investing activities: mainly proceeds from the disposal of investment properties, acquisition and disposal of equity investments, and capital expenditures. (3) Financing activities: mainly the issuance (or repayment) of corporate bonds, bank borrowings (or repayment), cash dividend distributions, and repayment of lease liabilities. Remedial measures for projected cash shortfall and liquidity analysis: N/A</p>					
Cash and cash equivalents - Beginning balance (1)	Total cash inflows from operating activities (2)	Total cash outflows (3)	Cash and cash equivalents - Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
39,184,652	43,087,707	41,413,821	40,858,538	Investment plan	Financing plan
				N/A	N/A
<p>2. 2026 estimated cash flow analysis of variance in cash flow balance: (1) Operating activities: mainly cash inflows from business operations and dividends received from investments. (2) Investing activities: mainly proceeds from the disposal of property, plant and equipment, disposal of investment properties, acquisition of equity investments, and capital expenditures. (3) Financing activities: mainly the issuance (or repayment) of corporate bonds, bank borrowings (or repayment), distribution of cash dividends, and repayment of lease liabilities. Remedial measures for projected cash shortfall and liquidity analysis: N/A</p>					

4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations

4.1 Major Capital Expenditures and Sources of Funding

Unit: NT\$ thousands

Plan Item	Actual or estimated source of capital	Actual or estimated project completion date	Total capital needed (Note)	Capital utilization schedule				
				Actual		Estimated		
				Before 2024	2025	2026	2027	2028
Vietnam polyester staple fiber FL-52	Retained earnings and bank borrowings	Mar 2026	1,004,391	824,328	118,140	61,923	-	-
Vietnam green material recycling		Dec 2025	1,621,343	1,557,362	1,278	62,702	-	-
Vietnam high tenacity industrial yarn		Jun 2027	4,053,014	2,041,738	1,209,491	801,785	-	-
Pellet plant expansion		Jun 2026	1,723,715	636,418	595,377	491,920	-	-
Malaysia R-PET		Jul 2026	369,254	5,984	231,719	131,551	-	-
Recycled PET resin		Jun 2027	468,002	-	-	130,001	338,001	-
Airbag Project Expansion		May 2025 ~ Oct 2027 To be completed in phases	2,412,190	1,142,349	34,715	450,677	784,449	-
PET Shrinkable film line 4&5		Jun 2026 ~ Aug 2027 To be completed in phases	1,730,100	355,203	794,795	526,288	53,814	-

Note: Working capital is excluded.

4.2 Expected Benefit

Production Volume, Sales Volume, and Revenue Expected to Increase:

Unit: NT\$ thousands

Year	Item	Unit	Production volume	Sales volume	Revenue
2026	Polyester staple fiber	MT	12,000	12,000	433,834
	rPET resin	MT	17,800	17,500	623,593
	VPET	MT	26,250	26,250	720,250
	Airbag fabric	KM	2,195	2,000	230,859
	Airbag cushion	KPC	800	800	106,427
	PET shrinkable film	MT	5,400	5,400	405,000
2027	Polyester staple fiber	MT	12,000	12,000	433,834
	rPET resin	MT	17,800	17,500	623,593
	VPET	MT	26,250	26,250	720,250
	Airbag fabric	KM	2,195	2,000	230,859
	Airbag cushion	KPC	800	800	106,427
	PET shrinkable film	MT	5,400	5,400	405,000
	Polyester staple fiber	MT	12,000	12,000	433,834

5. Investment Policies in Recent Years

5.1 Investment Policies

The Company co-ordinates all resources in the Far Eastern Group to achieve two targets: 1) explore new business opportunities and extend the business territory of the Group; 2) upgrade and improve the existing affiliates and subsidiaries to achieve a sustainable growth of earnings.

5.2 Reasons for Profit/Loss in Recent Years and Plans for Improvement

The total affiliate earnings booked through equity method by the Company in 2025 was NT\$ 4.3 billion, and the profit generated by invested subsidiaries remained stable.

5.3 Future Investment Plan: (Please refer to page 103-104)

6. Sources of Risks and Evaluations

6.1 The Impacts of Fluctuations in Interest/Exchange Rates and Inflation on the Company's Profits and Losses and Corresponding Measures

6.1.1 Reviewing the global economic landscape of 2025, several factors, such as the application of artificial intelligence (AI) and the strong demand for information and communication technology products resulting in a worldwide growth in manufacturing activities. According to reports published by the Directorate General of Budget, Accounting, and Statistics in January 2026 and Central Bank of the Republic of China (Taiwan) in December 2025, Taiwan's GDP growth in 2025 was 8.63%, with a 1.66% increase in CPI. Due to the elevated comparison base, the economic growth rate for 2026 is projected to exhibit a declining trend, with an estimated figure of 3.67%, with CPI expected to rise by 1.63%. Looking ahead to 2026, the global economy confronts numerous challenges, including uncertainties such as U.S. trade policies, China's economic outlook, and geopolitical tensions. In anticipation of forthcoming shifts in the economic landscape, Central Bank of the Republic of China (Taiwan) is anticipated to adapt its monetary policy to uphold price stability and overall financial system health.

The Company has been undertaking short-term operations with investments of various durations. It also applies mid-term, long-term and fixed-rate financing instruments to hedge against potential losses incurred from rising financing rates, thereby preventing fluctuations of interest rates from pushing up the Company's financing costs. The Company will continue to monitor the trend of interest rates, keeping its overall capital cost low with both short and long-term financial instruments.

6.1.2 The foreign-denominated assets and liabilities of the Company and its consolidated subsidiaries derived from international trade are hedged by the Finance Department with spot or forward transactions, executed with considerations of the original FX costs of the foreign-denominated assets and liabilities and the trends of the related foreign currencies. Going forward, this policy will remain in place in order to minimize the impact of FX risks on the earnings of the Company and its consolidated subsidiaries.

6.2 Policies Governing High-Risk and Hyper-leveraged Investments, Loaning of Funds, Endorsement/Guarantee and Derivative Transactions; Major Causes of Loss and Profit and Corresponding Measures

- 6.2.1 The Company and its consolidated subsidiaries do not engage in any high-risk or hyper-leveraged investment. Derivative transactions are undertaken to hedge against volatility in interest and foreign exchange rates. Under this principle, all positions of derivative products are covered by physical holdings of assets and liabilities owned by the Company and its consolidated subsidiaries; in other words, these positions are not naked positions. Therefore, the risks of trading derivatives are minimized and can be effectively controlled. Profits or losses, if any, often result from investment horizon mismatches, and are therefore little and negligible. The Company and its consolidated subsidiaries will uphold this principle and will not proactively engage in naked positions of high-risk or hyper-leveraged derivative products. All trading of derivative products will be managed in accordance with the "Procedures for Acquisition and Disposition of Assets" approved by the Board of Directors and Shareholders' Meeting.
- 6.2.2 The Company and its consolidated subsidiaries have instituted a bylaw on the "Procedures for Lending of Capital to Others" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authorities in Taiwan. It has been submitted to each company's Board of Directors and approved at the Shareholders' Meetings. All matters regarding fund lending to others must be executed in full compliance with the aforementioned bylaw to avoid negative impacts on the Company and its consolidated subsidiaries.
- 6.2.3 The Company and its consolidated subsidiaries have instituted a bylaw on the "Procedures for Endorsements and Guarantees" in accordance with "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" promulgated by the competent authorities in Taiwan. It has been submitted to each company's Board of Directors and approved at the Shareholders' Meetings. All matters regarding making endorsements/guarantees must be executed in full compliance with the aforementioned bylaw to avoid negative impacts on the Company and its consolidated subsidiaries.

6.3 R&D Plans and Estimated Expenses in Coming Years

6.3.1 The R&D projects for the Polyester Material Division :

The projected R&D expenses for 2026 are approximately NT\$ 53.258 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

Review and Analysis of the Financial Condition, Performance, and Risk Management

6.3.2 The R&D projects for the Fibers &Textile Division:

The projected R&D expenses for 2026 are approximately NT\$ 76.240 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

6.3.3 The R&D projects for the New Green Materials & Application Division:

The projected R&D expenses for 2026 are approximately NT\$ 94.831 million. The R&D procedures are as follows:

Research phase→Trial run→Scale-up process development→Commercial operation & promotion

Major factors affecting the R&D results in the future:

- (1) Verification of the R&D results
- (2) Product quality stability after the scaling-up production process
- (3) Whether downstream manufacturers and clients wish to accept the trial of the new product and whether the product will pass the testing
- (4) Mutually-beneficial interactive relationships with clients
- (5) Production technology and cost competitiveness

6.4 Impacts and Responses of the Company in Regard to Material Changes of Policies and Regulations in Taiwan and Foreign Countries

The management team closely monitors and evaluates the changes and impacts of policies and regulations in domestic and overseas markets on the Company. Responsive measures will be planned and implemented accordingly.

6.5 Technology Developments and Impacts on the Company

The innovation and breakthrough of technology have changed the world in several ways, be it good or bad. The innovation of plastics is one such example. Plastic products provide convenience in our daily lives, but generate pollution as well, stemming from inappropriate disposals of plastic wastes. Therefore, developing a new material that is as convenient as plastic but more environmentally friendly is one of the most popular research projects in the world, and may also be the most important trend in the future of material development.

Given that the usage of plastic products is constrained by the Taiwanese government while green products are being promoted in globally, the Company believes that the applications of conventional petrochemical products will be limited. Therefore, the Company vows to be a pioneer to create more environmentally friendly materials, in hopes of enjoying the first-mover advantages. The Company has already engaged in the production of several bio-based or bio-degradable products such as polylactic acid (PLA), a material made from the fermentation process of corn. A wide range of product mix has been created via this or similar technologies and more applications are currently being innovated.

Currently, non-textile products account for more than 60% of the Company's sales, just to name but a few, PLA materials, shoes materials, diapers, bio-degradable heat shrinkable films, bio-degradable shopping bags, health care products, special industrial yarns, PET bottles, PET packaging sheets, and etc. These recycled, bio-based or bio-degradable products are widely used for textile, packaging, bottling, and bio-medical dressing. In the future, the Company aims to be one of the largest providers of these products.

The Company considers information security management system to be very important. It has adopted ISO 27001 since 2014, and ensures that information security engineers' capabilities are consistently up-to-date and ready for their duties. As China's Cyber Security Law came into effect in June 2017, the Company had put together a taskforce in charge of information security management for business operations in China. This team integrates the information security management measures for all the production sites in compliance with the law. They have an IT audit trail system in place, and also promote the management protocol for information security, making the Company's management and maintenance of information security solid and comprehensive. To raise employees' awareness of information security, an introductory course has also been built into the Company's online learning program. The information security risk management framework, information security policy, specific management plan and resources invested of the Company please refer to page 117-119.

6.6 Changes of Corporate Image and Impacts on the Company's Crisis Management:

The Company maintains a solid corporate reputation and has not encountered any crises arising from reputational concerns.

6.7 Expected Benefits and Risks from Mergers and Acquisitions: None

6.8 Expected Benefits and Risks from Plant Expansion: Please refer to page 123

6.9 Risks from Concentration in Supply and Sales and Measures the Company Undertake:

In order to secure the supplies of raw materials, the Company invested in Far Eastern Industries (Shanghai) Ltd. and Oriental Petrochemical (Taiwan) Co., Ltd. and actively integrated upward its production process; the Company's products are sold worldwide with a diversified client portfolio.

6.10 Impacts and Risks from Changes in Directors, Supervisors and Shareholders with Greater than 10% Shareholding or Their Selling of a Large Number of Shares in Recent Years until the Annual Report Being Published:

The change is mainly due to the individual financial behaviors of Directors and there is no significant influence on the Company's operations.

6.11 Impact and Risks from Change of Ownership in Recent Year until the Annual Report Being Published: None

6.12 Material Impacts on Shareholders' Equity or Share Price from Litigations, Non-Litigations or Administrative Actions in Directors, Supervisors, Chairman, President, Shareholders with Greater than 10% Shareholding and Subsidiaries in Recent Year until the Annual Report being Published: None

6.13 Other Major Risks:

FENC has formulated the "Intellectual Property Management Policy" to protect the results of FENC's innovation, research and development, to strengthen FENC's long-term competitiveness and to effectively manage FENC's intellectual property rights. The aforesaid policy has been approved by FENC's Board of Directors on November 12, 2020, and it contains the evaluation, application, management and protection of all patents, trade secrets, trademarks and copyrights. FENC has reported FENC's intellectual property management and operations in 2025 to FENC's Board of Directors on November 7, 2025 as follows:

1. Achievements of intellectual property management
 - (1) In order to strengthen FENC's intellectual property management, according to the rules and regulations of Taiwan Intellectual Property Management System (hereinafter referred to as "TIPS"), FENC has implemented TIPS system and reinforced management measures for the acquisition, protection, maintenance and use of intellectual property, while creating a Patent and Trademark Management Manual and establishing a task force to implement TIPS and certification. FENC succeeded in obtaining Certificate of TIPS for Level A in 2023 (Validity Period: 2023/12/29-2024/12/31) and continuously succeeded in obtaining Certificate of TIPS for Level A in 2024 (Validity Period: 2025/01/01-2026/12/31). These FENC's achievements drastically improve FENC's intellectual property management capability and the results of FENC's Corporate Governance Evaluation as well.
 - (2) In order to strengthen employees' awareness of intellectual property rights and legal use of software, FENC has conducted a compliance review of software and reinforced employees' legal knowledge of the policy regarding employee use of IT equipment/software and licensing requirements for commercial software.
 - (3) FENC has assisted its Polyester SBU and Far Eastern Group's new business to proceed with patent prosecution and In-licensing to extend Far Eastern Group's technology arrangement.
2. To strengthen continuously FENC's intellectual property rights and management and to maintain FENC's long-term competitiveness, FENC's priorities since the fourth quarter of 2025 are as follows:
 - (1) In order to stabilize FENC's intellectual property management and maintain TIPS system, FENC continues to assign its employees to participate in the training course of TIPS Evaluator and prepare for obtaining Certificate of TIPS in 2026, to improve the results of FENC's ESG Assessment as well.
 - (2) In order to implement FENC's intellectual property management, FENC continues to conduct on-the-job trainings on intellectual property rights (including patent, trademark, copyright or trade secret) and the corrective measures of TIPS system for improvement of employees' legal knowledge.
 - (3) FENC continues to improve its intellectual property management and plans to establish Intellectual Property Policy for Protecting Patents or other related policies, to establish a comprehensive management system.
 - (4) In order to protect Far Eastern Group's research and development results, FENC continues to assist its and its affiliates' patent prosecution and arrangement and increase all business groups' competitive capability.

7. Others

7.1 Valuation techniques and Assumptions Applied to Measure Fair Value of the Company and Subsidiaries:

7.1.1 The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined by referring to quoted market prices. If these prices are not available, valuation techniques are applied.

7.1.2 The fair values of derivative instruments are calculated using quoted prices. If these prices are not available, a discounted cash flow analysis is made using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

7.1.3 The fair values of other financial assets and financial liabilities (i.e., excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

7.1.4 Categories of financial instruments:

- (1) Financial assets: Financial assets at fair value through profit or loss, financial assets at amortized cost, and financial assets at fair value through other comprehensive income.
- (2) Financial liabilities: Financial liabilities at fair value through profit or loss, and financial liabilities at amortized cost.

7.2 Estimated Impairment of Notes and Accounts Receivable:

When there is objective evidence of impairment loss, the Company and subsidiaries take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. If the actual future cash flows are less than expected, a material impairment loss may arise.

VI. Special Disclosure

1. **Affiliated Companies**

Please visit the Market Observation Post System (MOPS) at <https://emops.twse.com.tw> and follow the steps below to access information for Company Ticker: 1402:

MOPS > Listed Company > Electronic Document Download > Affiliated Companies

2. **Private Placement Securities in the Latest Year**

None

3. **Other Supplementary Information**

None

4. **Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published**

None.



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