



2024 ANNUAL REPORT FAR EASTERN NEW CENTURY

2024

Stock Code 1402 APR 15, 2025



Top 10 Taiwanese
Companies Sustainability
Model Award



Global Views
Monthly
ESG Awards

掌握變局
Master the Changes



決勝未來
Secure the Future



Focusing on Sustainable Development Goals



遠東集團
FAR EASTERN GROUP

FENC annual report is available at <http://www.fenc.com> and <http://mops.twse.com.tw>

Spokesperson

Name: Humphrey Cheng
Title: Corporate Management President
Tel: 886-2-27338000 #8969
Fax: 886-2-27367184
E-mail: csostaff@metro.feg.com.tw

Deputy Spokesperson

Name: David Wang
Title: Chief Financial Officer
Tel: 886-2-27338000 #8735
Fax: 886-2-27358175
E-mail: ccwang@metro.feg.com.tw

Headquarters, Branches & Plants**Headquarters**

Address: 36F, Taipei Metro Tower, 207,
Tun Hwa South Rd., Sec.2, Taipei City,
Taiwan, R.O.C.
Tel: 886-2-27338000

Plants

Hsinpu Chemical Fiber Plant
Address: 369, Yadong Sec., Wen Shan Rd.,
Hsinpu, Hsinchu County, Taiwan R.O.C.
Tel: 886-3-5882511

Kuanyin Chemical Fiber Plant
Address: 3, Jingjian 6th Rd., Kuanyin
Industrial Park, Kuanyin, Taoyuan City,
Taiwan R.O.C.
Tel: 886-3-4832720

Kuanyin Dyeing and Finishing Plant
Address: 1, Kuojiang 2nd Rd., Kuanyin,
Taoyuan City, Taiwan R.O.C.
Tel: 886-3-2729055

Neili Texturizing Plant

Address: 2 Yuan Dong Rd., Chungli,
Taoyuan City, Taiwan, R.O.C.
Tel: 886-3-4555136

Hukou Mill

Address: 30, Hexing Rd., Hukou, Hsinchu
County, Taiwan, R.O.C.
Tel: 886-3-5997135

R&D Center

Address: 958, Zhongshan Road, Taoyuan
District, Taoyuan City, Taiwan, R.O.C.
Tel: 886-3-2752883

**Common Share Transfer Agent
and Registrar**

Oriental Securities Corporation
Address: 13F, No. 16, Xinzhan Rd., Banqiao
Dist., New Taipei City, Taiwan, R.O.C.
Tel: 886-2-77531699
Website: <http://www.osc.com.tw>

Auditors

Deloitte & Touche
Auditors: Guo-Ning Huang, CPA,
Chih-Ming Shao, CPA
Address: 20F, No. 100, Songren Rd., Xinyi
Dist., Taipei, 11073, Taiwan, R.O.C.
Tel.: 886-2-27259988
Website: <http://www.deloitte.com.tw>

Overseas Securities Exchange
None**Corporate Website**

<http://www.fenc.com>

Contents

I. Letter to Shareholders	1
II. Corporate Governance Report	9
1. Directors and Management Team	9
2. Corporate Governance	26
3. Certified Public Accountant (CPA) Audit Fees	77
4. Information for Change of CPA	77
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	78
6. Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of the Company Shares or More	78
7. Top Ten Shareholders Being the Related Party as Defined in Statement of Financial Accounting Standards	79
8. Shareholding Proportion of FENC to Investees	81
III. Capital Overview	82
1. Capital and Shares	82
2. Corporate Bonds	85
3. Preferred Shares	93
4. Issuance of Overseas Depository Receipts	93
5. Employee Stock Options	93
6. Employee Restricted Stock Options	93
7. Share Issued for Merger or Acquisition	93
8. Fund Utilization Plans and Status	93
IV. Operational Highlights	94
1. Business Activities	94
2. Overview of Market, Production, and Sales Market Analysis	103
3. Information about Employees	109
4. Expenses on Environmental Protection	110
5. Employees Welfare	110
6. Information Security Management	115
7. Important Contracts and Agreements	117

Contents

V. Review and Analysis of the Financial Condition, Performance and Risk Management.....	119
1. Review and Analysis of Financial Conditions.....	119
2. Review and Analysis of Financial Performances	120
3. Review and Analysis of Cash Flow	120
4. Major Capital Expenditures in Recent Years and Impacts on Financial and Operational Situations.....	121
5. Investment Policies in Recent Years.....	122
6. Sources of Risks and Evaluations	122
7. Others	126
VI. Special Disclosure	127
1. Affiliated Companies	127
2. Private Placement Securities in the Latest Year.....	127
3. Other Supplementary Information	127
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	127

I. Letter to Shareholders

Dear Shareholders,

Far Eastern New Century Corporation (FENC) has begun a new chapter in its 76-year legacy with its diverse operations across industries, agile investment strategies, and robust property developments. The Company is well-positioned to again demonstrate its unparalleled resilience and adaptability in an era driven by AI, digital innovation, green technology, and increasingly intense competition. Its strengths are evident not only in manufacturing but also in its creative initiatives, spanning both services and technologies, with both operations in Taiwan and globally. FENC has developed a new blueprint for growth that aims to maximize value creation for shareholders, clients, employees, and supply chain partners.

During 2024, international instability and geopolitical tensions intensified as global GDP growth slowed. Major economies including the United States, Europe, China, Japan, and India felt the impact of shifting political power dynamics and economic turbulence. The global political landscape underwent significant changes, with China installing new financial leadership and the European Parliament elections promising long-term implications for the EU's future. Meanwhile, the BRICS nations, Middle East, ASEAN members, and African countries emerged as regional powers, reshaping the global balance of power. The Trump 2.0 administration has taken office, with planned policies on tariffs, immigration, and "America First" initiatives that are expected to reshape global trade, the economy, and energy transition. In the short term, these measures are likely to strengthen the dollar and stimulate the U.S. economy, however, markets may face alternating cycles of inflationary pressure and expectations for accommodative monetary policy. Global exchange rates could see increased volatility as the new White House leadership begins to influence global markets and supply chains. Europe is grappling with multiple challenges: its core leadership has weakened, progress toward ending the Russia-Ukraine war remains slow, and public finances have deteriorated. Member states are diverging in their approaches to energy transition, while the region's manufacturing industry loses ground in global competitiveness. As a result, European economic vitality has weakened, putting increased pressure on the path to recovery. Similarly, China faces multiple challenges: a deepening real estate crisis, weak domestic demand, high unemployment rates, and deteriorating local government finances. Adding to these difficulties are external pressures from President Trump's tariff policies and declining foreign investment, creating unprecedented challenges both domestically and internationally. In response, China has implemented targeted economic relief measures to revitalize the economy, including interventions in stock and real estate markets and the issuance of sovereign bonds. While these measures aim to boost consumption, stimulate investment, and stabilize economic growth, their effectiveness remains uncertain. Japan has emerged from deflation after ending its 17-year-long negative interest rate policy, but faces challenges from rising import costs due to a weakening yen. Sluggish consumer spending has hampered economic recovery efforts. The Ishiba administration faces significant challenges in revitalizing the economy amid declining approval ratings and uncertain economic prospects. Taiwan continues to thrive, with robust export performance and steady economic growth, driven by strong demand for semiconductors and the booming AI sector. However, rising interest rates and inflation threaten to dampen consumer spending. The transition to renewable energy has led to higher electricity prices, prompting businesses to develop low-carbon, energy-efficient products and implement conservation measures. Companies continue to adapt their strategies to ensure sustainable development.

Financially, the global economy faces mounting uncertainties driven by multiple factors: volatile commodity and oil prices, unpredictable monetary policies across nations, rising trade protectionism, and escalating economic, trade, and technological tensions between the United States and China. Meanwhile, technological advancement and the green transition are reshaping the global industrial landscape, as countries battle with climate commitments and policy implementation challenges. The path from COP28 to COP29 in Azerbaijan highlights a crucial question: whether climate actions at various levels can effectively help achieve the global 1.5°C warming target. The situation is further complicated by the new U.S. administration's relaxation of environmental regulations, which has introduced additional uncertainty to global climate cooperation. Nevertheless, many regions have continued to strengthen their environmental commitments, incorporating the 2050 net-zero emissions target into legal frameworks. Notable examples include the European Union's Carbon Border Adjustment Mechanism (CBAM) and

Letter to Shareholders

Taiwan's Climate Change Response Act. These evolving energy policies are creating new challenges for businesses, including higher carbon taxes/fees and increased electricity costs, while green inflation continues to drive up operational costs. Simultaneously, breakthroughs in AI technology are accelerating digital transformation, becoming a key driver of global business innovation. In this complex environment, businesses must carefully balance risks and opportunities, actively adapt to changes, and chart a course toward sustainable development.

Amid a challenging global political and economic landscape and increasingly unpredictable climate conditions, FENC continues to demonstrate resilience in the face of unprecedented tests. We navigate uncertainty with prudence while preserving operational agility. Through sustained investment in R&D, strategic global expansion, and accelerated intelligent transformation, we are revitalizing our business model—empowering possibility and sustainability as the foundation of our long-term commitment to sustainable growth.

Operating Results

FENC maintains a competitive edge through continuous innovation. Its Production Business is characterized by vertical integration, environmental sustainability initiatives, advanced technology, and global supply chain management. Its Property Development Business demonstrates strong operational management, successfully attracting prestigious international tenants and showing significant profit potential. The Investment Business strategically aligns with economic trends while leveraging group-wide synergies to drive steady profit growth. In 2024, the Company achieved record-high financial results, with consolidated revenues of NT\$271 billion and consolidated net income of NT\$18.96 billion. Net income attributable to shareholders reached NT\$10.03 billion, representing a 22% increase in after-tax profit, with earnings per share (EPS) of NT\$2.0 under IFRS standards. At its 4th meeting, the 25th term Board of Directors proposed a cash dividend of NT\$1.6 per share, resulting in a cash dividend yield of approximately 5%.

Production Business: Maximizing Value with Vertical Integration

1. Reinforcing Industry Leadership through an Integrated Total Solution Supply Chain

The Company stands as the world's only fully integrated supplier spanning the entire production chain, from upstream polyester feedstock to downstream end products. This comprehensive integration encompasses raw materials (Tier 5), polymers (Tier 4), filament/yarn (Tier 3), fabric (Tier 2), and apparel (Tier 1). This unique vertical integration reduces operational risks and enhances organizational resilience. In response to increasing trade tensions and the resulting trend toward regional production, the Company has proactively established comprehensive production bases and distribution networks across multiple regions. Its global supply chain network spans Taiwan, the United States, China, Japan, Vietnam, Malaysia, and the Philippines, demonstrating robust regional supply chain resilience with product lines covering food, clothing, housing, and transportation sectors. The Company's competitive advantage stems from three key strengths: strategic control of upstream raw materials, leading global position in midstream polyester production, and long-standing partnerships with renowned global brands in downstream textiles. These strengths position FENC as a global leader in integrated total solutions for production and sales, driving sustained growth and industry leadership.

2. Spearheading Sustainability Initiatives in the Industry

A. Leading the Green Transformation Globally

The Company has been pioneering eco-friendly product development in the polyester industry since 1988, marking over 36 years of dedication to the circular economy. Through technological innovation,

manufacturing process improvements, and product diversification, the Company has elevated the green industry standards. Its green production base has expanded from Taiwan to multiple global locations, with plans for continued expansion as it strives to become the world's leading recycled polyester (rPET) supplier. The green product business currently represents nearly 40% of the Production Business revenue and has established the Company as a crucial green supply chain partner for prestigious international brands. These green products have secured multiple domestic and international certifications in food safety, recycled content, and environmental protection. The Company has developed a comprehensive recycling system featuring three major waste conversion solutions covering "land, sea, and air." This system transforms waste bottles, used textiles, and exhaust gas into sustainable materials, offering comprehensive green solutions. In 2024, the Company expanded its initiatives by partnering with prominent electronics companies to convert electronic waste into high-quality recycled PET materials, pioneering new approaches to PET recycling. The Company actively showcases Taiwan's environmental leadership at major international events. At COP29's official blue zone, it delivered keynote speeches on "Diversified Green Products" and "Carbon Reduction Achievements." The Company also demonstrated innovative products including "Ocean Recycled Anti-bursting Jerseys" and "100% Recycled Polyester Sneakers", which garnered significant attention. During the 2024 Paris Olympics, various national teams adopted the Company's green textiles made from recycled PET bottles. The "Ocean Recycled Anti-bursting Jerseys" contributed to multiple championship victories for national teams in international sports events, highlighting the Company's leadership in green innovation.

B. Pursuing Net-Zero Excellence

Committed to achieving net-zero emissions by 2050, the Company has established comprehensive greenhouse gas reduction strategies spanning the short, medium, and long term. For its mid-term 2030 goals, the Company has set three "50% targets": reducing carbon emissions by 50%, increasing green product revenues to 50% of total production, and sourcing 50% of raw materials from sustainable sources. The Company's carbon reduction strategy focuses on five core initiatives: enhancing energy efficiency, adopting alternative low-emission fuels, developing renewable energy, applying carbon capture, utilization and storage (CCUS) technology and transitioning to sustainable raw materials. These strategies are integrated into all decision-making processes to advance toward the net-zero goal. The FENC Polyester Business and its subsidiaries have received Science Based Targets initiative (SBTi) validation, aligning with the Paris Agreement's 1.5°C warming limit pathway, demonstrating their commitment to green transformation. To manage environmental and energy systems across global production sites, the Company has established a cross-sector "Energy Task Force" that promotes renewable energy adoption and carbon reduction technology innovation. Solar energy equipment has been installed at 13 production sites across Taiwan, China, and Vietnam, with additional annual purchases exceeding 160 million kWh of renewable electricity. The Company has secured multiple international certifications in environmental protection and energy management, including ISO 14064 (greenhouse gas emissions), ISO 50001 (energy management), ISO 46001 (water resources management), and ISO 14001 (environmental management system). Its environmental leadership is further recognized through active participation in international advocacy organizations and winning the Excellence Award for Industry Competitiveness in Net Zero Emissions from the 21st Century Foundation for three consecutive years.

3. Winning International Acclaim through R&D Excellence

The Company maintains its industry leadership and competitive edge through a robust global R&D network, comprising the Far Eastern Group R&D Center, Sharon Center in the U.S., and an R&D team in Shanghai. Together, these facilities employ over 200 researchers, creating a powerful transnational R&D network that integrates resources and expertise across locations. The Company has established "Innovation Direct to Market (IDM)" to accelerate product commercialization by effectively connecting brand requirements with R&D outcomes. The R&D strategy operates on two fronts. Internally, it focuses on key areas, such as high-performance polyester, environmentally friendly recycled materials, hygiene

Letter to Shareholders

and medical products, automotive materials, and functional textiles. Externally, the Company forms strategic alliances with global brands to develop market-driven innovative materials, guide product design trends, and create high-value niche markets. These R&D efforts have garnered significant international recognition. The Company has successfully penetrated both fashion and sports industries, securing partnerships with numerous international sports brands during the 2024 Olympic Games. Two innovative products - FENC® ThermalSync ZoneTech and TOPGREEN® Bio3 - received prestigious German iF Design Awards. Additionally, the "FENC® TOPGREEN® Membrane" and "FENC® Nylon 6,6 PFC-Free DWR Filament" have gained market recognition through collaborations with leading international sports brands. The Company's impressive patent portfolio reflects its R&D capabilities, with the Far Eastern Group R&D Center and Sharon Center collectively holding 918 patents. These centers have successfully developed new products and technologies, generating substantial returns through technology transfers. The R&D team operates by integrating the Group's resources and core competencies, focusing on collaborative development across short, medium, and long-term goals, while maintaining market-oriented innovation with enterprise-driven implementation.

4. Achieving ESG Excellence: A Record of International Recognition

The Company maintains a robust sustainable governance structure and high-standard management system, consistently driving ESG development with internationally recognized results. For five consecutive years, it has earned the Top 10 Taiwanese Companies Sustainability Model Award, while being named Asia's "Most Honored Company" by Institutional Investor for three straight years. In 2024, the Company received nine awards from the *Global Corporate Sustainability Awards (GCSA)* and *Taiwan Corporate Sustainability Awards (TCSA)*, including the *Platinum Corporate Sustainability Report Award* and six specific sustainability performance awards for *Climate Leadership*, *Circular Economy Leadership*, *Information Security Leadership*, *Growth through Innovation Leadership*, *People Development Leadership*, and *Creative Communication Leadership Awards*. As a pioneer in sustainable finance, the Company launched Taiwan's first sustainable development exchangeable bond in 2024, and concurrently won three international awards in sustainable finance: the Adam Smith Awards Asia, FinanceAsia Achievement Award, and The Asset Triple A Awards for Sustainable Finance. That December, it became the first and only Taiwanese industrial conglomerate included in the Dow Jones Sustainability Indices (DJSI) Emerging Markets. The Company consistently excels in international ESG evaluations, earning selection to the "MSCI ESG Leaders Indexes" and "FTSE4Good Emerging Index." It ranks among top performers in both Sustainalytics' global chemical industry rankings and FTSE Russell's ESG scores. These numerous accolades demonstrate not only the Company's exceptional strength and global influence in sustainability and ESG, but also reflect its long-standing commitment and achievements in sustainable management.

Investment Business: Delivering Impressive Growth with Strategic Portfolio

The Company strategically consolidates the Group's resources, actively pursuing investment diversification worldwide to drive the Group's upgrade and transformation. By pivoting toward high-value sectors, investment business now represents over 40% of the Company's total assets, generating both stable dividend income and significant value appreciation potential. The investment portfolio centers on blue-chip listed companies with excellent growth strategies and strong profitability, including Far EasTone Telecommunications, Asia Cement, and Far Eastern Department Store. Far EasTone has achieved remarkable revenue growth through 5G upgrades, prepaid cards, and international roaming services. It has boosted profits by expanding into new business segments and through its merger with Asia Pacific Telecom. The Company leads its industry in "Big Data, AI and IoT" application services, capitalizing on opportunities in smart cities, intelligent healthcare, and digital transformation while expanding market share through the FET Mobile Circle. The cement business continues its steady development, with Taiwan's core cement operations and investments in ready-mixed concrete and electricity generation driving overall profit growth. In retail, the Company has delivered impressive results. Far Eastern Garden City in Taiwan sets a new industry standard by blending theme restaurants with brand innovation. Chongqing Far Eastern City in China has become a local landmark by integrating urban culture with design aesthetics. This strategic diversification and operational excellence demonstrate the Company's investment prowess, continuously creating long-term value and sustainable growth potential.

Property Development Business: Strategic Land Development for Asset Appreciation

FENC possesses extensive land assets totaling approximately 560,000 pings (1,851,242.4 m²) in Taiwan, with approximately one-third classified as investment properties concentrated in prime northern areas. Far Eastern Resource Development Corporation manages these assets, optimizing land utilization efficiency and investment performance through comprehensive real estate development, leasing, sales, and operational management. Major development projects include the Taipei Far Eastern Telecom Park (Tpark), northern Taiwan's most comprehensive ICT startup industrial park and Taiwan's first LEED-certified campus. Tpark integrates with Far Eastern Memorial Hospital and Asia Eastern University of Science and Technology, creating a complete living ecosystem with residential, office, and public facilities. Four R&D buildings—TPKA, TPKC, TPKD, and TPKE—have been completed and fully leased to dozens of ICT companies. Future development plans include additional R&D buildings (TPKI and TPKH) and a new shopping mall, Tpark Square. In residential development, the premium Eco Park I project has sold out, contributing to a notable increase in local property values. Upcoming developments include Eco Park II and a new shopping mall to further enhance the area. Additional completed projects include the new Wugu logistics center, now operated by Arcoa. Development continues on a high-end resort hotel in Jiaoxi Township, Yilan County, where land preparation and preliminary construction have been completed. The land rezoning of the Neili textile plant is currently under review by the Ministry of the Interior and is expected to become a premium multi-functional community hub. As Taiwanese businesses increasingly seek factory expansion, the value of industrial land has risen significantly. The Company owns strategically located industrial lands in Taoyuan's Kuanyin District and Hsinchu's Hukou Township, which will be further developed through leasing, sales, and cooperative ventures. Moving forward, the Company will emphasize sustainable operations, pioneering market trends in asset revitalization and low-carbon development while creating mutual value for both the Company and society.

Letter to Shareholders

Business Goals and Prospects

Far Eastern New Century capitalizes on its fully integrated value chain—from upstream raw materials to downstream product distribution—to maintain a competitive edge in cross-border expansion and technological innovation. By closely monitoring global commodity trends and transportation dynamics, the Company can swiftly respond to raw material supply disruptions and fluctuations in international trade. In the face of market challenges, it proactively drives organizational transformation while ensuring stable growth. As the global landscape evolves, the Company remains steady and strategic, formulating long-term plans for sustainable development.

A. Strengthening Market Presence by Expanding Global Supply Chains

To solidify its position as an industry leader, the Company is aggressively expanding its global capacity, prioritizing locations that are close to customers and markets, near raw materials, have reliable energy supplies, and face minimal trade barriers. Its investments focus on diversifying production sites and sales networks. By adopting the latest manufacturing technologies and equipment, the Company advances vertical integration and drives steady growth in both capacity and revenue through strong collaborations with international brands. These strategic initiatives not only strengthen the Company's presence in key regions but also enhance global operational efficiency. Investment plans include reinforcing manufacturing capabilities in the U.S., leveraging Vietnam's tariff and trade advantages, expanding recycling production lines in Japan to capitalize on circular economy opportunities, and establishing additional regional production sites to boost international competitiveness. The Company is also implementing a localized production strategy, integrating flexible production and sales scheduling with strategic partnerships with global brands. By creating a seamless, integrated total solution supply chain, it is strengthening its presence in Asia and the Americas while laying the groundwork for future expansion into European markets and additional production sites.

B. Staking out a Stronghold in the Circular Economy Through Global Green Transformation

As a global leader in rPET industry, the Company is driving corporate transformation with green technology, aiming for green product revenues to account for 50% of total production by 2030. With its advanced recycling technologies and expanding rPET capacity, the Company ranks first worldwide in food-grade rPET and second in overall rPET capacity. To maintain its leadership position and further expand its green capacity, the Company plans to achieve double-digit annual growth in the proportion of green products over the next five years, steadily progressing toward its 2030 target. Expansion projects in Vietnam, Japan, and the United States are moving forward smoothly. The Kansai plant in Japan began operations in 2024, and the U.S. facility expansion has been completed. By 2025, both the Vietnam rPET plant and the phase one construction of the Malacca plant in Malaysia will be completed and put into production. Looking ahead, the Company will continue expanding its green production facilities in China, the Philippines, and other key regions. It is also committed to optimizing the global supply chain and making significant capital investments in green production, accelerating the industry's comprehensive transition toward sustainability.

C. Maintaining Competitive Advantages Through Persistent Investment in Cutting-Edge Technologies

Leveraging its strong technological capabilities, FENC focuses its R&D efforts on “polyester, environmental protection, energy saving, and carbon emission reduction.” It continues to develop green materials based on PET/rPET, high-end carbon-reduced materials, functional fibers and fabrics, rPET applications, and chemical recycling technologies. By doing so, the Company is expanding the application of PET and rPET into high value added products. In the short term, R&D will support improvements in

manufacturing processes and the launch of advanced polyester and carbon dioxide recycling products. In the medium and long term, the Company will consolidate its resources and expertise to specialize in environmental protection, biomass, carbon-reduced materials, and high-end fibers. It will also actively develop low-carbon raw materials and next-generation materials to stay ahead of industry trends. The R&D team is committed to continuous innovation, helping expand market presence and collaborating with international brands to develop groundbreaking products and cutting-edge technologies ahead of the competition. To sustain its leadership in brand recognition and innovation, the Company will continue increasing R&D investment and attracting top talent.

D. Accelerating Digital Transformation Through AI Integration

The Company has developed a strategic approach to digital transformation by implementing AI across all business functions. Its comprehensive strategy begins with the establishment of a dedicated taskforce to accelerate artificial intelligence applications. This team oversees manufacturing enhancements such as edge computing and IoT technology integration, smart drone inspection systems, smart logistics management systems, and AI-powered quality prediction and energy management tools. These initiatives support our smart factory vision, driving automation and precision manufacturing. Additionally, AI-powered customer service and intelligent equipment are being deployed to foster effective human-machine collaboration. For business innovation, machine learning has been employed for data analysis and market trend forecasting. Generative AI has been implemented to create an internal knowledge repository and an AI-powered decision-making system, ultimately strengthening the Company's competitive edge. Moreover, big data and AI technologies have been leveraged to build intelligent management platforms, recruitment systems, and big data platforms to support smart manufacturing and vertical supply chain integration. To mitigate information security risks, a robust Information Security Management System (ISMS) has been established and employee security awareness enhanced. Robotic Process Automation (RPA) has been implemented to optimize operational efficiency, while the ISO 22301-compliant business continuity management system strengthens crisis response capabilities. Looking forward, the Company will focus on expanding generative AI applications, fostering cross-border collaboration, integrating emerging technologies, and accelerating its digital transformation.

E. Fostering Growth Across Industries Through Intelligent Management

The Company's Corporate Administration Team has demonstrated exceptional organizational management capabilities by successfully integrating administrative systems across its diverse business portfolio, from the Production Business to overseas headquarters. This integration has enhanced efficiency throughout upstream, midstream, and downstream operations. The Company has achieved strong results in management innovation. By implementing strategies such as smart technology applications, energy management, risk control, elite human resources planning, and legal compliance, it has established an efficient management framework to strengthen its foundation. For risk management, the Company engages external loss prevention specialists to regularly assess its global production sites against 44 international risk indicators, ensuring production safety and operational stability. To protect its intellectual property portfolio, the Company has implemented the Taiwan Intellectual Property System (TIPS) and achieved A-level certification, reinforcing its patent and trademark protection across all business sectors. The Company's commitment to excellence has been recognized through numerous domestic and international awards in innovation, governance, and sustainable development, reflecting its dedication to investor relations and social responsibility. Looking ahead, the Corporate Administration Team will continue to adapt strategies based on global dynamics, maintaining flexibility in responding to risks and challenges while supporting steady growth across its diverse business portfolio.

Letter to Shareholders

F. Advancing Public Welfare Through Innovation and Social Impact

Since the 1960s, the Company has operated with a core mission of public good, adhering to the principle of “developing industry while engaging in social responsibility.” This commitment manifests through our comprehensive approach to creating both industrial and social value, integrating sustainable development, healthy lifestyle initiatives, and technological innovation. Our social impact spans four major areas: technological innovation, art and culture, education, and medical care. Through the Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation, we drive advancement in nanotechnology, ICT technology, optoelectronic technology, biotechnology and medicine, and green technology, fostering both technological and industrial development. In the cultural sphere, the Far Eastern Memorial Foundation enriches society through initiatives such as the Far Eastern Humanities and Arts Forum and the Far Eastern Architectural Design Awards, promoting humanistic values and creative expression. Our healthcare contribution is anchored by the Far Eastern Memorial Hospital, New Taipei City’s first medical center and a National Quality Award recipient. The hospital serves over 6,500 outpatients daily, distinguished by its exceptional care and innovative AI applications. It continues to expand its facilities and services to benefit a growing number of patients. In education, Yuan Ze University focuses on developing internationally competitive talent for the digital industry. The university collaborates with Far Eastern Memorial Hospital on a public-funded nursing education program, exemplifying our commitment to industry-academia partnerships. The Company’s community engagement extends to annual events like the FENC Classic Marathon, now in its 15th year. We also promote environmental awareness through innovative educational programs such as “The Transformative Magic of Circularity,” a free campus curriculum designed to instill sustainability concepts in younger generations. Looking ahead, we remain dedicated to expanding our philanthropic initiatives and social impact, continuing to create value through concrete actions that benefit society as a whole.

For 75 years, FENC has upheld its core values of “sincerity, diligence, thrift, prudence and innovation.” We approach today’s challenges of low-carbon sustainability and AI with an industrialist’s knowledge, an entrepreneur’s can-do spirit, and a philanthropist’s dedication to public well-being. Through strategic expansion and organizational transformation driven by unconventional thinking, we continue to innovate and pursue growth while strengthening our predictive and adaptive capabilities. As we enhance corporate resilience and lead industry transformation, we remain steadfast in our commitment to mastering change and securing our future.

Chairman
Douglas Tong Hsu

徐旭東



II. Corporate Governance Report

1. Directors and Management Team

1.1 Directors

Book closure date: March 30, 2025

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 △ 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 △ Chairman of Asia Cement Corporation(ACC), Oriental Union Chemical Corporation(OUCC), U-Ming Marine Transport Corporation(U-Ming), Far Eastern Dept. Stores Ltd. (FEDS), Far EasTone(FET), and Vice Chairman of Far Eastern International Bank (FEIB)	Vice Chairman Vice Chairman Director Director Director	Johnny Hsi Peter Hsu Jeff Hsu Tonia Katherine Hsu Alice Hsu	Brother-in-law Brother Son 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	-	0.31	Columbia University, USA, Master in Computer Science △ Chairman of Everest Textile, Vice Chairman of OUCC, Director of ACC and CTCL Corporation	Chairman Vice Chairman Director	Douglas Tong Hsu Peter Hsu Alice Hsu	Brother-in-law Brother-in-law Sister-in-law
	R.O.C	Peter Hsu Representative of Asia Cement Corporation	Male, 70~79 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 △ 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
Director	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 △ Executive Director of Group Foundation, Executive Director of FEIB	-	-	-
	U.S.A	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 △ Chief Innovation Officer of Far Eastern Group, Director of FET, Vice Chairman and Executive Vice President of U-Ming.	Chairman Director	Douglas Tong Hsu Tonia Katherine Hsu	Father Sister
	R.O.C	Richard Yang Representative of Far Eastern Dept. Stores 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 △ Managing Director of Surfview Capital Ltd.	-	-	-
	U.S.A	Tonia Katherine Hsu Representative of Far Eastern Dept. Stores 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 △ -	Chairman Director	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 △ 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 △ 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 * 18,522,710	0.58 0.35	- 5,250,000	- 0.10	Sheridan College, Retail Management △ -	Chairman Vice Chairman Vice Chairman	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 △ 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 △ 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 △ -	-	-	-
	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 - △ 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 △ Chairman of Taiwan Institute of Economic Research, Independent Director of Philhong 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 △ 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, 2025

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders (%)
Asia Cement Corporation	Far Eastern New Century Corporation (21.16); Yuanta Taiwan Dividend Plus ETF account in the custody of Cathay United Bank (5.41); Far Eastern Medical Foundation (5.15); UOB United Taiwan High Dividend Recovery 30 ETF account in the custody of Taiwan Business Bank (1.89); Yuan Ding Investment Corporation(1.53); Labor Pension Fund Committee of Far Eastern New Century Corporation (1.51); Chunghwa Po Co., Ltd. (1.42); Far Eastern Dept. Stores Ltd. (1.41); Yuan Ze University (1.37); Far Eastern Memorial Foundation (1.24)
Far Eastern Dept. Store, Ltd.	Far Eastern New Century Corporation (17.06); Yuan Ding Investment Corporation(6.88); Asia Cement Corporation (5.65); Yuan Tone Investment Co., Ltd.(5.62); Yuan Ze University (4.75); Labor Pension Fund Committee of Far Eastern Dept. Store, Ltd. (2.11); MEGA ICBC (2.06); 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 (9.99); Norges Bank account in the custody of Citibank Taiwan (2.61); Yuanta Taiwan High Dividend Low Volatility ETF in the custody of Bank of Taiwan (2.55); UPAMC Taiwan High Dividend Momentum ETF in the custody of Hua Nan Commercial Bank (1.07); Yuan Ding Investment Corporation (1.05); Taishin TIP Customized Taiwan ESG High Dividend Small/Mid-Cap ETF (1.05); Yu Yuan Investment Co., Ltd. (0.94); Asia Investment Co., Ltd. (0.92); Ya Li Transportation Corporation (0.75)
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, 2025

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Far Eastern New Century Corporation	Please refer to page 82.
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 Po 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)
Far Eastern Memorial Foundation	Y.Z. Hsu (50.00); Yi-Chu Hsu (50.00)
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); Shaw Y. Wang (0.20); Jia-Cong Wang (0.20); Cheng Jing Co., Ltd. (0.20)
Asia Investment Co., Ltd.	Asia Cement Corporation (100.00)
Ya Li Transportation Corporation	Asia Cement Corporation (51.61); Yue Yuan Investment Co., Ltd. (48.39)
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); U-Ming Marine Transport (Singapore) Private 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 (37.13); Asia Cement Corporation (35.50); Der Ching Investment Co., Ltd. (14.50); Yuan Ding Investment Corporation (12.86)
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 CTCI Corporation		
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		
Jeff Hsu	Q: Operational management; innovation development; international perspectives E: Chief Innovation Officer of Far Eastern Group; Director of FET, Vice Chairman & Executive Vice President of U-Ming		
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"	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)	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. 3. None of the Independent	None

Item Name	Professional qualification(Q) and experience(E)	Independence	Serve as Independent Director at other public companies
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	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.	None
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 Phihong Technology Co., Ltd & Cheng Shin Rubber Ind. Co., Ltd		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

The nomination and selection of board members are conducted using a candidate nomination system. This process complies with the "Director Election Measures," "Corporate Governance Code," 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.

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, aligning with the GICS framework. The Company's Board diversity policy and current implementation status: ①Independent Directors constitute one-third of the board seats (currently five, consisting one-third of the board seats) ②Regarding gender diversity, the board includes at least one female Director (currently two and will continue increasing the proportion of Directors of different genders). ③Board diversity on nationality and ethnicity (currently there are two citizens from United States and will continue increasing the proportion of Directors with international background).

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 Leadership & decision-making	2 Operational judgement	3 Finance & accounting	4 Business & economy	5 Risk management	6 Industrial know-how	7 International perspectives	8 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	✓	✓	✓	✓	✓	✓	✓	✓
Peter Hsu	70~79	Male	R.O.C	45 Information Technology	✓	✓	※	✓	✓	✓	✓	✓
Shaw Y. Wang	Above 80	Male	R.O.C	25 Consumer Discretionary	✓	✓	✓	✓	✓	✓	✓	※
Jeff Hsu	40~49	Male	U.S.A	20 Industrials	✓	✓	※	✓	✓	✓	✓	※
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 2/15. Among the five independent directors, one Independent Directors has a tenure of 4~6 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, 2025

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
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 △ Director of OUCC, Everest Textile & Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)	-	-	-
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 △ Director of OUCC & FEIB	-	-	-
Acting President and Chief Operating Officer, Polyester Business	R.O.C	Donald Fan	Male	Jul 29, 21	5,791	0.00	0	0.00	0	0.00	Feng Chia University, Taiwan, Textile Engineering Department △ Chairman of Oriental Green Materials Limited & Wuhan Far Eastern New Material Ltd.	-	-	-
Acting President and Chief Operating Officer, Textile Business	R.O.C	Judy Lee	Female	Jul 29, 21	0	0.00	26	0.00	0	0.00	National Taiwan University, Taiwan, Department of Business △ Chairman of Far Eastern Apparel (Suzhou); Director of Far Eastern Apparel Co., Ltd.	-	-	-
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 △ Director of OPTC & Far Eastern Industries (Shanghai) Ltd.	-	-	-
Chief Operating Officer, Polyester Business	R.O.C	B.C. Chang	Male	Dec 9, 19	453	0.00	0	0.00	0	0.00	Yuan Ze University, Taiwan, Master in Industry Engineering △ Director of Far Eastern Fibertech Co. Ltd. (FEFC) & 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 △ Chairman of Far Eastern Industries (Suzhou) Ltd. & Oriental Industries (Suzhou) 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 △ -	-	-	-
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 △ -	-	-	-
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 △ -	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 △ -	-	-	-
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 △ Chairman of Yuan Tone Investment Co., Ltd.; Director of Yuan Ding Investment Corporation	-	-	-
Senior Executive Vice President, Corporate Management	R.O.C	Alan Tsai	Male	Nov 1, 23	0	0.00	0	0.00	0	0.00	National Chengchi University, Taiwan, Master in Operation Management & Master of Laws Program for Executives △ Chairman of Din Yuang Investment Co., Ltd.; Director of OUCC	-	-	-

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
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 & Oriental Martens (Netherlands) B.V.	-	-	-
General Counsel and Chief Corporate Governance Officer , Corporate Management	R.O.C	Li-Chi Chen	Male	Nov 1, 21	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	R.O.C	Gilbert Yi	Male	Jan 1, 24	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, Corporate Management	R.O.C	Mike Wu	Male	Jul 1, 24	0	0.00	0	0.00	0	0.00	University of Oklahoma, USA, Master in Business Administration △ Director of Far Eastern Industries (Shanghai) Ltd. & Wuhan Far Eastern New Material 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	C.T. Peng	Male	Nov 1, 21	0	0.00	0	0.00	0	0.00	National Tsing Hua University, Taiwan, Master in Chemical Engineering △ Director of Oriental Green Materials Limited & Wuhan Far Eastern New Material Ltd.	-	-	-
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 △ -	-	-	-

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
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	-	-	-
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, 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	Hung-Hui Lee	Male	Mar 14, 22	0	0.00	1,000	0.00	0	0.00	The Ohio State University, USA, Ph. D. in Public Policy and Management △ -	-	-	-
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, 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	Nico Peng	Male	Nov 1, 17	206,795	0.00	0	0.00	0	0.00	Yuan Ze University, Taiwan, Postgraduate Diploma in Management Administration △ Director of PET Far Eastern (M) Sdn. Bhd.	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Huan Ta Tien	Male	Oct 6, 20	1,149	0.00	0	0.00	0	0.00	Tamkang University, Taiwan, Department of Management Administration △ -	-	-	-

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	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 △ -	-	-	-
Assistant Vice President, Polyester Business	R.O.C	Norman Lin	Male	Jan 1, 21	0	0.00	1,000	0.00	0	0.00	National Central University, Taiwan, Department of Management Administration △ -	-	-	-
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, Textile Business	R.O.C	Mark Wang	Male	Oct 18, 22	0	0.00	0	0.00	0	0.00	National Dong Hwa University, Taiwan, Department of business Administration △ -	-	-	-
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, Textile Business	R.O.C	Martin Cheng	Male	Apr 8, 23	0	0.00	0	0.00	0	0.00	Feng Chia University, Taiwan, Master in Textile Engineering Department △ -	-	-	-
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.

2.3 Remuneration of Directors, President, and Executive Vice Presidents

2.3.1 Remuneration Paid to Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of total remuneration (I+II+III+IV) over net income (%)		Relevant compensation received by directors who are also employees								Ratio of total remuneration (I+II+III+IV+V+VI+VII) to net income (%)		Remuneration paid to Directors from an invested company or the parent company other than the Company's subsidiary (VIII)				
		Base Remuneration (I)		Severance Pay and Pension (II)		Directors' remuneration from distribution of earnings (III)		Operating Allowances (IV)				Salary, Bonuses, and Allowances (V)		Severance Pay and Pension (VI)		Employees' compensation from distribution of earnings (VII)										
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A		B			A	B		
Chairman	Douglas Tong Hsu	0	0	0	0	182,571	182,571	1,200	6,180	183,771	188,751	28,074	160,159	0	0	2,025	0	2,025	0	213,870	350,934	130,632				
Director	Asia Cement Corporation																						Cash	Stock	Cash	Stock
	Far Eastern Dept. Store, Ltd.																									
	U-Ming Marine Transport Corporation																									
	Yue Ding Industry Co., Ltd.																									
Independent Director	Shu-Chieh Huang	0	0	0	0	6,550	6,550	360	360	6,910	6,910	0	0	0	0	0	0	0	0	6,910	6,910	0				
	Raymond R.M. Tai																									
	Way Kuo																									
	Chung-Shu Wu																									
	Sy-Ming Guu																									

Note:

- The Company pays remuneration to Directors in accordance with the Articles of Incorporation. After being resolved by the Remuneration Committee and the Board of Directors, the remuneration shall be reported in the annual shareholder's meeting in accordance with the laws and regulations. The remuneration paid to Independent Directors is a fixed amount with consideration to their time spend and responsibilities assumed for the position. Additional remuneration of a fixed amount is provided if the Independent Director serves concurrently as a committee chairman, a Remuneration Committee member or a Sustainability Committee member. The operating allowances for Independent Directors are a fixed amount for traveling expenses.
- Operating allowances mentioned in the table above were the actual amount distributed in 2024. Directors' remuneration and Employees' compensation, approved by the Board Meeting on March 12, 2025, are the proposed figures to be resolved by the upcoming 2025 Annual General Shareholders' Meeting
- A company car is assigned to Chairman Douglas Tong Hsu for business purpose. The acquisition cost of the said car is NT\$6.508 million.
- There is neither share bonus being issued nor share warrant and share option being issued by the Company or companies in the consolidated financial report to employees for purchasing shares.
- Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu; 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

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	Shu-Chieh Huang, Way Kuo, Chung-Shu Wu, Sy-Ming Guu(Note)	Shu-Chieh Huang, Way Kuo, Chung-Shu Wu, Sy-Ming Guu(Note)	Shu-Chieh Huang, Way Kuo, Chung-Shu Wu, Sy-Ming Guu(Note)	Shu-Chieh Huang, Way Kuo, Chung-Shu Wu, Sy-Ming Guu(Note)
NT\$2,000,000 ~ NT\$3,499,999	Raymond R.M. Tai	Raymond R.M. Tai	Raymond R.M. Tai	Raymond R.M. Tai
NT\$3,500,000 ~ NT\$4,999,999	-	-	-	-
NT\$5,000,000 ~ NT\$9,999,999	-	-	-	-
NT\$10,000,000 ~ NT\$14,999,999	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 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 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\$15,000,000 ~ NT\$29,999,999	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	Representative of Asia Cement Corporation: Johnny Hsi, Peter Hsu, Shaw Y. Wang, Jeff Hsu	Representative of Yue Ding Industry Co., Ltd.: Champion Lee
NT\$30,000,000 ~ NT\$49,999,999	Douglas Tong Hsu	Douglas Tong Hsu	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

Note: Independent Directors Shu-Chieh Huang, Way Kuo, Chung-Shu Wu, Sy-Ming Guu were newly elected and appointed on June 27, 2024.

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	11,939	11,939	0.15%
President, Corporate Management	Humphrey Cheng				
Acting President and Chief Operating Officer, Polyester Business	Donald Fan				
Acting President and Chief Operating Officer, Textile Business	Judy Lee				
Chief Operating Officer, Petrochemical Business	Eric Chueh				
Chief Operating Officer, Polyester Business	B.C. Chang				
Chief Operating Officer, Textile Business	M.J. Wu				
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				
Corporate Management Senior Executive Vice President	Alan Tsai				
Executive Vice President, Corporate Management	Emily Wu				
Executive Vice President, Chairman Office & R&D Center	Fanny Liao				
Chief Corporate Governance Officer and General Counsel Corporate Management	Li-Chi Chen				
Chief Human Resources Officer, Corporate Management	C.Y. Lin				
Chief Information Security Officer, Corporate Management	Gilbert Yi				
Corporate Staff Office Executive Vice President	Allen Sha				
Corporate Staff Office Executive Vice President	Y.S. Yang				
Executive Vice President, Corporate Management	Mike Wu				
Executive Vice President, Petrochemical Business	C.K. Tsai				
Executive Vice President, Polyester Business	C.T. Peng				
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				

Corporate Governance Report

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, Secretarial Department	Eric Wu				
Assistant Vice President, Human Resource Department	Hung-Hui Lee				
Assistant Vice President, Human Resource Department	Rex Chang				
Assistant Vice President, Shipping Department	Ching-Shan Hsieh				
Assistant Vice President, R&D Center	Ken Chang				
Assistant Vice President, R&D Center	David Liu				
Assistant Vice President, Polyester Business	Nico Peng				
Assistant Vice President, Polyester Business	Huan Ta Tien				
Assistant Vice President, Polyester Business	Teddy Chang				
Assistant Vice President, Polyester Business	Robert Wang				
Assistant Vice President, Polyester Business	Norman Lin				
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	Mark Wang				
Assistant Vice President, Textile Business	Peggy Yang				
Assistant Vice President, Textile Business	Martin Cheng				
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
2024	3.87%	5.54%
2023	3.91%	5.63%

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", 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall 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%)	<ol style="list-style-type: none"> 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%)	<ol style="list-style-type: none"> 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%)	<ol style="list-style-type: none"> 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%)

Corporate Governance Report

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 six meetings were convened by the Board of Directors in 2024. Attendance of each Director is as follows:

Title	Name		Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Douglas Tong Hsu		6	0	100	Re-appointment
Director	Asia Cement Corporation	Johnny Hsi	6	0	100	Re-appointment
		Peter Hsu	6	0	100	Re-appointment
		Shaw Y. Wang	6	0	100	Re-appointment
		Jeff Hsu	6	0	100	Re-appointment
	Far Eastern Dept. Store, Ltd.	Richard Yang	5	1	83.33	Re-appointment
		Tonia Katherine Hsu	6	0	100	Re-appointment
	U-Ming Marine Transport Corporation	Kwan-Tao Li	6	0	100	Re-appointment
		Alice Hsu	4	2	66.67	Re-appointment
	Yue Ding Industry Co., Ltd.	Champion Lee	6	0	100	Re-appointment
		Shu-Chieh Huang	3	0	100	New appointment
	Independent Directors	Raymond R.M. Tai	6	0	100	Re-appointment
		Way Kuo	3	0	100	New appointment
		Chung-Shu Wu	3	0	100	New appointment
		Sy-Ming Guu	3	0	100	New appointment
		Chen-En Ko	3	0	100	Term expired
		Johnsee Lee	3	0	100	Term expired

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 75 to 76 "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, 2024 ~ Dec 31, 2024	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"	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"	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"	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"	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, 2024 until March 30, 2025:

	2024/3/5	2024/4/10	2024/5/9	2024/6/27	2024/8/7	2024/11/8	2025/3/12
Shu-Chieh Huang	Appointed on June 27, 2024			✓	✓	✓	✓
Raymond R.M. Tai	✓	✓	✓	✓	✓	✓	✓
Way Kuo	Appointed on June 27, 2024			✓	✓	✓	✓
Chung-Shu Wu	Appointed on June 27, 2024			✓	✓	✓	✓
Sy-Ming Guu	Appointed on June 27, 2024			✓	✓	✓	✓
Chen-En Ko	✓	✓	✓	Term expired on June 27, 2024			
Johnsee Lee	✓	✓	✓	Term expired on June 27, 2024			

Note: ✓ indicates attendance in person

Corporate Governance Report

2.2 Audit Committee:

Total four meetings were convened by the Audit Committee in 2024. Attendance of each Independent Director is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Shu-Chieh Huang	2	0	100	New appointment
Committee member	Raymond R.M. Tai	4	0	100	Re-appointment
Committee member	Way Kuo	2	0	100	New appointment
Committee member	Chung-Shu Wu	2	0	100	New appointment
Committee member	Sy-Ming Guu	2	0	100	New appointment
Convener	Chen-En Ko	2	0	100	Term expired
Committee member	Johnsee Lee	2	0	100	Term expired

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 2024 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 11, 2025 and the Board of Directors on March 12, 2025. 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
2024.03.01 (10 th Meeting of the 3 rd Term)	1. Circumstances for acquisition and disposition of assets during Oct 2023 to Jan 2024	√	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 January 2024	√	
	3. 2023 financial reports (including consolidated & stand-alone) and the hiring of CPA	√	
	4. The proposal for distribution of 2023 profits	√	
	5. Revised the Company provisions of the "Audit Committee Organizational Regulations"		
	6. Revised the Company provisions of the "Meeting Rules of Board of Directors"		
	7. Revised the internal audit implementation rules of Far Eastern New Century Corporation	√	
	8. 4Q2023 internal audit report	√	
	9. The results of the voluntary reviews of the internal control systems in 2023, 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
2024.05.07 (11 th Meeting of the 3 rd Term)	1. Circumstances for acquisition and disposition of assets during Feb 2024 to Mar 2024	√	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 2024	√	
	3. 1Q2024 consolidated financial report		
	4. Approved 2023 business report	√	
	5. Approved the issuance of unsecured sustainable exchangeable corporate bond	√	
	6. Participated in the cash capital increase of Oriental Petrochemical (Taiwan) Co., Ltd.	√	
	7. Adjustment of the signing CPA by Deloitte & Touche	√	
	8. Revised the Company provisions of the "Operational Procedures for the Preparation and Verification of the Sustainability Report "	√	
	9. 1Q2024 internal audit report	√	
	10. Revised the internal audit implementation rules of Far Eastern New Century Corporation	√	
2024.08.06 (1 st Meeting of the 4 th Term)	1. Circumstances for acquisition and disposition of assets during Apr 2024 to Jun 2024	√	
	2. Transactions for FX hedging until June 2024	√	
	3. 1H2024 consolidated financial report		
	4. Appointed the Company's internal audit chief	√	
	5. Revised the Company bylaw of "Rules Governing Financial and Business Matters Between the Corporation and its Related Parties"		
	6. 2Q2024 internal audit report	√	
2024.11.06 (2 nd Meeting of the 4 th Term)	1. Circumstances for acquisition and disposition of assets from Jul 2024 to Sep 2024	√	
	2. Transactions for FX hedging until Sep 2024	√	
	3. Circumstances for acquisition and disposition of investments in securities during Jul 2024 to Oct 2024	√	
	4. 3Q2024 consolidated financial report		
	5. Acquisition of 100% equity in the Company subsidiary Yuan Ding Investment	√	
	6. Revised the Company bylaw of "Risk Management Policies"	√	
	7. 3Q2024 internal audit report	√	
	8. Approved the execution status of 2024 Audit Plan review and the 2025 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):

1. 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.

Corporate Governance Report

2. 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
2024.03.05	<ul style="list-style-type: none"> 4Q2023 internal audit report The results of the voluntary reviews of the internal control systems in 2023, which was presented by supervisory committee including the list of executive team members 	<ul style="list-style-type: none"> 2023 financial reports (including key audit matters) 2023 internal control review reports
2024.05.09	<ul style="list-style-type: none"> 1Q2024 internal audit report 	<ul style="list-style-type: none"> 1Q2024 consolidated financial report
2024.08.07	<ul style="list-style-type: none"> 2Q2024 internal audit report 	<ul style="list-style-type: none"> 1H2024 consolidated financial report
2024.10.28 (Individual communication)	<ul style="list-style-type: none"> 2024 audit project execution review and digital transformation promotion status The 2025 audit plan aims to strengthen the supervision of subsidiaries and support the advancement and achievement of the Company's sustainability goals 	-
2024.11.06 (Individual communication)	-	<ul style="list-style-type: none"> 2024 annual audit plan and the deadline 2024 Key Audit Matters
2024.11.08	<ul style="list-style-type: none"> 3Q2024 internal audit report Reviewed the execution status of 2024 audit plan and proposed 2025 audit plan 	<ul style="list-style-type: none"> 1-3Q2024 consolidated financial report Communicating key audit matters in the 2024 independent auditors' report

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”?	V		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?	V		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.	

Corporate Governance Report

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, risk management, strategic planning, protection of employee rights, supply chain management, energy reliability 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 2024, 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 25, 2025 and the Board of Directors on March 12, 2025. 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 12, 2025, in accordance with the Audit Quality Indicators(AQIs), the Board made a final review on the CPAs' independence and competence over 2024 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. 2024 Corporate Governance related routines: A. Conducted meetings of BOD and Audit Committee and prepared the meeting minutes: six & four times respectively, totaling ten times	

Corporate Governance Report

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 114 hours, each director completed at least 6 hours of training, with newly appointed directors completing 12 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 74 for details)</p>	None
(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.	
(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 70 to 74 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.	None
(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 6% ~20% in the “Corporate Governance Evaluation” of 2024. The areas that have been improved and the priority measures to enforce are described below: ① After the re-election in 2024, the Company will achieve Independent Directors as one-third of a total number of Directors. ② Revising financial business operation regulations among related parties. ③ Continue allocating resources to support domestic cultural ④ Submitting the sustainability report to the board for approval. ⑤ Disclosing video or audio links to two investor conferences annually. ⑥ Formulate concrete measures to enhance corporate value	

Corporate Governance Report

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” & reasons
	Yes	No	Summary	
			⑦ Establish a personal data protection policy ⑧ Implement internal carbon pricing and assess its financial impact on the Company ⑨ Actively participating in domestic and international evaluations to seek certifications or 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

Corporate Governance Report

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 5th term Remuneration Committee is from Jul 29, 2021 to Jul 28, 2024 and the 6th term Remuneration Committee is from Aug 7, 2024 to Jun 26, 2027. In recent year, the Remuneration Committee held three 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 (5 th & 6 th term)	Raymond R.M. Tai	3	0	100%	Re-appointment
Committee member (6 th term)	Chung-Shu Wu	2	0	100%	New appointment
Committee member (5 th & 6 th term)	J. W. Huang	3	0	100%	Re-appointment
Committee member (5 th term)	Johnsee Lee	1	0	100%	Term expired

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 26, 2024 The 6 th meeting of the 5 th term	1. The 2023 performance evaluation items and forms of the Company	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution The proposal is submitted to Board of Directors and approved by all attending Directors.
	2. The 2023 Board of Directors and Functional Committees Performance Evaluation Results		
	3. The 2023 Year-end bonus		
	4. The 2023 Directors' remuneration and employees' compensation of the Company		
	5. The 2024 performance-based salary adjustment amount		
Oct 15, 2024 The 1 st meeting of the 6 th term	1. The Company's staff salary structure 2. Annual performance evaluation and assessment form	Approved by all attending members without objection.	To execute in accordance with the Remuneration Committee's resolution
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 The proposal is submitted to Board of Directors and approved by all attending Directors.
	2. The 2025 performance-based salary adjustment amount		
	3. The 2024 Board of Directors and Functional Committees Performance Evaluation Results		
	4. The 2024 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	
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?	V		<p>The Company's Board of Directors is its highest governing authority for sustainable management. In 2020, the board-level Sustainability Committee, which comprises two of the Company's independent directors and one external director, was established. 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 2 meetings were held in 2024. It is the Sustainability Implementation Committee that the Company puts in charge of drafting and reviewing the Sustainable Development Principles, systems and management guidelines. They implement sustainability projects and communicate with stakeholders. The Sustainability Implementation Committee has 186 members, including three dedicated personnel from the Corporate Staff Office. In addition, there is a cross-unit Energy Task Force. The Company reports the implementation of sustainability within the organization and results to the Board of Directors and the Sustainability Committee. It reported 2 times to the Sustainability Committee and 4 times to the Board of Directors separately, 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
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?	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 analyses, guided by the principle of materiality, which includes factors such as 	

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			environment, society, and corporate governance. Following the materiality identification process outlined in the 2021 version of the GRI Sustainable Reporting Guidelines, the Company has developed a 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, confirming by the senior management, and obtaining approval from the executive managers. 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.	
c. Environmental Issues (a) Has the Company established an appropriate environmental management system according to its industry characteristics?	V		1. In 2010, the Company's production business arm established a cross-departmental team called the “Energy Task Force.” This team took charge of developing an internal environmental audit system and operational plans for environmental and energy management across all business units. Their reach extends to production sites in Taiwan, China, Vietnam, Japan, the United States, and Malaysia. Reporting to the Energy Task Force in each unit are dedicated teams focused on specific areas, such as the Energy Efficiency & Emission Reduction Team (responsible for GHG emissions and managing renewable energy and new carbon reduction technologies), Water Management Team, Air Pollution Management Team, and Waste Management Team. Each production site holds monthly Energy Task Force meetings. These meetings serve as a platform to report environmental performance and responsive measures to address climate-related risks and opportunities to senior management. Additionally, adjustments are made to energy and resource management policies as needed. Ultimately, this collaborative effort supports the Company's commitment to maintaining a sustainable environment. 2. As of March 31, 2025, an impressive 71% of the Company's Production Business' major sites have achieved ISO 14001 certification through external third-party verification.	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) 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 2024 alone, an estimated 26 billion waste PET bottles were recycled and transformed into entirely new products. Recently, the Company adopts 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 8% reduction by 2024, 10% by 2025, and 20% by 2030 in energy consumption per unit of production output. Remarkably, in 2024, there was a 9% reduction compared to the base year, successfully meeting the target. During 2024, 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 648 TJ.</p> <p>3. We promote the use of renewable energy sources. In 2024, our Production Business' major sites utilized renewable energy for 7% of their total energy consumption across major sites.</p> <p>4. To ensure responsible energy management, our production business adhere to ISO 50001 Energy Management Standards. As of March 31, 2025, 38% of the Production Business' major sites have achieved certification through reputable third-party organizations like BSI, SGS, TUV, LRQA, and CQC.</p>	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 57-62 for "Climate-Related information of Company".	

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons									
	Yes	No	Summary										
(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		<div>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. Note: Two subsidiaries are excluded from the greenhouse gas emissions, as their emissions account for less than 5% of the total emissions of the parent company and its consolidated subsidiaries, therefore excluded based on the materiality principle.</div> <div>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 63-64 for "Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years ".</div> <div>3. The total water usage and water intensity statistics over the past two years for the Company's Production Business' major sites.</div> <table><tr><td></td><td>2023</td><td>2024</td></tr><tr><td>Total Water Usage (metric ton)</td><td>1,174,165,000</td><td>991,732,000</td></tr><tr><td>Water Withdrawal Intensity (metric ton / metric ton of production)</td><td>2.55</td><td>2.09</td></tr></table> <div>Note: According to the definition by the Water Resources Agency, MOEA, water usage is the sum of water withdrawal and recycling water.</div> <div>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 water withdrawal intensity by 8% by 2024, 10% by 2025, and 20% by 2030. In 2024, water withdrawal per unit of output was 30% lower than the base year, achieving the short-term goal ahead of schedule.</div> <div>5. Oriental Petrochemical (Taiwan) implemented a water efficiency management system in compliance with ISO 46001 and secured verification from SGS in 2024.</div> <div>6. The waste volume and waste intensity statistics over the past two years for the Company's Production Business' maior sites.</div>		2023	2024	Total Water Usage (metric ton)	1,174,165,000	991,732,000	Water Withdrawal Intensity (metric ton / metric ton of production)	2.55	2.09	None
	2023	2024											
Total Water Usage (metric ton)	1,174,165,000	991,732,000											
Water Withdrawal Intensity (metric ton / metric ton of production)	2.55	2.09											

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons															
	Yes	No	Summary																
			<table><tr><td></td><td>2023</td><td>2024</td></tr><tr><td>Non-hazardous waste (metric ton)</td><td>102,544</td><td>100,776</td></tr><tr><td>Hazardous waste (metric tons)</td><td>6,546</td><td>2,458</td></tr><tr><td>Total waste (metric tons)</td><td>109,090</td><td>103,234</td></tr><tr><td>Total waste intensity (metric ton / metric ton of production)</td><td>0.01519</td><td>0.01518</td></tr></table> <p>Note: Statistical data on non-hazardous waste, hazardous waste, and total waste volume at the Company's Production Business' major sites for 2023 and 2024 have been verified by SGS.</p> <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 were a 8% reduction by 2024, 10% by 2025, and 20% by 2030. In 2024, the waste reduction goal was achieved ahead of schedule, with a 41% 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 managed water resources and waste across its production operations in accordance with the ISO 14001 Environmental Management System. As of March 31, 2025, 71% of its production sites have successfully undergone external third-party verifications conducted by certification bodies such as BSI, DNV, SGS, TUV, GCC, and CQC.</p>		2023	2024	Non-hazardous waste (metric ton)	102,544	100,776	Hazardous waste (metric tons)	6,546	2,458	Total waste (metric tons)	109,090	103,234	Total waste intensity (metric ton / metric ton of production)	0.01519	0.01518	None
	2023	2024																	
Non-hazardous waste (metric ton)	102,544	100,776																	
Hazardous waste (metric tons)	6,546	2,458																	
Total waste (metric tons)	109,090	103,234																	
Total waste intensity (metric ton / metric ton of production)	0.01519	0.01518																	
d. Social Issues (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?	V		<p>In 2018, the Company implemented the Far Eastern New Century Human Rights Policy, aligning with the UN Universal Declaration of Human Rights and ILO norms. This policy was endorsed by top executives at FENC production sites globally and disseminated to employees to ensure awareness of their rights. In 2020, the Company conducted comprehensive human rights due diligence (HRDD), assessing both the probability of risks and their potential impact on the Company. This HRDD covered 100% of global sites.</p>																

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<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> <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.</p> <p>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 2024, we achieved full participation (100% response rate) from all operational sites globally, validating the systematic implementation of our human rights framework.</p> <p>When investing in new operational sites or establishing new business relationships (such as business partners, suppliers, or contractors), the Company conducts human rights assessments to evaluate their human rights practices. These assessments serve as a key basis for investment decisions and supplier qualification. We also incorporate human rights risk assessments into considerations for expanding or establishing new</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>production sites, covering local labor policies, supplier management, and the impact of company investments and expansions on surrounding communities. We are committed to ensuring that 100% of our production sites pass customer audits on human rights and labor conditions, strictly adhering to international standards and corporate social responsibility principles, in order to uphold sustainable development and responsible business operations. The Company’s human rights policies and their operational specifics are outlined in the table below.</p> <table><tr><th>Human Right Policy</th><th>Operational Specifics</th></tr><tr><td>No Forced Labor—eradicates all forms of forced labor, corporal punishment or punishment</td><td>The Company adheres to labor laws and international standards, ensuring that no employees are coerced into performing labor services against their will. Additionally, the Company does not restrict the freedom of movement of any individual, including withholding personal identification documents from employees. A non-forced labor policy has been established, which is regularly reviewed and updated to align with local laws and customer standards. There were no incidents of forced labor and human trafficking reported in 2024.</td></tr><tr><td>Bans Child Labor—forbids employment of children</td><td>The Company strictly prohibits the employment of children under the age of 16 in any of its production sites or within its supply chain. It has implemented a comprehensive child labor policy along with procedures for addressing any instances of child labor that may be discovered, as well as recruitment policies to prevent such occurrences. There were no instances of child labor employed by the Company in 2024.</td></tr><tr><td>Work Hours, Wage and Benefits—complies with international standards and local regulations on the number of work and overtime hours, remuneration, benefits and living conditions</td><td><p>The Company strictly adheres to international standards and relevant local regulations concerning working hours, overtime compensation, remuneration, benefits, and living conditions, ensuring:</p><ol style="list-style-type: none">1. Work hours are within the limits stipulated by local regulations.2. The Company commits to providing a living wage that meets minimum requirements as mandated by law.3. Overtime pay is never less than what is legally mandated.4. Salary transparency is maintained, and deductions are not used as punitive measures.5. Paid vacations, special leave, and other mandatory rest days, along with all statutory labor benefits, are guaranteed.6. Living conditions provided meet the basic needs of all personnel.</td></tr></table>	Human Right Policy	Operational Specifics	No Forced Labor —eradicates all forms of forced labor, corporal punishment or punishment	The Company adheres to labor laws and international standards, ensuring that no employees are coerced into performing labor services against their will. Additionally, the Company does not restrict the freedom of movement of any individual, including withholding personal identification documents from employees. A non-forced labor policy has been established, which is regularly reviewed and updated to align with local laws and customer standards. There were no incidents of forced labor and human trafficking reported in 2024.	Bans Child Labor —forbids employment of children	The Company strictly prohibits the employment of children under the age of 16 in any of its production sites or within its supply chain. It has implemented a comprehensive child labor policy along with procedures for addressing any instances of child labor that may be discovered, as well as recruitment policies to prevent such occurrences. There were no instances of child labor employed by the Company in 2024.	Work Hours, Wage and Benefits —complies with international standards and local regulations on the number of work and overtime hours, remuneration, benefits and living conditions	<p>The Company strictly adheres to international standards and relevant local regulations concerning working hours, overtime compensation, remuneration, benefits, and living conditions, ensuring:</p> <ol style="list-style-type: none">1. Work hours are within the limits stipulated by local regulations.2. The Company commits to providing a living wage that meets minimum requirements as mandated by law.3. Overtime pay is never less than what is legally mandated.4. Salary transparency is maintained, and deductions are not used as punitive measures.5. Paid vacations, special leave, and other mandatory rest days, along with all statutory labor benefits, are guaranteed.6. Living conditions provided meet the basic needs of all personnel.	None
Human Right Policy	Operational Specifics											
No Forced Labor —eradicates all forms of forced labor, corporal punishment or punishment	The Company adheres to labor laws and international standards, ensuring that no employees are coerced into performing labor services against their will. Additionally, the Company does not restrict the freedom of movement of any individual, including withholding personal identification documents from employees. A non-forced labor policy has been established, which is regularly reviewed and updated to align with local laws and customer standards. There were no incidents of forced labor and human trafficking reported in 2024.											
Bans Child Labor —forbids employment of children	The Company strictly prohibits the employment of children under the age of 16 in any of its production sites or within its supply chain. It has implemented a comprehensive child labor policy along with procedures for addressing any instances of child labor that may be discovered, as well as recruitment policies to prevent such occurrences. There were no instances of child labor employed by the Company in 2024.											
Work Hours, Wage and Benefits —complies with international standards and local regulations on the number of work and overtime hours, remuneration, benefits and living conditions	<p>The Company strictly adheres to international standards and relevant local regulations concerning working hours, overtime compensation, remuneration, benefits, and living conditions, ensuring:</p> <ol style="list-style-type: none">1. Work hours are within the limits stipulated by local regulations.2. The Company commits to providing a living wage that meets minimum requirements as mandated by law.3. Overtime pay is never less than what is legally mandated.4. Salary transparency is maintained, and deductions are not used as punitive measures.5. Paid vacations, special leave, and other mandatory rest days, along with all statutory labor benefits, are guaranteed.6. Living conditions provided meet the basic needs of all personnel.											

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons								
	Yes	No	Summary									
			<table><tr><th>Human Right Policy</th><th>Operational Specifics</th></tr><tr><td></td><td>In fiscal year 2024, one incident was identified in which working hours exceeded the local legal limit. The Company has implemented plans to reduce overtime through organizational review and workforce reallocation.</td></tr><tr><td>Freedoms of Assembly and Association and Right to Collective Bargaining—protects employees' freedoms of speech, assembly and their right to collective bargaining</td><td><p>1. Freedom of Speech: The Company has established a comprehensive and effective Speak Up Policy, which is openly accessible on our online platform. We welcome complaints 24 hours a day, taking into consideration the unique needs of each operational site worldwide. To safeguard employee privacy and foster an open environment, complaints can be submitted anonymously in six languages, including Chinese, English, Japanese, Filipino, Malay, and Vietnamese. This approach ensures that the Company receives the most genuine voices of employees, enabling us to continuously review and improve various operating procedures accordingly.</p><p>2. Freedoms of Assembly and Association: The Company fully respects and supports employees' rights to choose, form, join, or abstain from joining a labor union or any other employee organization. We hold the establishment and operation of the Company's labor union in high regard, allowing employees to express their grievances regarding their various rights and interests and request improvements through the labor union. An annual employee representative meeting is convened, during which employee suggestions are welcomed and acted upon accordingly.</p><p>3. In fiscal year 2024, the Company received 17 submissions via labor-management meetings and suggestion boxes. No related complaints were filed during the year. The Company remained in full compliance with collective agreements signed between each operational site and their respective labor unions.</p></td></tr><tr><td>Respect for Diversity, Equality and Antidiscrimination—eliminates discrimination in recruitment and employment, and ensures equal pay for equal work, equality, diversity and a safe working environment</td><td>The Company upholds diversity and equality in its policies, ensuring that all employees are treated equally regardless of various factors such as race, class, language, ideology, religion, party affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical /mental abilities, zodiac sign, blood type, or former membership in a trade union.</td></tr></table>	Human Right Policy	Operational Specifics		In fiscal year 2024, one incident was identified in which working hours exceeded the local legal limit. The Company has implemented plans to reduce overtime through organizational review and workforce reallocation.	Freedoms of Assembly and Association and Right to Collective Bargaining —protects employees' freedoms of speech, assembly and their right to collective bargaining	<p>1. Freedom of Speech: The Company has established a comprehensive and effective Speak Up Policy, which is openly accessible on our online platform. We welcome complaints 24 hours a day, taking into consideration the unique needs of each operational site worldwide. To safeguard employee privacy and foster an open environment, complaints can be submitted anonymously in six languages, including Chinese, English, Japanese, Filipino, Malay, and Vietnamese. This approach ensures that the Company receives the most genuine voices of employees, enabling us to continuously review and improve various operating procedures accordingly.</p> <p>2. Freedoms of Assembly and Association: The Company fully respects and supports employees' rights to choose, form, join, or abstain from joining a labor union or any other employee organization. We hold the establishment and operation of the Company's labor union in high regard, allowing employees to express their grievances regarding their various rights and interests and request improvements through the labor union. An annual employee representative meeting is convened, during which employee suggestions are welcomed and acted upon accordingly.</p> <p>3. In fiscal year 2024, the Company received 17 submissions via labor-management meetings and suggestion boxes. No related complaints were filed during the year. The Company remained in full compliance with collective agreements signed between each operational site and their respective labor unions.</p>	Respect for Diversity, Equality and Antidiscrimination —eliminates discrimination in recruitment and employment, and ensures equal pay for equal work, equality, diversity and a safe working environment	The Company upholds diversity and equality in its policies, ensuring that all employees are treated equally regardless of various factors such as race, class, language, ideology, religion, party affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical /mental abilities, zodiac sign, blood type, or former membership in a trade union.	None
Human Right Policy	Operational Specifics											
	In fiscal year 2024, one incident was identified in which working hours exceeded the local legal limit. The Company has implemented plans to reduce overtime through organizational review and workforce reallocation.											
Freedoms of Assembly and Association and Right to Collective Bargaining —protects employees' freedoms of speech, assembly and their right to collective bargaining	<p>1. Freedom of Speech: The Company has established a comprehensive and effective Speak Up Policy, which is openly accessible on our online platform. We welcome complaints 24 hours a day, taking into consideration the unique needs of each operational site worldwide. To safeguard employee privacy and foster an open environment, complaints can be submitted anonymously in six languages, including Chinese, English, Japanese, Filipino, Malay, and Vietnamese. This approach ensures that the Company receives the most genuine voices of employees, enabling us to continuously review and improve various operating procedures accordingly.</p> <p>2. Freedoms of Assembly and Association: The Company fully respects and supports employees' rights to choose, form, join, or abstain from joining a labor union or any other employee organization. We hold the establishment and operation of the Company's labor union in high regard, allowing employees to express their grievances regarding their various rights and interests and request improvements through the labor union. An annual employee representative meeting is convened, during which employee suggestions are welcomed and acted upon accordingly.</p> <p>3. In fiscal year 2024, the Company received 17 submissions via labor-management meetings and suggestion boxes. No related complaints were filed during the year. The Company remained in full compliance with collective agreements signed between each operational site and their respective labor unions.</p>											
Respect for Diversity, Equality and Antidiscrimination —eliminates discrimination in recruitment and employment, and ensures equal pay for equal work, equality, diversity and a safe working environment	The Company upholds diversity and equality in its policies, ensuring that all employees are treated equally regardless of various factors such as race, class, language, ideology, religion, party affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical /mental abilities, zodiac sign, blood type, or former membership in a trade union.											

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons												
	Yes	No	Summary													
			<table><tr><th>Human Right Policy</th><th>Operational Specifics</th></tr><tr><td></td><td>We are committed to fostering a workplace free from sexual, mental, physical, or verbal harassment, abuse, or intimidation. Our aim is to create a dignified, safe, and equitable working environment, opposing all forms of discrimination, bullying, or differential treatment. In 2024, our company was awarded the Taipei City Age-Friendly Enterprise Certification and was selected as one of CommonWealth Magazine's Top 100 DEI Companies for Senior Employment Excellence. In 2024, all operations were in full compliance with regulations and no human rights violations were identified.</td></tr><tr><td>Maternity Protection—protects female employees</td><td>FENC is dedicated to building a work system and environment that is supportive of all gender employees. We have established breastfeeding rooms in various locations to ensure a comfortable environment for nursing mothers. Additionally, for colleagues who are pregnant or have underage children, FENC offers flexible working hours and the option for flexible start and end times. In Malaysia, our factory provides designated parking spaces for pregnant employees. In 2024, FENC received no disputes or complaints related to violations of maternity protection.</td></tr><tr><td>Privacy Protection—maintains the personal data and privacy of all personnel</td><td>FENC adheres strictly to local regulations to safeguard personal information security. Prior to any document requiring the collection of personal data, we consult with our legal department for guidance. This ensures that clear information is provided to individuals, and proper data storage practices are implemented. In 2024, FENC received no disputes or complaints related to violations of privacy rights protection.</td></tr><tr><td>Job Security—protects employees' right to work</td><td>FENC takes proactive measures to protect employees from the threat of forced layoffs and offers support to those facing such situations. Regular labor-management meetings are convened at each location to facilitate communication, and a comprehensive complaint policy is in place. We engage in two-way communication and policy advocacy through union organizations and directly with employees. In 2024, FENC received no disputes or complaints related to violations of employment stability.</td></tr><tr><td>Health and Safety—builds safe, healthy, and comfortable working environment</td><td>FENC maintains strict adherence to international standards and local regulations concerning workplace health and safety. We prioritize the well-being of our employees by offering pre-employment physical examinations, annual health check-ups, and occupational health assessments. Additionally, we organize health seminars and provide follow-up health checks. For colleagues aged 45 and above, we implement health assessments and promote measures to enhance overall well-being, including health seminars. In 2024, FENC received no disputes or complaints related to health and safety concerns.</td></tr></table>	Human Right Policy	Operational Specifics		We are committed to fostering a workplace free from sexual, mental, physical, or verbal harassment, abuse, or intimidation. Our aim is to create a dignified, safe, and equitable working environment, opposing all forms of discrimination, bullying, or differential treatment. In 2024, our company was awarded the Taipei City Age-Friendly Enterprise Certification and was selected as one of CommonWealth Magazine's Top 100 DEI Companies for Senior Employment Excellence. In 2024, all operations were in full compliance with regulations and no human rights violations were identified.	Maternity Protection —protects female employees	FENC is dedicated to building a work system and environment that is supportive of all gender employees. We have established breastfeeding rooms in various locations to ensure a comfortable environment for nursing mothers. Additionally, for colleagues who are pregnant or have underage children, FENC offers flexible working hours and the option for flexible start and end times. In Malaysia, our factory provides designated parking spaces for pregnant employees. In 2024, FENC received no disputes or complaints related to violations of maternity protection.	Privacy Protection —maintains the personal data and privacy of all personnel	FENC adheres strictly to local regulations to safeguard personal information security. Prior to any document requiring the collection of personal data, we consult with our legal department for guidance. This ensures that clear information is provided to individuals, and proper data storage practices are implemented. In 2024, FENC received no disputes or complaints related to violations of privacy rights protection.	Job Security —protects employees' right to work	FENC takes proactive measures to protect employees from the threat of forced layoffs and offers support to those facing such situations. Regular labor-management meetings are convened at each location to facilitate communication, and a comprehensive complaint policy is in place. We engage in two-way communication and policy advocacy through union organizations and directly with employees. In 2024, FENC received no disputes or complaints related to violations of employment stability.	Health and Safety —builds safe, healthy, and comfortable working environment	FENC maintains strict adherence to international standards and local regulations concerning workplace health and safety. We prioritize the well-being of our employees by offering pre-employment physical examinations, annual health check-ups, and occupational health assessments. Additionally, we organize health seminars and provide follow-up health checks. For colleagues aged 45 and above, we implement health assessments and promote measures to enhance overall well-being, including health seminars. In 2024, FENC received no disputes or complaints related to health and safety concerns.	None
Human Right Policy	Operational Specifics															
	We are committed to fostering a workplace free from sexual, mental, physical, or verbal harassment, abuse, or intimidation. Our aim is to create a dignified, safe, and equitable working environment, opposing all forms of discrimination, bullying, or differential treatment. In 2024, our company was awarded the Taipei City Age-Friendly Enterprise Certification and was selected as one of CommonWealth Magazine's Top 100 DEI Companies for Senior Employment Excellence. In 2024, all operations were in full compliance with regulations and no human rights violations were identified.															
Maternity Protection —protects female employees	FENC is dedicated to building a work system and environment that is supportive of all gender employees. We have established breastfeeding rooms in various locations to ensure a comfortable environment for nursing mothers. Additionally, for colleagues who are pregnant or have underage children, FENC offers flexible working hours and the option for flexible start and end times. In Malaysia, our factory provides designated parking spaces for pregnant employees. In 2024, FENC received no disputes or complaints related to violations of maternity protection.															
Privacy Protection —maintains the personal data and privacy of all personnel	FENC adheres strictly to local regulations to safeguard personal information security. Prior to any document requiring the collection of personal data, we consult with our legal department for guidance. This ensures that clear information is provided to individuals, and proper data storage practices are implemented. In 2024, FENC received no disputes or complaints related to violations of privacy rights protection.															
Job Security —protects employees' right to work	FENC takes proactive measures to protect employees from the threat of forced layoffs and offers support to those facing such situations. Regular labor-management meetings are convened at each location to facilitate communication, and a comprehensive complaint policy is in place. We engage in two-way communication and policy advocacy through union organizations and directly with employees. In 2024, FENC received no disputes or complaints related to violations of employment stability.															
Health and Safety —builds safe, healthy, and comfortable working environment	FENC maintains strict adherence to international standards and local regulations concerning workplace health and safety. We prioritize the well-being of our employees by offering pre-employment physical examinations, annual health check-ups, and occupational health assessments. Additionally, we organize health seminars and provide follow-up health checks. For colleagues aged 45 and above, we implement health assessments and promote measures to enhance overall well-being, including health seminars. In 2024, FENC received no disputes or complaints related to health and safety concerns.															

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<div> <div> Health and Safety— builds safe, healthy, and comfortable working environment </div> <div> FENC maintains strict adherence to international standards and local regulations concerning workplace health and safety. We prioritize the well-being of our employees by offering pre-employment physical examinations, annual health check-ups, and occupational health assessments. Additionally, we organize health seminars and provide follow-up health checks. For colleagues aged 45 and above, we implement health assessments and promote measures to enhance overall well-being, including health seminars. In 2024, FENC received no disputes or complaints related to health and safety concerns. </div> </div> <p>In 2024, the Company provided information on human rights, diversity, equity, and inclusion (DEI) through the Far Eastern Digital Learning Platform. At the same time, in response to the amendment and implementation of the Gender Equality in Employment Act, the Company developed an internal digital course on the Act to help managers and employees understand legal regulations and workplace applications. Additionally, the Company purchased two external courses on Workplace Sexual Harassment Prevention Strategies to deepen employees' awareness of their rights, strengthen managers' response capabilities, and enhance awareness of workplace sexual harassment prevention, ensuring that every employee can work in a safe and respectful environment.</p> <p>To further promote a diverse, inclusive, and equitable workplace culture, the Company disseminates relevant information to all employees through a monthly newsletter. Moreover, from May to June 2024, a special issue was published to explore the implementation and impact of a friendly workplace environment, reinforcing a culture of equality and inclusion within the Company. The Company is committed to fostering a diverse, inclusive, and fair workplace, supporting employees in achieving a healthy work-life balance, and creating an environment where everyone can thrive, working together towards a better future.</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	
			In 2024, a total of 36,627 participants completed human rights advocacy and training programs. Additionally, the Company provided comprehensive training for all employees on Corporate Social Responsibility and Anti-Corruption and Anti-Fraud Regulations, with a particular focus on labor rights, discrimination, and human rights awareness.	
(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></p> <p>The Company operates a variable compensation system that takes into account both individual and organizational performance. As per the Company's Articles of Incorporation, 2~3.5% of the Company's net profits are allocated for distribution to employees.</p> <p><u>Performance Review</u></p> <p>The Company has established clear guidelines for performance evaluation, aimed at helping employees enhance their skills and performance while offering opportunities for career advancement and personal development. We have integrated the Environmental, Social, and Governance (ESG) concept into our performance review system. Depending on their roles, individuals are evaluated across various dimensions, including but not limited to energy conservation, promotion of environmentally friendly sales, research and development of sustainable products, execution of corporate governance practices, and optimization of human resources. Performance reviews are conducted at least once a year to assess employees' suitability for their roles and their job performance. Based on the outcomes of these evaluations, decisions are made regarding salary adjustments, bonuses, promotions, or, if necessary, dismissal.</p> <p><u>Insurance</u></p> <p>Employees are covered by labor insurance and National Health Insurance, and the Company contributes to their individual retirement pension accounts according to the new scheme. The Company further provides security through company-funded accident insurance. Employees also have the option to enroll in a self-funded group insurance plan, offering coverage for individual illnesses and cancer treatment at competitive rates. This voluntary plan allows employees to customize their protection based on their needs.</p>	None

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			<p><u>Employee welfare programs</u></p> <p>The Company has an employee welfare committee that, in compliance with laws and regulations, appropriates welfare funds and holds a variety of events for employees, including employee outings and hiking trips. The Company also has many clubs, including a volunteer club, a dance club, a yoga club, a badminton club, an aerobic dance club, a table tennis club, a basketball club, all of which meet regularly. Additionally, the Company provides free health checkups, scholarships for employees' children, allowance for birthdays, weddings, funerals, child births, and festivities.</p> <p>The Company established regulations on regular leaves, rest days, annual paid leaves, and overtime payment standards in accordance with the Labor Standards Act. Our Legal Department, Human Resources Department, Auditing Department and the management of all businesses convene joint meetings quarterly to ensure legal compliance of each unit. Employees may also apply for unpaid leave if they need a longer period away from their positions to care for young children, convalesce or in case of major problems so that they can take care of family and personal matters.</p> <p><u>Equality and respect for diversity</u></p> <p>FENC upholds gender equality and commits to establishing systems and a working environment that are friendly to all genders. The Company's production business spans a variety of industries. The up- and midstream industries rely more on chemical related expertise where a higher proportion of the workforce is male. The downstream, which consists mainly of the textile industry, is composed of a higher percentage of female employees. In 2024, on average females account for 25% of all employees, and 26% of leadership positions in Taiwan. 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</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>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> <p><u>Employee compensation linked to operational achievements</u></p> <ul style="list-style-type: none"> • Article 26 in FENC's Articles of Incorporation: The Company should distribute 2% to 3.5% of profit of the current year as employees' compensation and no more than 2.5% as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall 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. • 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. In 2024, this commitment translated into an average pay raise of 3% for both leadership and non-leadership roles across its Taiwanese business sites. 	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		For the Company's employee safety and health work environment practices, employee education policy and its implementation, please refer to page 113 to 114. For the Company's relevant certifications acquired and its certified scope, please refer to page 113 to 114. 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 113 to 114. The Company did not experience any fire incidents in 2024.	None
(d) Has the Company established an effective career developmental plan for its employees?	V		For details on the scope, coverage, and implementation of the Company's employee training programs, please refer to page 111.	
(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		The Company and its subsidiaries ensure that products and service quality are in compliance with government regulations and industry standards. The Company has implemented “Customer Quality Complaint Handling Standards,” and handles written complaints from clients or via electronic means. The corporate website also offers a newsletter, 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.	
(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		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 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 2024, 94% 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 2024, 100% of key suppliers completed the survey.	

Corporate Governance Report

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			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.	
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?	V		The <i>2024 Sustainability Report</i> 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 Taiwan. Additionally, the Sustainability Report was prepared with reference to TCFD recommendations, Sustainability Accounting Standards Board standards for the chemical industry, and Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.	None
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: 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.				
g. Please state any other important information that would facilitate better understanding of the Company's status in fulfilling corporate social responsibilities: 1. Developing green products 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. 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. 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 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. 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. 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.				

Item	Implementation Status			Deviations from “Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Summary	
			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 2024, revenue from green products reached NT\$48.3 billion, setting a new historical high.	
2.			<p>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 2024, the Company had issued nearly 40 sustainability financial products, many of which were the first in Taiwan or Asia, raising nearly NT\$80 billion in funds. These funds were invested in sustainable development projects through various financing channels:</p> <p>(1) <u>Capital Market Bonds:</u></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 sustainable development bonds, comprising green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. As of now, it had raised over NT\$22.5 billion in the capital market for ESG sustainability projects. In 2024 alone, an additional NT\$5.25 billion was issued.</p> <p>(2) <u>Banks' Green Financing:</u></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 2024, the Company resulting in the signing of an ESG financing limit exceeding NT\$57 billion. These efforts have expanded from the parent company to overseas subsidiaries in regions such as Mainland China, Japan, and Southeast Asia. In 2024, approximately NT\$12.1 billion in new ESG financing agreements were signed by both domestic and overseas company.</p>	
3.			<p>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. The Company promotes the well-being and broadens international perspective within the society through its core strengths or capital, and gives back to the public by establishing non-profit organizations powered by synergistic efforts within the corporation. Such efforts have brought together forces from all fields, creating a coalition that fosters inclusion and understanding and paving the way to a beautiful society.</p> <p>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> <p>(1) <u>Athletics:</u></p> <p>Hsinpu Chemical Fiber Plant hosts the annual FENC Classic Marathon, incorporating local Hsinchu cultural elements and inviting area residents to participate. Thousands of runners sign up each year, making it one of Taiwan's premier marathons. The Company is dedicated to promoting health and fitness among employees and communities. Many employees have become outstanding marathoners through participation, achieving impressive results nationally and boosting morale. The event exemplifies FENC's commitment to wellness alongside its core business.</p> <p>(2) <u>Art & Culture:</u></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>(3) <u>Education:</u></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>	
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.	

Corporate Governance Report

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 risk management, corporate strategic planning, employee rights protection, supply chain management, energy reliability, and management of public welfare organizations. Over the past year, four meetings have been held. The convener of the Corporate Sustainability Implementation Committee, the President of Corporate Management Mr. Humphrey Cheng, reported on the Company's progress in sustainable development and the execution and performance of sustainable projects. Highlights include: greenhouse gas management, promotion of internal carbon pricing, deployment of diverse renewable energy sources, advancement of circular recycling technologies and green products, promotion of sustainable finance, enhancement of occupational health and safety, talent development and retention, execution of environmental education programs, promotion of sustainable supply chain projects, multi-channel stakeholder engagement, ESG dialogue activities with various sectors of society, raising sustainability awareness, optimization of the ESG data collection digital platform, publication of the Task Force on Climate-related Financial Disclosures (TCFD) report, stakeholder and materiality identification, planning alignment with the IFRS Sustainability Disclosure Standards, strengthening AI utilization and management, development of high-value, low-carbon environmentally friendly polyester materials, promotion of commercial applications for chemical textile recycling technology, cross-industry alliances for electronic waste reuse, global expansion of rPET, implementation of carbon reduction action plans, execution of sustainable supply chain projects, enhancement of workplace health, safety and management, and planning for the adoption of the Taskforce on Nature-related Financial Disclosures (TNFD) framework. 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 (3 rd term)	Sy-Ming Guu	3	0	100%	New Appointment
Committee member (3 rd term)	Way Kuo	3	0	100%	New Appointment
Committee member (2 nd & 3 rd term)	Kwan-Tao Li	4	0	100%	Re-appointment
Convener (2 nd term)	Johnsee Lee	1	0	100%	Term expired
Committee member (2 nd term)	Raymond R.M. Tai	1	0	100%	Term expired

Climate-related information of the Company

1. Implementation of climate-related information

Item	Implementation status														
1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	<p>1. The highest supervisory body overseeing the Company's strategies and management guidelines related to climate change at FENC is the Board of Directors. It also establishes a functional committee at the board level known as the Sustainability Committee. Within the Company's organizational structure, forms the Sustainability Implementation Committee. The President of Corporate Management acts as the convener, with participation from production sites, business sites, and administrative departments of each SBU. Together, they drive climate risk mitigation and adaptation, the Company's transition to a low-carbon model, and environmental risk management. Coordination of greenhouse gas emissions and energy management falls under the purview of the Energy Task Force. The Sustainability Team within the Corporate Staff Office compiles various sustainability performance metrics and presents them to both the Sustainability Committee and the Board of Directors. Regular reporting on climate change-related issues occurs at both board meetings and internal gatherings, where Presidents, Chief Operating Officers of SBUs, and the Energy Task Force provide updates to board members.</p> <p>2. To comprehensively understand how climate change impacts our company, both in terms of risks and opportunities, FENC have established a climate risk and opportunity management system, The Sustainability Implementation Committee is tasked with advancing it. The committee regularly reports these risks and opportunities and responding action to the management team, enabling the implementation of a top-down tracking and oversight mechanism initiated by the Board of Directors.</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>1. Following the framework recommended by the Task Force on Climate-Related Financial Disclosures (TCFD), we've developed a comprehensive process to identify climate-related risks and opportunities impacting our production business. This process has led to the selection of 18 issues pertaining to climate change risks and opportunities that could impact the Company's production business.</p> <table><tr><th>Category</th><th>Issue</th><th>Potential Financial Impact</th><th>Expected Impact Timeline</th></tr><tr><td rowspan="3">Transition Risks</td><td>Regulations on greenhouse gas reduction and renewable energy</td><td>Building more renewable energy facilities to comply with regulations raises operating costs.</td><td>Medium-term</td></tr><tr><td>Carbon pricing mechanisms</td><td>The locations where the Company's production sites operate are implementing carbon pricing policies, imposing carbon fees or levying carbon taxes on carbon emissions. This trend is anticipated to reach its peak by 2050, resulting in increased operating costs for the Company's production business due to these fees and taxes.</td><td>Long-term</td></tr><tr><td>Carbon Border Tax</td><td>To prevent carbon leakage, countries have instituted carbon border tax for imported products. Consequently, the export products of the Company's production business are taxed, leading to an increase in operating costs.</td><td>Medium-term</td></tr></table>	Category	Issue	Potential Financial Impact	Expected Impact Timeline	Transition Risks	Regulations on greenhouse gas reduction and renewable energy	Building more renewable energy facilities to comply with regulations raises operating costs.	Medium-term	Carbon pricing mechanisms	The locations where the Company's production sites operate are implementing carbon pricing policies, imposing carbon fees or levying carbon taxes on carbon emissions. This trend is anticipated to reach its peak by 2050, resulting in increased operating costs for the Company's production business due to these fees and taxes.	Long-term	Carbon Border Tax	To prevent carbon leakage, countries have instituted carbon border tax for imported products. Consequently, the export products of the Company's production business are taxed, leading to an increase in operating costs.	Medium-term
Category	Issue	Potential Financial Impact	Expected Impact Timeline												
Transition Risks	Regulations on greenhouse gas reduction and renewable energy	Building more renewable energy facilities to comply with regulations raises operating costs.	Medium-term												
	Carbon pricing mechanisms	The locations where the Company's production sites operate are implementing carbon pricing policies, imposing carbon fees or levying carbon taxes on carbon emissions. This trend is anticipated to reach its peak by 2050, resulting in increased operating costs for the Company's production business due to these fees and taxes.	Long-term												
	Carbon Border Tax	To prevent carbon leakage, countries have instituted carbon border tax for imported products. Consequently, the export products of the Company's production business are taxed, leading to an increase in operating costs.	Medium-term												

Corporate Governance Report

Item	Implementation status			
	Category	Issue	Potential Financial Impact	Expected Impact Timeline
		Transition to low-carbon technologies and fuels	To foster a low-carbon transition, the Company is replacing existing equipment and fuels known for their high energy consumption and carbon emissions with high-efficiency, low-carbon emission alternatives. This initiative has led to increased capital expenditure and production costs.	Medium-term
		R&D of net-zero related technologies	In response to market demand, the Company's production business is persistently developing net-zero driven technologies and green, low-carbon products, which has led to a rise in R&D costs.	Medium-term
		Change in customer behavior	To address the potential impact of climate change, customers are increasingly favoring low-carbon products. As a result, the Company's production business are under pressure to reduce carbon emissions. Failure to meet customer demands in this area could lead to loss of customers and a decline in revenue.	Medium-term
		Losing favor with investors	Failure to maintain good ESG performance can result in a decrease in investors' willingness to continue investing or providing financing support. This, in turn, may lead to a decline in the Company's market value or an increase in capital costs.	Medium-term
		Industry's stigmatized image	As environmental awareness grows, a company linked to negative press regarding carbon emissions may face demands from both the government and the local community near its production sites for output reduction or even shutdown. Consequently, this could lead to a decrease in production capacity and revenue.	Long-term

Item	Implementation status			
	Category	Issue	Potential Financial Impact	Expected Impact Timeline
	Physical Risks	Increased severity and frequency of extreme weather events such as typhoons and floods	Extreme weather events can damage equipment, leading to reduced capacity or increased repair costs.	Long-term
		Sea level rises	If the Company's production sites are situated in regions with a high risk of sea level rise due to climate change, there is a potential for flooding that could inundate our assets and equipment, resulting in damage to these crucial operational resources.	Long-term
		Increased severity and frequency of extreme weather events such as typhoons and floods (supply chain)	If a supplier's location or supply routes are disrupted by climate-related events, it could lead to delays in the timely delivery of raw materials to our production sites, resulting in reduced production output.	Medium-term
		Rising average temperatures	Outdoor operations must cease due to the high temperatures, leading to extended work hours and heightened labor costs.	Long-term
		Changes in precipitation patterns and extreme weather events	Extreme precipitation patterns, such as prolonged periods without rainfall, elevate the risk of water scarcity. The Company's production business has invested in water-saving infrastructure and implemented contingency measures to curtail water usage, enhancing water resilience. This has led to increased capital expenditures and operating costs.	Short- term
	Opportunity	Reduced water consumption	In the event of water scarcity, the Company has implemented water management measures that are more robust than those of its competitors. This enhanced resilience enables us to avoid reduced production levels or shipping delays, potentially increasing sales revenue over peers facing disruptions.	Medium-term

Corporate Governance Report

Item	Implementation status			
	Category	Issue	Potential Financial Impact	Expected Impact Timeline
		Adopting low-carbon energy sources	By utilizing renewable electricity or other low-carbon energy sources, we can meet the requirements of customers seeking environmentally sustainable products. This allows us to command higher pricing or increased order volumes for our goods, thereby driving an increase in sales revenue.	Medium-term
		Developing or expanding low-carbon goods and services	The Company's production business continues to reduce the carbon footprint of its products, allowing it to meet customers' emission reduction requirements. This allows us to command higher pricing or increased order volumes for our goods, thereby driving an increase in sales revenue.	Short- term
		Developing new products or services through R&D and innovation	By investing in research and development of environmentally friendly products, we can align with customer demands and subsequently boost sales revenue.	Short- term
		Entering new markets	With various countries introducing recycling policies, it presents an opportunity for the Company's production business to expand its presence in the market for recycled products, thereby increasing its sales revenue.	Short- term
Note: Short-term refers to 2024-2025, medium-term to 2026-2030, and long-term to 2031-2050.				
3. Describe the financial impact of extreme weather events and transformative actions.	<p>1. The financial impacts of extreme weather events (physical risks) and transformative actions (transition risks and opportunities) on the Company's production business are thoroughly discussed in the preceding item.</p> <p>2. In response to these identified challenges, the Company's production business has conducted extensive planning, cataloging strategies and solutions to address significant climate-related risks and opportunities. Moreover, measures for tracking, managing, and evaluating these responses have been implemented to ensure effective oversight and assessment.</p>			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To comprehensively understand how climate change impacts our company, both in terms of risks and opportunities, FENC established a climate risk and opportunity management system. The Sustainability Implementation Committee is tasked with advancing it. The committee regularly reports these risks and opportunities and responding action to the management team, enabling the implementation of a top-down tracking and oversight mechanism initiated by the Board of Directors.			

Item	Implementation status	
	Identification of climate risk and opportunity	<ol style="list-style-type: none"> 1. We regularly analyze international scientific reports and relevant laws and regulations across different countries, regularly evaluating issues related to climate risks and opportunities concerning the Company's production business. 2. Cross-departmental communication and evaluation are conducted among the business unit, production unit, and administrative department. 3. We identify significant risks and opportunities for the Company's production business.
	Assessing impact and developing response measures	<ol style="list-style-type: none"> 1. We conduct a detailed financial impact analysis to quantify the potential costs or benefits associated with the top three identified climate risks and opportunities, or those deemed high-priority. 2. Based on this analysis, we will formulate comprehensive risk and opportunity management strategies along with corresponding response plans.
	Reporting & Tracking	<ol style="list-style-type: none"> 1. We regularly report to the Sustainability Committee and the Board of Directors on the results of climate change risk and opportunity identification, impact level analysis, as well as the associated strategies and corresponding response plans. 2. Internal meetings are regularly convened to brief board members and senior management on the management of these risks and opportunities.
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.	<ol style="list-style-type: none"> 1. The Company relies on scientific reports from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to gain a comprehensive understanding of transition risks, physical risks, and opportunities stemming from future climate change in its production business. To conduct a thorough analysis of the potential impact of climate change events on the Company's business, considering its unique characteristics, we also reference the TCFD Chemical Sector Preparer Forum report by the World Business Council for Sustainable Development (WBCSD). Additionally, we examine climate change risks and opportunities identified among both domestic and international industrial peers. Finally, in line with the schedule of our production business's greenhouse gas reduction path, we assess the transition risks, physical risks, and opportunities that may arise in the short, medium, and long term. This allows us to establish a focused list of climate-related issues tailored to the nature of our operations. 2. Given the diverse nature of climate change risks and opportunities, along with variations in their impact levels, we identify issues related to potential risks and opportunities across different scenarios. This process involves referencing international scientific reports to estimate the timing, likelihood of occurrence, and impact severity of each issue, following our corporate risk assessment protocol. Through this approach, we assess the overall impact and significance of risks and opportunities, enabling us to prioritize the most significant ones confronting the Company's production business. 3. In the midst of uncertain climate challenges, we equip FENC to respond effectively to extreme risks and capitalize on significant opportunities by establishing two contrasting scenarios: the SSP5-8.5 scenario representing the most severe warming conditions and the NZE scenario embodying the most proactive approach towards achieving net-zero emissions. This allows us to simulate the spectrum of risks and opportunities that could affect the Company's production business. Subsequently, we formulate corresponding measures and tracking mechanisms based on these scenarios to ensure that FENC maintains its capacity to operate sustainably amidst the impacts of extreme climate change. 	
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.	<ol style="list-style-type: none"> 1. Greenhouse Gas Reduction Targets and indicators: In 2022, the Company's production business set its first greenhouse gas (GHG) reduction targets, coordinated by the Energy Task Force. With all departments collaboration, GHG emissions in 2023 were reduced by 25% from base year (2020), surpassing the short-term target, which is at a pace well ahead of schedule. To continue its alignment with international trends and boost competitiveness in the net-zero era, the GHG reduction targets were raised in 2024. The new goals aim for a 30% reduction by 2025, a 50% reduction by 2030, and the achievement of net-zero emissions by 2050. 	

Corporate Governance Report

Item	Implementation status
	<p>2. FENC actively responds to the risks and opportunities posed by extreme weather by taking aggressive strides towards decarbonization. The five strategies implemented includes enhancing energy efficiency, substituting low-carbon fuels, expanding renewable energy sources, utilizing carbon capture and utilization (CCU) technology, and optimizing raw material usage.</p> <p>3. Other Climate-related Indicators and Targets for Production Business:</p> <p>(1) Increase in Proportion of Renewable Electricity: FENC invests in various renewable energy generation equipment and actively purchases renewable electricity, with the aim of increasing the proportion of renewable electricity usage of 120 million kWh by 2024, 250 million kWh by 2025, and 600 million kWh by 2030.</p> <p>(2) Improvement in Energy Efficiency: Targets are set to reduce energy consumption per unit of production, with reductions of 8% by 2024, 10% by 2025, and 20% by 2030 compared to the 2020 baseline. The Company continuously plans and implements energy-saving projects to maximize efficiency.</p> <p>(3) Reduction in Water Use: Targets include reducing water withdrawal per unit of production by 8% by 2024, 10% by 2025, and 20% by 2030, starting from the 2020 baseline. We view water as a valuable shared resource with local communities. Therefore, we prioritize water management at our production locations and continually work to reduce water consumption per unit of output.</p> <p>(4) Waste Recycling: Set waste reduction targets (for non-reused and non-recycled waste), using 2020 as the base year, our targets are to reduce waste by 8% by 2024, 10% by 2025, and 20% by 2030. We continue to optimize waste management and set reduction targets. To achieve these targets, we enhance resource utilization efficiency in production activities, reduce waste at the source, reuse resources, and actively promote waste sorting and recycling.</p> <p>(5) Air Pollution Control: We have set targets for reducing air pollution. Using 2020 as the base year, these targets are a 8% reduction by 2024, 10% by 2025, and 20% by 2030. We continue to introduce air pollution prevention and control technologies, regularly review existing facilities and production processes, and inspect boiler equipment and emission pipelines on a regular basis. This ensures all emissions comply with laws and regulation.</p>
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The Company's production business has established an internal carbon pricing mechanism to accelerate its internal decarbonization efforts. The internal carbon prices 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 considered both internal and external carbon costs across its global production sites, and analyze industry best practices. The price of NT\$1,500/tCO₂e for developed economies and NT\$1,000/tCO₂e for emerging economies, which was submitted to the Board of Directors and has been officially implemented since 2024 serves two key functions:</p> <p>(1) enhancing carbon benefits and strengthening incentives for carbon reduction when evaluating energy conservation and carbon reduction projects</p> <p>(2) informing decision-making through carbon cost calculations of each Strategic Business Unit in the monthly management report.</p>
<p>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.</p>	<p>1. Target and Progress of GHG Reduction: Approved by the Board of Directors in 2022, the Company's production business established Scopes 1 and 2 greenhouse gas reduction targets based on the 2020 baseline, include a 30% reduction by 2025, a 50% reduction by 2030, with the ultimate aim of achieving net-zero emissions by 2050. In 2024, the Company's Production Business' major sites achieved a 34% reduction in greenhouse gas emissions compared to the base year, and did not utilize carbon offsets to achieve greenhouse gas reduction targets.</p> <p>2. In 2024, the Company's Production Business' major sites procured renewable electricity in Taiwan, mainland China, and Japan to reduce market-based Scope 2 greenhouse gas emissions. This purchase amounted to around 200 million kWh, which included T-RECs, GECs (China), and NFCs (Japan).</p>
<p>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).</p>	<p>Please refer to page 63-64 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.</p>

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:					
		2023		2024	
		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	362,679	-	419,787	-
	Scope 2	226,550		174,125	
	Subtotal	589,229	13.75	593,912	13.64
Consolidated subsidiaries (Note)	Scope 1	669,182	-	532,859	-
	Scope 2	948,955		831,538	
	Subtotal	1,618,137	5.77	1,364,397	4.38
Total		2,207,366	6.83	1,958,309	5.51
Note: In 2023, 71 consolidated subsidiaries completed greenhouse gas emissions inventories. By 2024, all 102 consolidated subsidiaries completed the inventory process. 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.					

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 2023 (metric tons CO ₂ e)	Emissions for 2024 (metric tons CO ₂ e)
The parent company	Scope 1	362,679	419,787
	Scope 2	226,550	174,125
	Total	589,229	593,912

Corporate Governance Report

The status of assurance		Emissions for 2023 (metric tons CO ₂ e)	Emissions for 2024 (metric tons CO ₂ e)
	Percentage of data covered as 1-1-1 disclosed	100%	100%
	Assurance institutions	DNV、SGS、TUV (Assurance statement issued by DNV)	DNV、SGS、TUV (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	669,182	532,859
	Scope 2	948,955	831,538
	Total	1,618,137	1,364,397
	Percentage of data covered as 1-1-1 disclosed	100%	100%
	Assurance institutions	BSI、BV、SGS、TUV、 ITRI(CMS)	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/Conclusion	Unqualified Opinion

Note 1: In 2023, 71 consolidated subsidiaries completed greenhouse gas emissions inventories. By 2024, all 102 consolidated subsidiaries completed the inventory process. 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.

Note 2: The integrated Greenhouse Gas Opinion for the parent company and subsidiaries in the consolidated financial report will be disclosed in the sustainability report.

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.		
Target and Progress of GHG Reduction: Approved by the Board of Directors in 2022, the Company's production business established Scopes 1 and 2 greenhouse gas reduction targets based on the 2020 baseline, include a 30% reduction by 2025, a 50% reduction by 2030, with the ultimate aim of achieving net-zero emissions by 2050. In 2024, the Company's production business achieved a 34% reduction in greenhouse gas emissions compared to the base year, and did not utilize carbon offsets to achieve greenhouse gas reduction targets. Five strategies were implemented to undertake the carbon reduction pathway		
Strategy	Execution Status	Future Plan
Enhancing Energy Efficiency	In 2024, energy efficiency was enhanced through three major approaches: manufacturing process improvements, equipment upgrades, and energy management initiatives. These efforts collectively reduced emissions by a total of 33,003 tCO ₂ e.	In 2026, Oriental Petrochemical (Taiwan) is on track to complete a major transformation of its manufacturing process. This innovative approach will allow it to generate electricity as a byproduct of production, reducing emissions by an estimated 80,000 tCO ₂ e annually.

Strategy	Execution Status	Future Plan
		In 2028, the Company plans to install a 25MW steam and power cogeneration system in Vietnam. This system will utilize the heat generated by the fuel for both steam and power generation simultaneously, thereby improving fuel efficiency.
Substituting Low-Carbon Fuels	Gradually replace high-emission coal-water slurry and heavy oil boilers with lower-emission natural gas boilers. Far Eastern Polytex (Vietnam) uses biomass fuels, including wood chips and rice husk chips, achieving carbon reduction of approximately 35,778 tCO ₂ e in 2024.	Far Eastern Polytex (Vietnam) knitting and dyeing plant is committed to increasing the substitution rate of biofuels, with an estimated replacement rate of 85% in 2025 and 100% biomass fuel usage starting in 2026. The Company is actively engaged in R&D efforts to explore the potential applications of hydrogen energy and biomass fuels.
Developing Renewable Energy Sources	By the end of 2024, 21,960 kW solar power generation units had been installed at 12 production sites across Taiwan, mainland China, and Vietnam. These installations generated a total of 24.06 million kWh of solar electricity for self-consumption during 2024. Additionally, the Company purchased approximately 200 million kWh of renewable electricity. In total, these initiatives resulted in a reduction of 110,908 metric tons of CO ₂ equivalent.	The Company will continue to procure renewable electricity by entering into long-term power procurement agreements. Simultaneously, we will enhance the capacity of renewable energy production at our production sites worldwide for self-consumption.
Utilizing CCU Technology	The Company manufactures low-carbon polyester using captured waste gas with its groundbreaking technology. The waste gas captured from steel mills is first turned into ethanol through microbial fermentation during a special bio-treatment, and then transformed into PET products.	Continue to research on relevant information and practices to convert the CO ₂ into usable products, with plan to capture carbon directly through the emission device
Transforming Raw Material Use	The Company incorporates low-carbon fuel alternatives sourced from biomass and other renewable sources into its operations.	Leveraging its industry-leading expertise, the Company is constantly innovating and expanding the use of low-carbon and eco-friendly materials. Raw material recycling: A global champion in recycled polyester, FENC is realizing the vision of a circular economy by reintegrating waste as raw materials. Biomass material: FENC remains dedicated to researching and developing scalable, commercially viable biomass polyester materials.

Corporate Governance Report

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	
a. Establishment of Business Conduct Policy and Plans				
(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?	V		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”.	None
(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”?	V		The procedures and guidelines of the Company and its subsidiaries should at least contain the following matters: (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.	
(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?	V		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).	

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
b. Implementation of the Code of Business Conduct (a) Does the Company evaluate the ethical conduct records of its counterparties and specify "Ethical clauses" in business contracts?	V		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. 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".	None
(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?	V		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. The latest is reported to the Board of Directors on Nov 8, 2024.	
(c) Does the Company promulgate policies to prevent conflicts of interests and offer appropriate channels for reporting conflicts of benefits?	V		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.	

Corporate Governance Report

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		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.	None
(e) Does the Company periodically conduct internal and external training on ethical management?	V		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 2024. 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).	

Item	Implementation Status			Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies" and Reasons
	Yes	No	Summary	
c. Establishment of Reporting Channels for Violations of the Code Of Business Conduct. (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?	V		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). 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.	None
(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?	V		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.	
(c) Does the Company adopt measures to protect whistle-blowers from reprisals for having filed the complaint report?	V		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.	
d. Improvements in Information Disclosure 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?	V		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".	

Corporate Governance Report

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.				

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 110-114)

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 122-126)

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 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 53-54)

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 5, 2024)

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	Licenses	Department	The Company	Subsidiaries
Accounting / Taxation	CPA ROC		17	9
	CPA China		1	2
	CPA USA		3	3
	CPA Australia		1	-
	CIA		6	1
	JCCP		2	-
	CPB		15	6
Finance	CFA		3	-
	Securities Investment Analyst		2	1
	Senior Securities Specialist		22	5
	Futures Specialist		4	2
	Trust Specialist		13	3
	Financial Planning Personnel		6	1
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	2
Corporate Sustainability	Certified Professional in Corporate Sustainability Management		1	1
	CFA Institute Sustainable Investing Certificate		1	-
Project Management	Project Management Professional (PMP)		1	3
Labor Safety	CISA		-	6

Corporate Governance Report

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	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
Directors	Johnny Hsi	Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
		May 3, 24	May 3, 24	Taiwan Independent Director Association	Global Economic Trends, Risk Indicators, and Response Strategies for 2024	V	3
	Peter Hsu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Shaw Y. Wang	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Jeff Hsu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Richard Yang	Dec 12, 24	Dec 12, 24	Taiwan Corporate Governance Association	The ESG Legal Issues Faced by Board of Directors		3
		Dec 12, 24	Dec 12, 24	Taiwan Corporate Governance Association	Director's Governance Risks and Legal Responsibilities Discussion	V	3
	Tonia Katherine Hsu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Kwan-Tao Li	Dec 26, 24	Dec 26, 24	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Responses		3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Alice Hsu	Sep 10, 24	Sep 10, 24	Taiwan Corporate Governance Association	Strengthening Corporate Governance through Case Studies: Food and Environmental Safety	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Champion Lee	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
Independent Directors	Shu-Chieh Huang	Oct 7, 24	Oct 7, 24	Accounting Research and Development Foundation	Practical Analysis of Corporate "Greenhouse Gas Inventory" Internal Control Management		6
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3

Title	Name	Study Date		Organizer	Name of the Course	Risk Education	Study Hours
		From	To				
Independent Directors	Raymond R.M. Tai	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3
	Way Kuo	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Nov 8, 24	Nov 8, 24	Taiwan Corporate Governance Association	How Directors Should Interpret Financial Reports		3
		Nov 7, 24	Nov 7, 24	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Responses		3
		Nov 7, 24	Nov 7, 24	Taiwan Corporate Governance Association	Corporate Governance, Securities Regulations, and Insider Trading Prevention	√	3
	Chung-Shu Wu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Sep 4, 24	Sep 4, 24	Taiwan Corporate Governance Association	Corporate Financial Statement Fraud and Case Studies	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit		3
		Jan 30, 24	Jan 30, 24	Taiwan Corporate Governance Association	Understanding Corporate Cybersecurity Threats from Security Incident Cases	√	3
	Sy-Ming Guu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Nov 8, 24	Nov 8, 24	Taiwan Corporate Governance Association	How Directors Should Interpret Financial Reports		3
		Nov 7, 24	Nov 7, 24	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Responses		3
		Nov 7, 24	Nov 7, 24	Taiwan Corporate Governance Association	Corporate Governance, Securities Regulations, and Insider Trading Prevention	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3
President President	K.S. Wu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3
	Humphrey Cheng	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3
Acting President and Chief Operating Officer	Donald Fan	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3
	Judy Lee	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3
Chief Operating Officer	Eric Chueh	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Sep 6, 24	Sep 6, 24	Taiwan Corporate Governance Association	The Strategic Thinking about Reorganization of Group Companies		3
	B.C. Chang	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	√	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	√	3

Corporate Governance Report

Title	Name	Study Date		Organizer	Name of the Course	Risk Education	Study Hours
		From	To				
Chief Auditor	Y.C. Yuan	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Ariel Hsu	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Ju-Her Huang	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
Chief Financial Officer	David Wang	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
Senior Executive Vice President	Alan Tsai	Aug 15, 24	Aug 15, 24	Accounting Research and Development Foundation	Enhancement of Internal Control Lines and Operational Mechanisms of the Board of Directors with Case Analysis		6
		Apr 16, 24	Apr 16, 24	Accounting Research and Development Foundation	Analyzing Key Financial Information for Crisis Early Warning Capabilities		6
Chief Human Resources Officer	C.Y. Lin	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
Executive Vice President	Fanny Liao	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	Allen Sha	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
	C.T. Peng	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
Chief Corporate Governance Officer	Li-Chi Chen	Nov 27, 24	Nov 27, 24	Taiwan Academy of Banking and Finance	From Digital Transformation to AI Empowerment	V	3
		Nov 7, 24	Nov 7, 24	Taiwan Corporate Governance Association	Analysis of International IFRS Sustainability Disclosure Standards and Corporate Responses		3
		Nov 7, 24	Nov 7, 24	Taiwan Corporate Governance Association	Corporate Governance, Securities Regulations, and Insider Trading Prevention	V	3
		Jul 3, 24	Jul 3, 24	Taiwan Academy of Banking and Finance	Carbon Pricing Era and Corporate ESG Actions	V	3
		Apr 26, 24	Apr 26, 24	Taipei Foundation Of Finance	New Era of Artificial Intelligence: Chatbot ChatGPT flips new industry trends		2

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

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
2024 Annual General Shareholders' Meeting	Jun 27, 2024	Reporting items: 2023 business operations 2023 financial statements The Audit Committee's review report of 2023 business operations and financial statements 2023 employees' compensation and Directors' remuneration Information of the corporate bonds issued in 2023	Not applicable
		Approval items: To accept 2023 business report and financial statements To approve the proposal for distribution of 2023 profits	Jul 24, 2024 was settled as the ex-dividend date, and cash dividend was distributed on Aug 14, 2024.
		Proposed resolutions: To elect Directors (including Independent Directors) of Far Eastern New Century Corporation To approve the release of the relevant Directors from the non-competition restriction under Article 209 of the Company Act	Approved by the Department of Commerce, MOEA on Aug 14, 2024, 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
11 th Board Meeting of the 24 th term	Mar 5, 2024	1. Approved 2023 employees' compensation and Directors' remuneration	V	All presented Independent Directors approved
		2. Approved 2023 financial statements (including consolidated & stand-alone) and the hiring of CPA	V	
		3. Approved the proposal for distribution of 2023 profits	V	
		4. To elect Directors (including Independent Directors) of Far Eastern New Century Corporation		
		5. Approved the proposal of convening 2024 Annual General Shareholders' Meeting		
		6. Approved the proposal for 2024 operating budget and capital expenditure budget		
		7. Approved the issuance of corporate bonds		
		8. Approved amending the Company bylaw of "Audit Committee Charter"	V	
		9. Approved amending the Company bylaw of "Meeting Rules of Board of Directors"	V	
		10. Approved amending the internal audit implementation rules of Far Eastern New Century Corporation	V	
		11. Approved the declaration of internal control system of Far Eastern New Century Corporation	V	
12 th Board Meeting of the 24 th term	April 10, 2024	1. To Elect fifteen (15) Directors (including Independent Directors) as Board members		

Corporate Governance Report

Term	Date	Important Resolutions	Items under Article 14-3 of Securities and Exchange Act	Independent Directors' Opinions and the Company's reaction
13 th Board Meeting of the 24 th term	May 9, 2024	1. Approved the consolidated financial statements for the first quarter of 2024		All presented Independent Directors approved
		2. Approved 2023 business operation report	V	
		3. Approved the candidate list of the Company's Director (including Independent Director) nominees	V	
		4. Approved the release of the relevant Directors from the non-competition restriction	V	
		5. Approved the issuance of unsecured sustainable exchangeable corporate bond		
		6. Approved the acquisition of new common shares of Oriental Petrochemical (Taiwan) Co., Ltd.	V	
		7. Approved 2023 Sustainability report		
		8. Approved the Company bylaw of "Operational Procedure for Preparation and Validation of Sustainability Report"	V	
		9. Approved amending the Company bylaw of "Internal Audit Implementation Rules"	V	
		10. Approved the change of the CPA by Deloitte & Touche	V	
1 st Board Meeting of the 25 th term	Jun 27, 2024	1. Elected the Chairman of Far Eastern New Century Corporation	V	All presented Independent Directors approved
		2. Elected the Vice Chairmen of Far Eastern New Century Corporation	V	
2 nd Board Meeting of the 25 th term	Aug 7, 2024	1. Approved the consolidated financial statements for the second quarter of 2024		
		2. Approved the appointment of members of the Company's "Remuneration Committee" and "Sustainability Committee"	V	
		3. Approved the appointment of the Company's internal audit chief	V	
		4. Approved the issuance of corporate bonds		
		5. Approved amending the Company bylaw of "Rules Governing Financial and Business Matters Between the Corporation and its Related Parties"		
3 rd Board Meeting of the 25 th term	Nov 8, 2024	1. Approved the consolidated financial statements for the third quarter of 2024		
		2. Approved the acquisition of 100% equity in the Company subsidiary Yuan Ding Investment Corporation in accordance with Business Mergers and Acquisitions Act	V	
		3. Approved amending the Company bylaw of "Risk Management Policies"		
		4. Approved the 2024 Audit Plan review and the 2025 Audit Plan	V	
4 th Board Meeting of the 25 th term	Mar 12, 2025	1. Approved 2024 employees' compensation and Directors' remuneration	V	
		2. Approved 2024 financial statements (including consolidated & stand-alone) and the hiring of CPA	V	
		3. Approved the proposal for distribution of 2024 profits	V	
		4. Approved the revisions to the "Articles of Incorporation of Far Eastern New Century Corporation"	V	
		5. Approved 2024 business operation report	V	
		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	V	

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 FeesUnit:

NT\$ thousands

Accounting Firm	Name of CPA	CPA Audit period	Audit Fee	Non-audit Fee	Total	Remark
Deloitte & Touche	Guo-Ning Huang	Jan 1, 2024 – Dec 31, 2024	9,230	1,821 (Note)	11,051	NIL
	Chih-Ming Shao					

Note: Service fees for business registration, corporate bonds issuance, direct deduction method for business tax, education program, information security consultancy and disbursement fee, etc.

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		

Corporate Governance Report

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

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

Book closure date: March 30, 2025

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	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd.	345,229,000	6.45%	0	0.00	0	0.00	None	None	-
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	
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	
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		

Corporate Governance Report

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 Representative: Douglas Tong Hsu	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		
	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	
Chunghwa Post Co., Ltd. Representative: Kwo-tsai Wang	100,547,000	1.88%	0	0.00	0	0.00	None	None	-
	0	0.00%	0	0.00	0	0.00			
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	
Yuantai Taiwan Value High Dividend ETF account in the custody of Hua Nan Commercial Bank Limited	88,079,000	1.65%	0	0.00	0	0.00	None	None	-
Cathay Life Insurance Company, Ltd. Representative: Ming-Ho Hsiung	69,917,000	1.31%	0	0.00	0	0.00	None	None	-
	0	0.00%	0	0.00	0	0.00			

8. Shareholding Proportion of FENC to Investees

Book closure date: March 30, 2025

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	750,511	21.16	235,300	6.63	985,811	27.79
Far Eastern Dept. Store, Ltd.	241,749	17.06	295,669	20.87	537,418	37.93
Oriental Union Chemical Corporation	81,216	9.17	244,058	27.56	325,274	36.73
Far Eastern International Bank	109,070	2.55	791,159	18.50	900,229	21.05
Everest Textile Co., Ltd.	108	0.02	219,325	31.57	219,433	31.59
Yuan Ding Investment Corporation	1,833,826	100.00	-	0.00	1,833,826	100.00
Far Eastern Resources Development Co., Ltd.	1,073,061	100.00	-	0.00	1,073,061	100.00
Yuan Tone Investment Co., Ltd.	746,644	100.00	-	0.00	746,644	100.00
Far Eastern Investment (Holding) Ltd.	7,724	100.00	-	0.00	7,724	100.00
Far Eastern Polychem Industries Ltd.	830,815	73.04	306,644	26.96	1,137,459	100.00
Kai Yuang Investment Corp.	373,901	100.00	-	0.00	373,901	100.00
Oriental Petrochemical (Taiwan) Co., Ltd.	2,138,893	77.33	165,098	5.97	2,303,991	83.30
Far Eastern Polytex (Holding) Ltd.	173	100.00	-	0.00	173	100.00
Yuan Ding Co., Ltd.	186,929	37.13	243,474	48.37	430,403	85.50
Far Eastern Construction Co., Ltd.	324,657	65.11	4,791	0.96	329,448	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
Pacific Liu Tung Investment Co., Ltd.	135,000	16.83	281,734	35.13	416,734	51.96
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.	769	0.74	103,065	99.06	103,834	99.80
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	73,180	100.00	-	0.00	73,180	100.00

Capital Overview

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 20	10	6,000,000	60,000,000	5,352,875	53,528,752	Note	-	-
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	-	-

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, 2025

Shareholders	Total shares owned	Ownership %
Asia Cement Corporation	1,226,945,085	22.92%
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd.	345,229,000	6.45%
Asia Eastern University of Science and Technology	257,651,603	4.81%
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%
Chunghwa Post Co., Ltd.	100,547,000	1.88%
Douglas Tong Hsu	91,748,698	1.71%
Yuanta Taiwan Value High Dividend ETF account in the custody of Hua Nan Commercial Bank Limited	88,079,000	1.65%
Cathay Life Insurance Company, Ltd.	69,917,000	1.31%

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)
2022	1.63	1.35	-	1.35
2023	1.64	1.35	-	1.35
2024	2.00	1.60	-	1.60

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

1.5.2 Proposed distribution of 2024 profits to be approved at the Shareholders' Meeting: Cash dividend of NT\$ 1.60 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, 2% to 3.5% of profit of the current year should be distributed as employees' compensation and not more than 2.5% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year. However, the Company's accumulated losses shall 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.

Capital Overview

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 2024 employees' compensation and Directors' remuneration was resolved in the 4th meeting on March 12, 2025 by the 25th term Board of Directors, and will be submitted to the 2025 shareholders' meeting. The amounts and forms are listed below:

- a. Employees' compensation: NT\$ 370,447,636 in cash
- b. Directors' remuneration: NT\$ 189,121,025 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 2023 (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\$262,812,119. The dollar amount actually being paid is NT\$ 262,812,119.
- b. Remuneration for Directors: Resolved amount is NT\$ 152,109,090. The dollar amount actually being paid is NT\$ 101,300,000.

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, 2024 until March 30, 2025.

2. Corporate Bonds

2.1 Corporate Bonds

Book closure date: March 30, 2025

Corporate Bond Type		1 st Unsecured Bond 2020	2 nd Unsecured Bond 2020 (Tranche A)	2 nd Unsecured Bond 2020 (Tranche B)	3 rd Unsecured Bond 2020
Issue Date		Apr 22, 2020	Jun 10, 2020	Jun 10, 2020	Sep 17, 2020
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 6,000,000,000	NT\$ 2,200,000,000	NT\$ 3,000,000,000	NT\$ 5,500,000,000
Coupon rate		0.66%	0.77%	0.85%	0.83%
Maturity		5 years Maturity date: Apr 22, 2025	5 years Maturity date: Jun 10, 2025	7 years Maturity date: Jun 10, 2027	7 years Maturity date: Sep 17, 2027
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Masterlink Securities Corporation	Taishin International Bank Co., Ltd.	Taishin International Bank Co., Ltd.	Taishin International Bank 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\$ 6,000,000,000	NT\$ 2,200,000,000	NT\$ 3,000,000,000	NT\$ 5,500,000,000
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	None
	Conversion rights	None	None	None	None
Dilution and other effects on existing shareholders		None	None	None	None
Custodian		None	None	None	None

Note: CPA refers to the name of the accounting firm where the CPA is affiliated.

Capital Overview

Corporate Bond Type		4 th Unsecured Bond 2020 (Sustainability Bond)	1 st Unsecured Bond 2021	2 nd Unsecured Bond 2021 (Social Bond)	3 rd Unsecured Bond 2021
Issue Date		Dec 21, 2020	Apr 28, 2021	May 24, 2021	Sep 27, 2021
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 3,800,000,000	NT\$ 9,500,000,000	NT\$ 1,200,000,000	NT\$ 6,500,000,000
Coupon rate		0.54 %	0.67%	0.52%	0.63%
Maturity		5 years Maturity date: Dec 21, 2025	5 years Maturity date: Apr 28, 2026	5 years Maturity date: May 24, 2026	5 years Maturity date: Sep 27, 2026
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		CTBC Bank Co., Ltd.	Masterlink Securities Corporation	KGI Securities Co. LTD.	Masterlink 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.	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\$ 3,800,000,000	NT\$ 9,500,000,000	NT\$ 1,200,000,000	NT\$ 6,500,000,000
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	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		1 st Unsecured Bond 2022 (Sustainability-Linked Bond)	2 nd Unsecured Bond 2022 (Tranche A)	2 nd Unsecured Bond 2022 (Tranche B) (Green Bond)	1 st Unsecured Bond 2023 (Tranche A)
Issue Date		Sep 14, 2022	Oct 26, 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 (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 2,500,000,000	NT\$ 1,600,000,000	NT\$ 900,000,000	NT\$ 700,000,000
Coupon rate		1.75%	1.70%	1.80%	1.70%
Maturity		5 years Maturity date: Sep 14, 2027	3 years Maturity date: Oct 26, 2025	5 years Maturity date: Oct 26, 2027	3 years Maturity date: Jan 6, 2026
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		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.	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\$ 2,500,000,000	NT\$ 1,600,000,000	NT\$ 900,000,000	NT\$ 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	None
	Conversion rights	None	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 2023 (Tranche B)	2 nd Unsecured Bond 2023 (Green Bond)	3 rd Unsecured Bond 2023 (Tranche A)	3 rd Unsecured Bond 2023 (Tranche B) (Green Bond)
Issue Date		Jan 6, 2023	Mar 30, 2023	Jul 27, 2023	Jul 27, 2023
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 2,300,000,000	NT\$ 2,500,000,000	NT\$ 900,000,000	NT\$ 2,100,000,000
Coupon rate		1.80%	1.50%	1.60%	1.67%
Maturity		5 years Maturity date: Jan 6, 2028	5 years Maturity date: Mar 30, 2028	3 years Maturity date: Jul 27, 2026	5 years Maturity date: Jul 27, 2028
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		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.	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\$ 2,300,000,000	NT\$ 2,500,000,000	NT\$ 900,000,000	NT\$ 2,100,000,000
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		4 th Unsecured Bond 2023	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)
Issue Date		Oct 30, 2023	Dec 25, 2023	Dec 25, 2023	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 (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 3,000,000,000	NT\$ 1,250,000,000	NT\$ 3,150,000,000	NT\$ 1,600,000,000
Coupon rate		1.73%	1.77%	1.80%	1.66%
Maturity		5 years Maturity date: Oct 30, 2028	5 years Maturity date: Dec 25, 2028	5 years Maturity date: Dec 25, 2028	5 years Maturity date: Apr 8, 2029
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Capital Securities Corporation	Yuanta Securities Co., Ltd	Yuanta Securities Co., Ltd	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		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.	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.
Outstanding amount		NT\$ 3,000,000,000	NT\$ 1,250,000,000	NT\$ 3,150,000,000	NT\$ 1,600,000,000
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	None
	Conversion rights	None	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 2024 (Tranche B)	2 nd Unsecured Bond 2024 (Tranche A)	2 nd Unsecured Bond 2024 (Tranche B)	2 nd Unsecured Bond 2024 (Tranche C)
Issue Date		Apr 8, 2024	Sep 27, 2024	Sep 27, 2024	Sep 27, 2024
Face value		NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000	NT\$ 1,000,000
Issuance and listing		Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)	Taipei Exchange (TPEX)
Offering rate		Par	Par	Par	Par
Total amount		NT\$ 4,600,000,000	NT\$ 2,800,000,000	NT\$ 700,000,000	NT\$ 800,000,000
Coupon rate		1.75%	1.97%	1.99%	2.04%
Maturity		5 years Maturity date: Apr 8, 2029	3 years Maturity date: Sep 27, 2027	5 years Maturity date: Sep 27, 2029	7 years Maturity date: Sep 27, 2031
Guarantor		-	-	-	-
Trustee		Bank SinoPac	Bank SinoPac	Bank SinoPac	Bank SinoPac
Underwriter		Capital 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.	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.
Outstanding amount		NT\$ 4,600,000,000	NT\$ 2,800,000,000	NT\$ 700,000,000	NT\$ 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	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		3 rd Unsecured Bond 2024 (Tranche A)	3 rd Unsecured Bond 2024 (Tranche B) (Green Bond)	3 rd Unsecured Bond 2024 (Tranche C)	3 rd Unsecured Bond 2024 (Tranche D)
Issue Date		Dec 26, 2024	Dec 26, 2024	Dec 26, 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\$ 2,900,000,000	NT\$ 1,150,000,000	NT\$ 1,500,000,000	NT\$ 950,000,000
Coupon rate		1.95%	1.95%	1.98%	2.02%
Maturity		3 years Maturity date: Dec 26, 2027	5 years Maturity date: Dec 26, 2029	5 years Maturity date: Dec 26, 2029	7 years Maturity date: Dec 26, 2031
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.	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.
Outstanding amount		NT\$ 2,900,000,000	NT\$ 1,150,000,000	NT\$ 1,500,000,000	NT\$ 950,000,000
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

Capital Overview

2.2 Exchangeable Corporate Bonds

Book closure date: Mar 30, 2025

Corporate Bond Type		1st Domestic Unsecured Exchangeable Bonds	2nd Domestic Unsecured Exchangeable Bonds
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\$ 1,000,000,000	NT\$ 1,499,300,000
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	No bondholder exercised exchangeable rights until 30 Mar 2025.	No bondholder exercised exchangeable rights until 30 Mar 2025.
	Conversion rights	Please refer to the prospectus of this issue published on the Market Observation Post System of the Taiwan Stock Exchange	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

2.3 Exchangeable Corporate Bonds

Types		1st Domestic Unsecured Exchangeable Bonds		
Items	Year	Date of Issuance	2024 (Aug.8~Dec.31)	2025 (Jan.1~Apr.15)
Number of shares as underlying assets		750,511,324 Shares	750,511,324 Shares	750,511,324 Shares
Exchangeable Price		45.4	45.4	45.4
Market Price	High	105.4	113.5	108.95
	Low	101.0	101.0	101.5
	Average	104.05	107.1	105.46
Issue Date		Aug 8, 2024		
Exchange Target		Common Stock of Asia Cement Corporation		

Types		2nd Domestic Unsecured Exchangeable Bonds		
Items	Year	Date of Issuance	2024 (Aug.8~Dec.31)	2025 (Jan.1~Apr.15)
Number of shares as underlying assets		241,769,702 Shares	241,748,932 Shares	241,748,932 Shares
Exchangeable Price		33.7	33.7	33.7
Market Price	High	102.6	104.4	99.0
	Low	100.1	95.05	95.0
	Average	101.88	102.09	96.76
Issue Date		Aug 8, 2024		
Exchange Target		Common Stock of Far Eastern Department Stores Ltd.		

3. Preferred Shares

None

4. Issuance of Overseas Depositary 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

Operational Highlights

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	2024		2023	
	Amount	% of sales	Amount	% of sales
Production	148,552,435	55	145,787,047	57
Property Development	10,989,065	4	10,713,952	4
Investment & Others	111,412,483	41	100,702,941	39
Consolidated revenue	270,953,983	100	257,203,940	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, 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

- Anti-static APET sheet for flexible circuit applications, Nylon 66 Airbag Chemical Recycling, High elastic recovery hot melt fiber, Recyclable Polyester Synthetic Leather, Super high tenacity Nylon 66 cord fabric with heavy denier, PET Single-end cord for car air springs, rPET-based polyester elastomer foam for shoes, and Liquid Bandage.
- 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 2024, global PTA production reached 83.08 million tons, growing by 8% YoY - an accelerated pace compared to the previous year (Source: Wood Mackenzie). Global PTA capacity rose by 5% to a new high of 117.5 million tons. With demand growth outpacing capacity expansion, the global PTA utilization rate increased by approximately 2 percentage points to 71%.

The world's top five PTA producing regions in 2024 were China, India, South Korea, Thailand, and Taiwan, collectively accounting for nearly 90% of global output. China remained the dominant producer, contributing around 70% of global PTA production with 58.14 million tons, marking an 11% increase. Taiwan's PTA output was 2.51 million tons, representing about 3% of the global total.

In terms of application, polyester fiber remained the primary use for PTA, accounting for approximately 60% of consumption in 2024, followed by PET production at around 30%, with the remaining 10% used in other applications.

1.2.1.1.2 PET

In 2024, global PET production reached 29.52 million tons, representing a 7% YoY increase (Source: Wood Mackenzie). Despite the growth in output, global capacity expanded by over 10%, leading to a decline in utilization rates to 71%. PET prices remained stable in the first half of the year but declined in the second half due to the continued release of new capacity.

The top five PET producing regions in 2024 were China, the United States, India, Taiwan, and Vietnam, which together accounted for 66% of global production. China remained the largest contributor, producing 13.2 million tons - a 12% increase from the previous year - and accounted for 45% of global output. China's capacity expanded by approximately 4.56 million tons, with a utilization rate of around 70%. The United States produced 2.56 million tons, up 0.11 million tons from the prior year, with a utilization rate exceeding 80%. Taiwan's PET output declined by 7% to 1.09 million tons, with capacity utilization at approximately 75%.

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 2024, global polyester fiber production reached 64.8 million tons, marking a 5% YoY increase (Source: Wood Mackenzie). Polyester filament accounted for approximately 70% of the total, while staple fiber made up the remaining 30%.

Global polyester filament production in 2024 was 46.31 million tons, up 5% from the previous year. The top five producing regions were China, India, Turkey, Indonesia, and the United States. China remained the dominant producer with an output of 36.47 million tons, representing a 5% increase and accounting for 79% of global production. India produced 4.62 million tons, a 9% growth, accounting for 10% of global output. Turkey, Indonesia, and the United States each contributed around 1–2% of the global total. Global polyester filament capacity increased by 3.74 million tons in 2024, a 6% rise compared to the previous year. However, with end-market demand in the apparel sector still lagging and brand destocking slower than expected, overall capacity utilization remained flat YoY.

Global production of polyester staple fiber reached 18.49 million tons in 2024, a 3% increase from 2023. China contributed approximately 59% of total output with 10.91 million tons produced, also up 3% YoY. 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. Staple fiber capacity increased by 5% globally in 2024. However, capacity utilization declined by 1 percentage point from the previous year.

1.2.1.1.4 Spun yarn

During the 2023/2024 crop year, global cotton production declined by 3% to 24.6 million tons, while global consumption rose by 2% to 24.99 million tons, leading to a decrease in global ending stocks to 16.05 million tons (Source: U.S. Department of Agriculture). China remained the world's largest cotton producer and consumer, accounting for 24% and 34% of global totals, respectively, followed by India, which contributed 22% to both production and consumption.

In 2024, ICE cotton futures prices peaked at around 100 cents per pound in February but declined to approximately 70 cents per pound by year-end. The price drop was mainly driven by weakening market demand and expectations of increased cotton production in the upcoming crop year.

1.2.1.1.5 Industrial yarn

In 2024, the global capacity for polyester industrial yarn remained stable at approximately 4.15 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 2.11 million tons, reflecting a 3% YoY growth. However, the 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

Operational Highlights

fabric, airbags, conveyor belts, advertising canvas, waterproof fabrics, heavy-duty slings, safety nets, and architectural materials, etc.

1.2.1.1.6 Knitted fabrics and apparel

China remains the world's largest exporter of textiles and apparel, accounting for over 30% of global exports (Source: WTO). In 2024, China's total textile and apparel exports reached US\$301.1 billion (Source: China Customs), marking a 3% increase from the previous year and returning to the US\$300 billion level. Textile exports grew by 6%, while apparel exports remained relatively flat. Apparel accounted for 53% of the total export value, and textiles 47%. Looking at the long-term trend, textile exports represented only 37% in 2010, reflecting a structural shift in China's textile export composition with a 10-percentage-point increase over time. Vietnam remains one of the major textile and apparel exporters globally. In 2024, its total export value reached US\$41.4 billion (Source: Vietnam Customs), representing an 11% increase YoY.

1.2.1.2 Telecommunication Business

1.2.1.2.1 Consumer business

According to the 2024 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 32 hours per week on the internet in average. According to NCC statistics, the mobile data transmission volume indicates 2.6% YoY growth in December 2024. 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

Recently, major international organizations have forecasted global economic growth for 2025. Due to weak investment, sluggish productivity growth, and high debt levels, global economic growth is estimated to fall within the range of 2.7% to 3.3%. In terms of corporate investment, technological innovation and the transition to green energy will be the main driving forces. Emerging technologies such as artificial intelligence and high-performance computing will drive the growth of high-tech industries. Overall, while global economic growth in 2025 will face many challenges, technological innovation and the transition to green energy will bring new opportunities for corporate investment.

1.2.1.3 Property Development Business

In 2024, the IMF estimated that global economic growth slightly declined from 3.3% in 2023 to 3.2%, primarily due to increasing global economic uncertainties, including escalating regional conflicts and rising protectionism. Global Foreign Direct Investment (FDI) reached US\$1.4 trillion, marking an 11% increase compared to the previous year (UNCTAD, Global Investment Trends Monitor, 48, 2025, January). Additionally, real estate ranked sixth in FDI investment categories, with a total investment of approximately US\$68.5 billion (fDi Markets, The 2024 investment matrix, 2025, February 5). Looking ahead to 2025, the IMF forecasts a global growth rate of 3.3%, with global FDI expected to continue its moderate growth trend.

Taiwan's economy in 2024 benefited from the recovery of the global economy, emerging opportunities driven by high-performance computing and AI technologies, and the surge in demand during the year-end peak season, leading to export growth. Total exports amounted to US\$475.07 billion (+9.9%), while the annual trade surplus reached US\$80.61 billion, the second highest in history, following 2022.

Taiwan's GDP growth rate saw a significant increase from 1.12% in 2023 to 4.30% in 2024, the highest in the past three years. The Business Monitoring Indicators rose from a green light (27 points) at the beginning of the year to a red light (38 points) by the year-end, indicating sustained domestic economic growth. However, inflationary pressures persisted, with the annual growth rate of the Consumer Price Index (CPI) at 2.18% in 2024, slightly lower than the 2.49% recorded in 2023, maintaining a gradual downward trend. Meanwhile, the annual growth rate of the Construction Cost Index (CCI) reached 1.99%, higher than 1.74% in 2023, reflecting rising construction costs due to increasing global raw material prices and domestic labor shortages.

In the first quarter of 2024, Taiwan's central bank raised interest rates by 0.125% (bringing the discount rate to 2%, secured loan facility rate to 2.375%, and short-term financing rate to 4.25%). Additionally, in the third quarter, the bank implemented the seventh round of selective credit control measures and real estate restrictions, causing a cooling effect on the market.

In the first half of 2024, the ongoing impact of the new housing loan program for young homebuyers contributed to a surge in real estate transactions. Nationwide land transaction volume reached 25,561 hectares (+13.6%), while housing transaction volume totaled 34.59 million sq-meters (+14.8%) or approximately 351,000 units (+14.2%). The total House and Land Transactions Income Tax revenue for the year hit a record-high NT\$97.58 billion (+58.1%). The overall real estate market remained highly active, with nearly 80% of transactions concentrated in the six major metropolitan areas.

1.2.1.4 Investment & Others Business

Reviewing the international economic landscape in 2024, global growth continued, supported by strong demand for information and communication technology products and the widespread adoption of artificial intelligence (AI). According to the Directorate General of Budget, Accounting, and Statistics (DGBAS) in its January 2025 report, Taiwan's estimated economic growth rate for 2024 was 4.30%, with a Consumer Price Index (CPI) increase of 2.18%. The Central Bank of the Republic of China (Taiwan), in its December 2024 report, projected the country's economic growth rate for 2025 at 3.13%, with CPI expected to rise by 1.89%. Looking ahead to 2025, the global economy faces several significant challenges, including uncertainties surrounding U.S. trade policies, China's economic outlook, and ongoing geopolitical tensions. In response to potential shifts in the global economic landscape, Taiwan's central bank is expected to adjust its monetary policy as needed to maintain price stability and financial health. In light of the fast-evolving domestic and international economic environment, the Company will regularly assess and review the performance of its long-term equity investments, strengthen risk management relating to interest rate and foreign exchange fluctuations, and adopt a more flexible strategy in managing its investment portfolio. At the same time, we will actively pursue new investment opportunities and explore specialized areas to enhance the Company's overall performance and deliver maximum value to our shareholders.

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 107 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)

In 2025, global PTA capacity is expected to increase by 6% to 124.67 million tons, continuing to reach record highs (Source: Wood Mackenzie). Global production is projected to grow by 4% to 86.02 million tons, while the overall capacity utilization rate is forecast to decline by approximately 2 percentage points compared to the previous year. China's PTA production capacity is expected to grow by 8%, with an additional 6.68 million tons, accounting for over 90% of the global capacity expansion. In Taiwan, PTA production is expected to decline slightly by 1%, while the capacity utilization rate is projected to remain stable.

Due to the persistent large-scale expansion of PTA capacity in China, the industry continues to face severe oversupply. 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.

Operational Highlights

1.2.3.1.2 PET

According to Wood Mackenzie, global PET production is projected to grow by 3% to 30.54 million tons in 2025, while global PET capacity is expected to increase by 8% to 44.57 million tons. Nearly all of the new capacity will come from Chinese manufacturers. As downstream demand gradually recovers, PET prices are expected to rebound steadily throughout 2025. FENC has established PET production facilities across Taiwan, China, the U.S., Japan, and Southeast Asia. This global deployment enables the Company to offer regional production and supply advantages, enhancing flexibility and competitiveness in both manufacturing and sales.

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 to produce food-grade rPET pellets. In addition to its ongoing collaboration with convenience store chains to collect and recycle PET bottles, FENC partnered with hypermarkets in 2024 to launch 100% rPET meat trays. The Company is also working with supply chain partners to promote a smart recycling program for fresh food trays, building a closed-loop recycling model that promotes circular resource use and reduces environmental impact.

1.2.3.1.3 Polyester fibers

According to Wood Mackenzie, global polyester fiber production is expected to increase by 4% in 2025, reaching 67.71 million tons. This includes 48.56 million tons of polyester filaments (up 5%) and 19.14 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 continues to advance textile innovation through initiatives such as "e2cycle" technology in collaboration with consumer electronics brands, 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. In addition, FENC's chemical-based textile recycling system began mass production at the end of 2024. This system enables the conversion of discarded textiles back into polyester raw materials, which are then remanufactured into high-quality fibers. FENC's ocean recycled anti-busting jerseys - made from marine waste PET bottles - were once again selected by multiple champion teams in 2024, marking the third consecutive year of application in major international football tournaments, including the UEFA European Championship, UEFA Champions League, Copa América, and the FA Cup. The Company's innovation in sustainable materials continues to drive circular economy development. Looking ahead, FENC will expand product applications and collaborate with brand partners to develop next-generation sustainable products.

FENC is also a global leader in polyester staple fibers for non-textile applications. These fibers are used 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 product differentiation and competitiveness. Notably, FENC has pioneered the use of coffee grounds sourced from convenience stores, spinning them into fiber yarns that are used in nonwoven dry wipes and facial masks. This marks the first large-scale application of coffee grounds in personal care and hygiene products in Taiwan, turning retail waste into valuable sustainable products.

In the nylon segment, FENC's nylon 6,6 filaments are widely used in high-end textiles, including yoga wear, running apparel, outdoor gear, puffer jackets, lingerie, and premium fashion. Responding to increasing sustainability demands, FENC has developed FEFC®dwr - a fluorine-free water-repellent nylon 6,6 fiber that offers durability, water resistance, and comfort without using PFAS chemicals. In 2024, the fiber was adopted by a global yoga brand for its new line of polo shirts, now officially launched and available in the market.

1.2.3.1.4 Spun yarn

According to data from the China Cotton Textile Association, the prosperity index for China's cotton textile industry rose to 50.7 in December 2024, an increase of 1.2 percentage points from the previous month and the highest level since April 2024. The index also returned above the neutral threshold of 50, indicating a gradual improvement in overall industry sentiment.

FENC's spun yarn business remains focused 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 response to growing market demand for sustainable materials and environmental responsibility, FENC has launched FENC® TOPGREEN® rTEX Spun Yarn, which is produced through mechanical processing of 100% polyester and 100% cotton textiles. These materials are regenerated into fully recycled staple yarns and are applied across a wide range of products, including apparel, backpacks, footwear, and home decorative items.

1.2.3.1.5 Industrial yarn

According to Wood Mackenzie and market surveys, global capacity for polyester industrial yarn is expected to grow by 5% in 2025, reaching 4.35 million tons, mainly driven by capacity expansion in China. Meanwhile, global demand is projected to increase by 3% to 2.17 million tons.

FENC's industrial yarn business focuses primarily on high value-added applications in the automotive sector, including yarns used in seat belts, airbags, and tire cord fabrics. In response to growing global attention on carbon reduction and environmental sustainability, the Company has taken the lead in commercializing 100% recycled polyester high-performance tire cord fabrics, which have been approved by global tire manufacturers. Since entering mass production, shipment volumes have continued to rise. In addition, the Company has successfully co-developed the industry's first 100% chemically recycled polyester airbag in partnership with a leading automotive safety system supplier. This breakthrough overcomes technical barriers in applying recycled polyester to automotive textiles, offering more sustainable material solutions for the automotive industry.

1.2.3.1.6 Knitted fabrics and apparel

In 2024, the United States remained the world's largest importer of apparel, with total imports reaching US\$79.3 billion, reflecting a modest 2% increase from the previous year. The top six apparel suppliers to the U.S. were China, Vietnam, CAFTA-DR member countries, Bangladesh, India, and Indonesia. Collectively, these regions accounted for 70% of U.S. apparel imports. China and Vietnam held the top two positions, representing 21% and 19% of the market respectively, with the gap between the two continuing to narrow.

FENC's knitted fabric and apparel operations are strategically located across Taiwan, China, and Vietnam, serving major international brands in sportswear, casual wear, and yoga apparel. The Company has established long-term partnerships with global customers, strengthening its role as a key supply chain partner. In 2024, FENC's innovative technology to convert industrial waste gas into low-carbon polyester, combined with functional textile design and 3D knitting techniques, earned the prestigious iF Design Award in Germany—making FENC the only global supplier recognized for sustainability and performance in knitted textiles. This recycled material was also selected for use in the Team Chinese Taipei uniforms for the opening ceremony of the Paris 2024 Olympics, setting a new benchmark in sustainable design. In response to the growing trend of digitalization, the Company has actively adopted advanced production technologies, such as automated fabric cutting systems and intelligent hanging systems. Through real-time production data analytics, FENC continues to optimize its manufacturing processes and enhance overall operational efficiency.

1.2.3.2 Telecommunication Business

1.2.3.2.1 Consumer business

FET spends a lot of efforts in developing 5G network after acquiring the best 5G spectrum in the auction. FET utilize "AI cell site location" to maximize 5G network population coverage and user experience, proactively plan network construction in remote villages and lead green energy cell site to conduct ESG vision And FET will continuously enhance our network quality and security, dedicate ourselves in

Operational Highlights

developing innovative services, which would work greatly with our 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, and lead the 5G revolution in Taiwan. FET established Startup Accelerator at the end of 2021 and recruited start-up teams every year. FET provides all-round support for start-up team development tools, innovative technologies, verification and commercial transfer to drive the multi-faceted application on the consumer and enterprise side. Until December 2024, accumulated 41 start-ups supported, NT230 million in business opportunities created.

The mobile communication industry marked the first anniversary of two major mergers at the end of 2024. Compared to the prolonged price wars that characterized the telecommunications market in the past, the industry has now evolved into a tripartite competitive landscape. This shift has enabled telecommunications operators to prioritize value, quality, and service differentiation. 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. By driving 5G adoption and improving ARPU (Average Revenue Per User), FET aims to optimize returns on its substantial investments in 5G spectrum and infrastructure while stimulating revenue growth within the mobile communications sector.

1.2.3.2.2 Enterprise business

FET continues to be customer-oriented and innovative. We are well-informed of the development trends in the technology market, introduce ICT integrated services such as cloud, big data and IoT, and provide customers with one-stop ICT solutions. At the same time, we extend our 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 user market, Chunghwa Telecom, with its fixed network services and economies of scale, continues to be our primary competitor and industry leader. In addition to continuously improving the infrastructure and investing in the 5G Private network and smart manufacturing applications, and IoT technology research, the Enterprise and Carrier BU takes on a more aggressive approach in developing intelligence applications and solutions to fulfill the needs of various industries and government departments. Those applications and solutions cover sectors of smart city, smart transportation/Internet of Vehicle, smart medical treatment, and smart manufacturing. Meanwhile, many solution providers for energy management or carbon inventory management emerge along with the global ESG trend and we compete by integrating our energy-related solutions and carbon management system. We aim to differentiate ourselves from competitors in the enterprise market with strong innovation skills and integration ability plus flexible services.

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, have been developed into Tpark—an ICT hub—and a hot spring resort project, respectively. Additionally, part of land in Wugu District, New Taipei City, has been developed into a logistics center to improve supply chain operation efficiency. In the future, we 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 successful management experience and integrates group resources to maximize the benefits of investment, resulting in outstanding performance from its listed subsidiaries. Asia Cement Corporation excels in its core business as well as its ventures into ready-mix concrete and power generation. It is also a pioneer in the low-carbon cement market, leading the industry in developing low-carbon products. Far Eastern Dept. Store, Ltd. (FEDS) is expanding its retail footprint by adopting new technologies to advance smart retail, significantly enhancing profitability as foot traffic and consumer spending rebound post-pandemic. The Company continues to seek high-quality investment opportunities to generate superior profit performance and elevate its overall returns.

1.3 Technology Innovation and R&D Overview

1.3.1 R&D Expense in Recent Years

R&D expenses in 2024 & 2023 were NT\$1,319.026 million and NT\$1,132.331 million, respectively.

1.3.2 Successful Technology or Products from the Development

1.3.2.1 Production Business

Film for >500cc PE bottles; Polyester Shrink Film with Ultra-High Shrinkage; Multifunctional sanitary pad; rPET-based cotton like spun yarn; Antiseptic Ag alginate dressing; Thin border hydrocolloid bandage; CO₂-based dyeing and finishing refining agent

1.3.2.2 Telecommunication Business

friDay Video; friDay Shopping; friDay Finance; FET Guardian Network; FET Mobile Circle App; Smart Plus; Insurance Services; Health +; Smart Kids Watch; 5G smart MR collaboration; 5G smart industrial safety AI inspection; Smart Intersection; Uninterruptible traffic signal power system; Smart streetlamps; Energy Management System; 5G telemedicine

1.3.2.3 Property Development Business

Implement the latest construction technology, which will reduce construction time, enhance construction quality, while reducing construction costs.

1.4 Long-term and Near-term Business Plans

1.4.1 Near-term Business Plan

1.4.1.1 Strengthening Industry Leadership

As the world's only vertically integrated supplier covering the full polyester value chain—from upstream raw materials to downstream end-product applications - Far Eastern New Century (FENC) continues to leverage its integration advantages to reinforce its leadership in the global recycled polyester market. With comprehensive recycling technologies and expanding rPET production capacity, FENC maintains its position as a global leader in recycled polyester materials and ranks first worldwide in the food-grade rPET segment. To stay ahead amid changing external conditions, the Company is proactively expanding its green production capacity and strategically establishing comprehensive production sites and sales networks. In 2024, FENC's Kansai plant in Japan commenced operations. Further expansions are underway, with new rPET plants in Vietnam and Melaka, Malaysia scheduled to begin production in 2025. In the future, FENC will continue to advance green material expansion plans, including further optimizing the global supply chain and solidifying FENC's industry leadership.

1.4.1.2 Pioneering Innovation in Eco-friendly Technology

As a global leader in green polyester materials, FENC continues to advance its circular economy capabilities through vertical integration and cross-sector technical collaboration. FENC has developed comprehensive "land, ocean, and air" recycling solutions—transforming waste PET bottles, discarded textiles, and even industrial waste gas into sustainable polyester materials. In 2024, the Company further expanded its recycling frontiers by partnering with a leading electronics manufacturer to convert electronic waste into high-quality recycled PET, opening a new pathway for PET recycling. Meanwhile, FENC continues to broaden the scope of sustainable applications on the global stage. For instance, its eco-friendly textiles made from recycled PET bottles were adopted by multiple national teams for the 2024 Paris Olympics. At COP29, FENC showcased its innovations on the global stage with products such as Ocean Recycled Anti-bursting Jerseys and 100% Recycled Polyester Sneakers - demonstrating Taiwan's green innovation capabilities.

Operational Highlights

1.4.1.3 Driving Digital Transformation

To accelerate its digital transformation, the Company has actively implemented intelligent systems and formulated a comprehensive AI application strategy. A dedicated task force was established to promote the adoption of artificial intelligence across production, business operations, and administrative management. Key initiatives include big data analytics, Internet of Things (IoT) technologies, drone-enabled intelligent inspection systems, smart logistics platforms, as well as quality prediction and energy management tools. These efforts have supported the construction of smart factories and advanced the Company's goals for automation and precision manufacturing. In parallel, the Company has responded to rising global cybersecurity risks by co-founding the Information Security Sub-Committee (ISSC) in collaboration with affiliates including Far EasTone Telecommunications, Far Eastern Department Stores, Far Eastern International Bank, Far Eastern Memorial Hospital, FETC, and Asia Cement Corporation. This committee coordinates cybersecurity initiatives and resource sharing across the Group, while also ensuring the establishment of a robust Information Security Management System (ISMS).

1.4.2 Long-term Business Plan

1.4.2.1 Expanding the Circular Economy Landscape

FENC leverages its advanced recycling technologies and diverse portfolio of eco-friendly products to accelerate corporate transformation through green innovation. 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 2024, revenue from FENC's green products reached a record high of NT\$48.3 billion, representing a 1.3% increase from the previous year. Green products now contribute 33% of total revenue from the production business, providing strong momentum for the Company's sustainable growth.

1.4.2.2 Advancing Toward Net-Zero Emissions

To fulfill its commitment to achieving net-zero emissions by 2050, FENC has implemented a comprehensive greenhouse gas (GHG) reduction strategy encompassing short, medium, and long term goals. In 2023, the Company successfully met its short term emission reduction target ahead of schedule. Building on this momentum, a revised emissions reduction roadmap was developed in 2024, setting a more ambitious target of a 50% reduction in GHG emissions by 2030. To realize this vision, FENC has adopted five core initiatives: enhancing energy efficiency, adopting low-emission fuel alternatives, developing renewable energy, utilizing carbon capture, and utilization (CCU) technologies, and fostering raw material transition. Combining with an internal carbon pricing system, FENC is undertaking decarbonization efforts with a pragmatic approach.

1.4.2.3 Pursuing Sustainable Growth

FENC aligns with the United Nations Sustainable Development Goals (SDGs), actively promoting ESG development through a robust sustainability governance framework and high-standard management practices. The Company has been widely recognized both domestically and internationally, earning the Top 10 Taiwanese Companies Sustainability Model Award for five consecutive years. In 2024, FENC received nine awards from the Global Corporate Sustainability Awards (GCSA) and Taiwan Corporate Sustainability Awards (TCSA). It was also included in the Dow Jones Sustainability Indices (DJSI) Emerging Markets, becoming the first and only Taiwanese company in the Industrial Conglomerate category to be selected. FENC is committed to channeling market capital toward sustainability initiatives. From 2018 through the end of 2024, the Company issued nearly 40 sustainable financial instruments - many of which marked firsts in Taiwan or Asia - raising close to NT\$80 billion to support sustainability initiatives, as part of its commitment to building a sustainable business model.

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 (29%), Europe (6%), and others (4%).

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)	670,027	20,834	121,267	121,007	57,732	35,510
Taiwan (tons)	2,623,384	1,295,668	244,211	248,575	461,642	298,557
Market Share (%)	25.5%	1.6%	49.6%	48.7%	12.5%	11.9%

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 in December 2024, market share of mobile subscribers by carriers: Chunghwa Telecom at 38.0%, Far EasTone at 30.5%, Taiwan Mobile at 31.5%.

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

2.1.3.1 Production Business

In 2024, global geopolitical tensions and economic instability remained high. The global GDP growth rate slowed to 3.2% (source: IMF), reflecting the impact of geopolitical conflicts, economic volatility, and trade disruptions. Looking ahead to 2025, the "Trump 2.0" effect is expected to have wide-reaching impacts on global trade, the economy, and the energy transition. Volatile commodity prices, fluctuating oil markets, unpredictable monetary policies, and escalating trade protectionism are all reshaping global markets and supply chains, adding further uncertainty to future global economic development.

Despite these external challenges, FENC continues to leverage its core strengths in innovation and advanced manufacturing. The Company is actively advancing its recycling technologies, expanding low-carbon processes, and deepening downstream applications for recycled polyester. Meanwhile, it maintains long-standing collaborations with global brand partners and steadily expands its production capacity and revenue streams. Through global supply chain deployment, FENC has built flexible and resilient operations while accelerating its digital transformation to create new momentum for business model innovation. In doing so, the Company remains on a steady and strategic path to long term sustainable growth.

As the 2025 business environment grows increasingly complex - driven by rapid technological advancement and accelerating green transitions - FENC is well-equipped to navigate this transformation. With a solid 75-year foundation, the Company draws upon its industrial spirit, operational expertise, and a deep commitment to social responsibility to seize emerging opportunities and lead in the era of low-carbon sustainability and AI-driven innovation.

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. On consumer side, except for providing faster 5G speed and safer transmission network to consumers, operators also deliver innovative applications in the market and aim to bring consumers into a brand-new 5G digital world.

Operational Highlights

2.1.3.3 Property Development Business

In the first half of 2024, Taiwan's real estate market showed strong growth, primarily driven by the AI boom, which boosted semiconductor exports and the related supply chain. This growth prompted businesses to increase investment in Taiwan's research and data centers, raising demand for both residential and commercial real estate. Additionally, the government's introduction of the new housing loan program for young homebuyers in the latter half of 2023 stimulated strong demand from first-time homebuyers, leading to a heated residential market performance in the first half of 2024. However, in the second half of 2024, the central bank reduced the total amount of real estate loans issued by commercial banks and the introduction of selective credit controls led to a cooling of the residential market. The restrictions on loans caused buyers to expect price corrections, resulting in a "high in the first half, low in the second half" market trend.

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 a stable performance in the commercial real estate market throughout the year. Moreover, sustainability issues such as ESG (Environmental, Social, and Governance) practices, green buildings, carbon-reduction buildings, energy-efficient buildings (EUI), and the use of eco-friendly materials have gained increasing importance and are being legislated as standards that must be followed by developers. Both foreign and domestic companies also favored low-carbon and sustainable spaces, particularly in office buildings. Looking at the supply trends through the issuance of construction licenses and usage licenses, the numbers reveal important insights about the future of the real estate market.

(A) Building Construction License in 2024

In the category of residential property: The total number of construction licenses issued for residential property nationwide reached 156,791 units (+7.3%), with a total floor area of 20.58 million sq-meters (+5.5%). Among the six municipalities, the top three in terms of the floor area of construction permits were Taichung City (4.476 million sq-meters), Taoyuan City (3.568 million sq-meters), and New Taipei City (2.719 million sq-meters). Except for New Taipei City, which experienced a decline (-289 thousand sq-meters, -9.6%), all other municipalities saw positive growth: Taoyuan City (+1.12 million sq-meters, +45.8%), Taichung City (+718 thousand sq-meters, +19.1%), Kaohsiung City (+153 thousand sq-meters, +6.6%), Tainan City (+27 thousand sq-meters, +2.3%), and Taipei City (+32 thousand sq-meters, +2.0%).

In the category of commercial property: The top three in terms of the floor area of construction permits among the six municipalities were Taichung City (680 thousand sq-meters), Taoyuan City (384 thousand sq-meters), and Taipei City (174 thousand sq-meters). Except for Tainan City (-171 thousand sq-meters, -76.4%) and Kaohsiung City (-21 thousand sq-meters, -65.3%), which experienced negative growth, the other four municipalities recorded positive growth: Taichung City (+619 thousand sq-meters, +1003.9%), Taoyuan City (+274 thousand sq-meters, +249.5%), New Taipei City (+7 thousand sq-meters, +25.0%), and Taipei City (+24 thousand sq-meters, +15.9%).

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 (1.246 million sq-meters), Taipei City (857 thousand sq-meters), and Taoyuan City (363 thousand sq-meters). Only Taoyuan City (+242 thousand sq-meters, +201.3%) and Tainan City (+597 thousand sq-meters, +92.0%) recorded positive growth, while the remaining municipalities experienced declines: Taichung City (-760 thousand sq-meters, -68.2%), New Taipei City (-222 thousand sq-meters, -46.0%), Taipei City (-390 thousand sq-meters, -31.3%), and Kaohsiung City (-55 thousand sq-meters, -25.7%).

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 (2.057 million sq-meters), New Taipei City (800 thousand sq-meters), and Taichung City (683 thousand sq-meters). Taipei City (-20 thousand sq-meters, -25.3%) and New Taipei City (-225 thousand sq-meters, -22.0%) recorded negative growth. The remaining four cities experienced positive growth: Taichung City (+119 thousand sq-meters, +21.2%), Taoyuan City (+302 thousand sq-meters, +17.2%), Kaohsiung City (+76 thousand sq-meters, +13.8%), and Tainan City (+43 thousand sq-meters, +8.3%).

(B) Building Usage License in 2024

In the category of residential property: The total number of usage licenses issued for residential property nationwide reached 138,180 units (+16.8%), with a total floor area of 19.34 million sq-meters (+12.7%). Among the six municipalities, the top three in terms of the floor area of usage permits were Taichung City (3.992 million sq-meters), Taoyuan City (3.475 million sq-meters), and New Taipei City (2.442 million sq-meters). Except for Kaohsiung City (-51,000 sq-meters, -2.2%), which saw a slight decline, the remaining five cities recorded positive growth: Taipei City (+615 thousand sq-meters, +79.3%), Taoyuan City (+683 thousand sq-meters, +24.5%), Taichung City (+704 thousand sq-meters, +21.4%), New Taipei City (+58 thousand sq-meters, +2.4%), and Tainan City (+25 thousand sq-meters, +2.2%).

In the category of commercial property: Among the six municipalities, the top three in terms of the floor area of usage permits were New Taipei City (237 thousand sq-meters), Taipei City (207 thousand sq-meters), and Tainan City (88 thousand sq-meters). Taichung City (-175 thousand sq-meters, -85.3%) and Taoyuan City (-55 thousand sq-meters, -80.3%) experienced negative growth. However, the other four cities recorded positive growth: New Taipei City (+179 thousand sq-meters, +306.8%), Kaohsiung City (+56 thousand sq-meters, +178.9%), Tainan City (+39 thousand sq-meters, +79.3%), and Taipei City (+30 thousand sq-meters, +16.8%).

In the category of office buildings: Among the six municipalities, the top three in terms of the floor area of usage permits were Taipei City (780 thousand sq-meters), Tainan City (582 thousand sq-meters), and New Taipei City (301 thousand sq-meters). Only Taichung City (+25 thousand sq-meters, +14.3%) and Taipei City (+68 thousand sq-meters, +9.5%) recorded positive growth. The remaining four cities experienced negative growth: New Taipei City (-333 thousand sq-meters, -52.5%), Tainan City (-373 thousand sq-meters, -39.1%), Kaohsiung City (-37 thousand sq-meters, -36.2%), and Taoyuan City (-51 thousand sq-meters, -34.2%).

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 (1.745 million sq-meters), Taichung City (518 thousand sq-meters), and Kaohsiung City (517 thousand sq-meters). Positive growth was recorded in Tainan City (+147 thousand sq-meters, +49.5%), New Taipei City (+143 thousand sq-meters, +39.9%), and Taoyuan City (+163 thousand sq-meters, +10.3%). Meanwhile, Taipei City (-120 thousand sq-meters, -73.2%), Taichung City (-119 thousand sq-meters, -18.7%), and Kaohsiung City (-100 thousand sq-meters, -16.2%) experienced declines.

Overall, the residential market performed strongly in 2024: The number of construction permits issued for residential properties reached 156,791 units, a 7.3% increase compared to 2023. This was mainly due to the fact that the amendment to the Average Land Rights Act passed at the beginning of 2023, causing developers to delay projects due to market uncertainty, which led to a surge in construction permit applications in the second half of 2024. Additionally, the number of usage permits issued for residential properties reached 138,180 units, the highest since 1996. The total floor area for usage permits was 19.34 million sq-meters, the highest since 2007. This was primarily driven by the large number of projects launched by developers since 2020, many of which were completed in 2024, leading to a wave of handovers across Taiwan and an increase in the supply of residential properties. On the other hand, with the gradual improvement of the metro transit network and its surrounding infrastructure in northern Taiwan, commercial and industrial real estate in these areas still exhibit strong resistance to downturns. Rent for industrial and office spaces is expected to grow steadily. However, looking ahead to 2025, as new office buildings are completed and supply is released, rental levels and vacancy rates may enter an adjustment phase. Nevertheless, the vacancy rate is expected to remain below 10%.

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 expertise
- (2) Diversified product applications and innovation capabilities
- (3) Industry leadership in the circular economy
- (4) Vertical integration spanning from upstream to downstream

B. Positive factors

- (1) Increased demand fueled by population growth
- (2) Rising awareness of green consumption and sustainable supply chains
- (3) Expansion of polyester feedstocks and application areas
- (4) Clients' shift towards sourcing from diverse regions

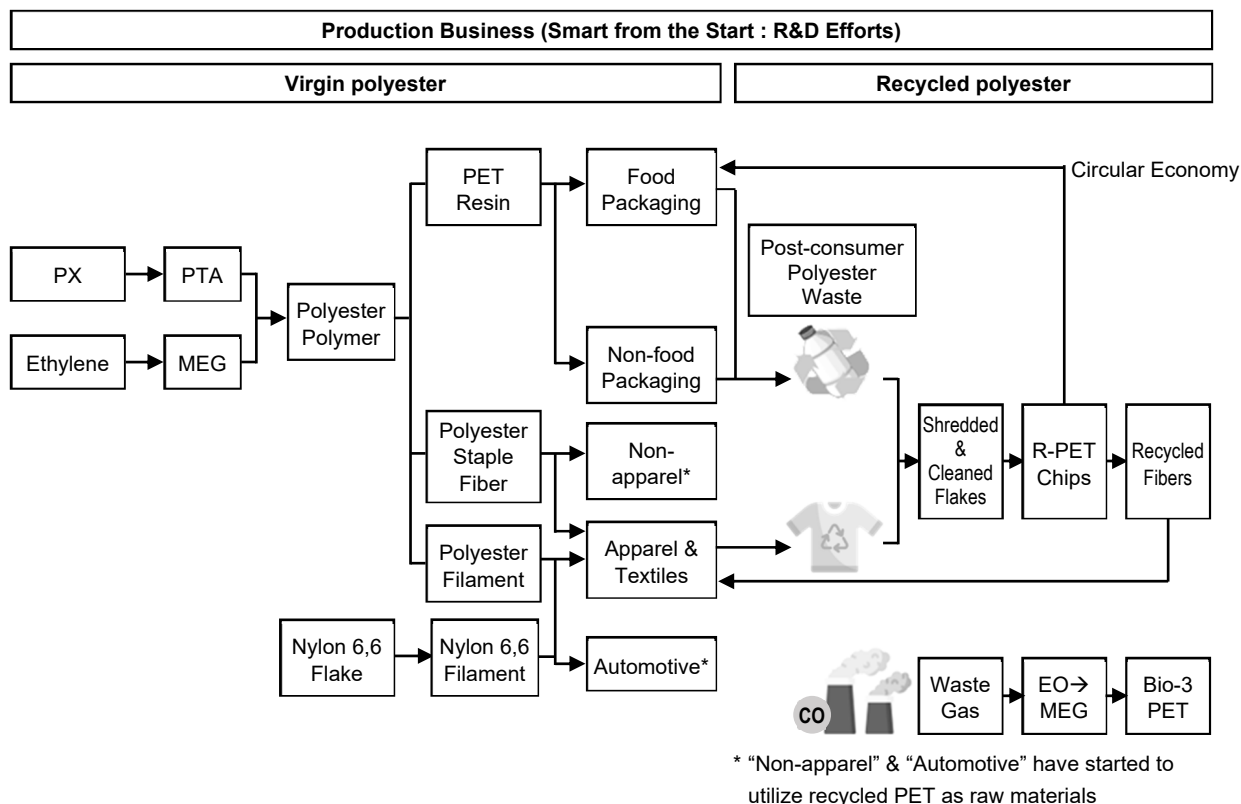
C. Negative factors

- (1) Significant volatility in global geopolitical tensions
- (2) Rise of global trade protectionism
- (3) Inflation driving up production costs
- (4) Rapid expansion of peers' capacities

D. Company's measures to counteract negative factors

- (1) Enhancing the scale and R&D capabilities of green products
- (2) Accelerating the Energy Transition
- (3) Cultivation of high-quality clients and establishment of enduring partnerships
- (4) Promoting digital AI management and smart manufacturing
- (5) Establishing a sustainable business model
- (6) Building regional supply chain advantage

2.2 Applications and Production Process of Major Products



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			2024			2023		
			Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Production Business	PTA	MT	1,520,000	1,377,631	33,573,742	2,738,000	1,844,276	46,960,734
	Polyester Chip	MT	2,505,800	1,930,386	61,468,670	2,599,400	1,992,396	63,895,302
	PET Resin (Note)	MT	2,308,250	2,192,075	74,057,670	2,180,250	2,145,655	72,370,550
	PET Bottle Preform	Thousand pieces	2,910,000	2,627,536	2,695,449	2,910,000	2,654,362	2,916,211
	PET Sheet	MT	90,600	79,886	3,127,339	113,400	75,045	2,981,866
	Polyester Staple Fiber	MT	341,000	242,187	9,766,706	365,000	248,999	10,205,763
	PET Film	MT	21,120	24,822	1,414,488	21,120	23,359	1,445,181
	Partially Oriented Yarn	MT	78,000	76,009	3,871,207	92,400	64,028	3,402,647
	Drawn Textured Yarn	MT	47,040	46,931	3,317,875	49,320	40,067	2,960,069
	Yarn	Bales	216,285	110,887	2,223,062	325,664	201,568	3,537,492
	Knitted Fabrics	MT	38,280	22,842	7,370,521	38,240	22,207	6,823,144
	Industrial Fabrics	MT	21,600	16,655	1,563,293	21,600	15,670	1,424,109
	Industrial Yarn	MT	125,000	116,154	6,596,548	125,000	109,148	6,548,188
	Apparel	Thousand pieces	74,484	60,322	10,843,628	81,119	50,447	8,631,101

Note: Including recycled PET

2.6 Sales Volume and Revenue in Recent Two Years

Unit: NT\$ thousands

Main Products			2024				2023			
			Domestic sales		Export sales		Domestic sales		Export sales	
			Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue
Production Business	PTA	MT	766,964	18,550,210	631,560	14,893,164	906,011	22,481,557	557,515	13,640,907
	Polyester Chip (Note1)	MT	28,751	988,388	4,180	307,329	39,398	1,288,388	4,916	244,025
	PET Resin (Note2)	MT	841,876	34,732,334	1,146,494	43,407,884	851,373	35,479,571	1,110,739	41,076,756
	PET Bottle Preform	Thousand pieces	1,633,624	1,672,454	811,986	1,187,774	1,697,337	1,732,756	892,449	1,214,211
	PET Sheet	MT	44,025	1,770,082	35,859	1,559,116	51,633	1,983,543	22,941	985,808
	Polyester Staple Fiber	MT	98,776	3,927,195	149,346	6,606,615	100,557	4,009,428	157,157	6,577,224
	PET Film	MT	6,424	518,894	18,387	1,558,616	6,653	528,938	16,724	1,422,570
	Partially Oriented Yarn	MT	40,880	1,825,610	3,507	223,188	28,816	1,277,877	4,359	254,305
	Drawn Textured Yarn	MT	24,642	1,650,954	26,479	1,878,901	20,846	1,337,828	19,414	1,465,456
	Yarn	Bales	86,534	1,995,242	26,631	445,773	131,762	2,775,759	61,814	827,534
	Knitted Fabrics	MT	5,788	2,196,108	21,415	8,738,124	6,300	1,896,620	20,068	8,064,247
	Industrial Fabrics	MT	7,860	755,085	9,657	1,122,898	6,731	629,002	10,362	1,216,713
	Industrial Yarn	MT	39,490	2,273,125	50,377	3,522,228	36,849	2,227,490	46,367	3,267,317
	Apparel	Thousand pieces	4,924	1,656,487	60,215	10,684,442	4,228	1,171,745	48,841	8,738,403

Note1: Mainly due to internal consumption

Note2: Including recycled PET

3. Information about Employees

Year		2024	2023	Mar 31, 2025
Number of employees		30,896	29,635	31,067
Average age		38	38	38
Average years of service		8.5	8.7	8.6
Breakdown of educational level (Note)	Ph.D.	0.2%	0.2%	0.2%
	Master	7.0%	7.0%	7.1%
	Bachelor	44.8%	42.9%	44.1%
	High school and below	48.0%	49.9%	48.6%

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 emission standards. For example, Oriental Industries (Suzhou) Ltd. was fined RMB 332,000 on May 20 and August 20, 2024 (Suzhou Environmental Responsibility Correction Document No. 06[2024] No. 5 and No. 6) for violations of emission permit regulations due to excessive air pollutant discharges and detection readings. In response, the Company installed additional air treatment facilities, reduced emissions, and updated its discharge permit to meet compliance standards. It also implemented regular air quality testing as required by the permit and enhanced employee training on environmental protocols. In addition, the Company actively promotes greenhouse gas emissions inventory and verification, with monthly reviews of environmental policy implementation to minimize the risk of pollution incidents.

5. Employees Welfare

5.1 Current Agreements with Employee and Employee Welfare

5.1.1 Recruitment

Employees are essential to the Company's success. In order to further strengthen its operational prowess, 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.

Under the motto of "putting talents where they can be best utilized" and "letting people fulfill their potential," the Company selects suitable candidates based on their character, personality traits, professional knowledge, work skills, etc. All applicants are treated equally regardless of race, gender, age, religion, nationality or political stance. Selection takes place under fair and open 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. 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, business sites in Taiwan participate in the salary survey conducted by 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 organizes various welfare activities for employees. The said activities include, but are not limited to, employee outings and hiking trips. The Company also offers a volunteer club, a dance club, a yoga club, a badminton club, an aerobic and fitness club, a table tennis club, a basketball club, etc., all of which meet on a regular basis. Additionally, the Company provides employees with free health checkups, children's tuition scholarships, benefits for birthdays, weddings, funerals, child births, and traditional festival holidays.

5.1.5 Employee Training and Development

The Company places great importance on talent development, recognizing that cultivating exceptional talent enhances our competitiveness. We strive to instill a culture of independent learning within the organization and create digitally integrated learning environments. We support various business units in nurturing and developing international talent, constantly enhancing employee management skills and professional capabilities. Additionally, we are committed to establishing succession pipelines at all levels to ensure sustainable talent development. Also, the Company offers a diverse range of training channels, including on-the-job training, online learning platforms, and physical sessions, to cater the diverse learning needs of our employees and foster a culture of continuous learning within the organization. In 2024, our training initiatives attracted a participation of 238,306 employees, with a total learning time of 601,269 hours.

5.1.6 Employee Rewards

The Company owes its constant growth and numerous successes to all the employees and appreciates sincerely their scrupulous diligence, relentless innovation, and ever-lasting dedication. We have many incentive programs, such as the Proposal Improvement Bonus for the production unit and the R&D Bonus for the research unit. In addition, the "Far East Spirit Award" and "Far East Energy Conservation Award" are awarded at the Far Eastern Group Annual Strategy Meeting to individual employees or teams with outstanding performances in different fields to encourage innovative thinking and a can-do attitude. Moreover, employees with high seniority are rewarded for their commitment and contribution to the Company with a bonus and special gifts upon retirement.

5.1.7 Talent Retention

The Company retains talent in a multi-pronged approach. For example, the labor-management council meets regularly and so are labor satisfaction surveys conducted to give employees various opportunities to voice their concerns and to participate in seeking solutions to promote their well-being.

Meanwhile, the Company is committed to developing and promoting talent from within and provides a stage on which employees can live up to their potentials through the institutionalized performance appraisal system, education and training, project assignment and job rotation. In addition, a friendly environment conducive to talent retention is built through the employee stock ownership trust plan that shares some of the Company's financial success with employees. In 2024, the Company's overall employee turnover rate was 13%, notably lower than the 2023 average of 20.9% for Taiwan's manufacturing sector. This demonstrates the Company's strong performance in talent retention.

5.1.8 Pension and Retirement Plan

The pension fund, along with all the other affairs related to employee retirement, is managed in compliance with the Labor Standards Act. The Labor Pension Reserve Supervision Committee has been established to review and supervise the management of employee pensions. The Company appropriates funding monthly into the pension fund trust account in custody of Bank of Taiwan to safeguard the interest of current and retired employees. In addition, for those who are subject to or opted for the new labor pension system, the Company contributes on a monthly basis to individual labor pension accounts in accordance with the "Labor Pension Act".

Operational Highlights

We handle retirement issues according to related laws and regulations. In Taiwan, FENC established the Employee Retirement Fund Committee in 1980 and allocated a reserve fund for employee retirement benefits. An account was opened for the employee retirement fund at then Central Trust of China in 1984 and meanwhile the Supervisory Committee of Employees' Retirement Fund was established to supervise the activities of the retirement fund. The Supervisory Committee meets quarterly, and more than half of its members are labor representatives delegated by the unions to determine whether the retirement fund suffices. Willis Towers Watson performs an actuarial valuation of the retirement fund and its allocation. The Ministry of Labor introduced a new system for retirement pension in July 2005. All the existing employees were surveyed by the Company, as required by law, on their willingness to switch to the new system. For those who opted for the new scheme and new recruits, 6% of their full salary will be allocated into their 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 instituted regulations regarding regular leave, rest day, annual leave and overtime payment standards in accordance with the Labor Standards Act. Our Legal Department, Human Resources Department, Auditing Department, and all businesses meet quarterly to ensure legal compliance of each unit. Additionally, in situations where colleagues require an extended leave of absence due to childbirth, major illnesses, significant accidents, or other significant events, they may also apply for unpaid leave to accommodate personal and family caregiving responsibilities.

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 95%, 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 and every 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, recusal, 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 19 production sites, covering 100% of the workforce. 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

Operational Highlights

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.

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
2022	63,240	227,720
2023	86,239	254,595
2024	79,876	253,100

G. Occupational injury statistics:

In 2024, the Company's occupational injury of 27 people accounted for 0.13% 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:

The Company has not incurred any losses due to labor disputes. However, there was an instance where the number of migrant workers could not be immediately replenished, leading to occurrences of overtime work. This included cases where working hours exceeded the legal limits, in violation of Article 32(2) of the Labor Standards Act, resulting in a fine of NT\$100,000 issued on July 22, 2024 (Penalty: 2024 Hsinchu Labor Inspection Letter No. 1133933984). The Company will gradually incorporate additional manpower in accordance with on-site requirements, while simultaneously reinforcing strict compliance with labor laws and regulations.

6. Information Security Management

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

On November 9, 2022, FENC's board of directors approved a proposal to appoint a Chief Information Security Officer, establish an information security department and work in conjunction with the Information & Technology Center (ITC). Their primary responsibility is to manage the information security of the Company. The Company has formulated Information Security Policies, obtained "ISO 27001 Information Security System Certification" (valid period: 2022/09/10~2025/09/09), to ensure efficient management and proper maintenance of the information environment. These policies serve as a guiding framework for all staff, with the objective of safeguarding the confidentiality, integrity, and availability of operational data and information. By adhering to these policies, we aim to mitigate the potential impact of information security breaches. The scope of these policies includes information authorization, data backup, system development, contractor management, and intellectual property management, among other areas.

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, management, technology and legal compliance. We continuously strengthen our management system and employ advanced technologies to thoroughly control risks. Additionally, we allocate sufficient resources and evaluate various information security insurance options to effectively protect information and resources. This ensures a seamless, systematic, and consistent digital transformation within the organization, enabling us to achieve our goals in information security management.

The Company and its overseas subsidiaries started to implement "ISO 27001 Information Security Management System" 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 received ISO 27001 verification 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:

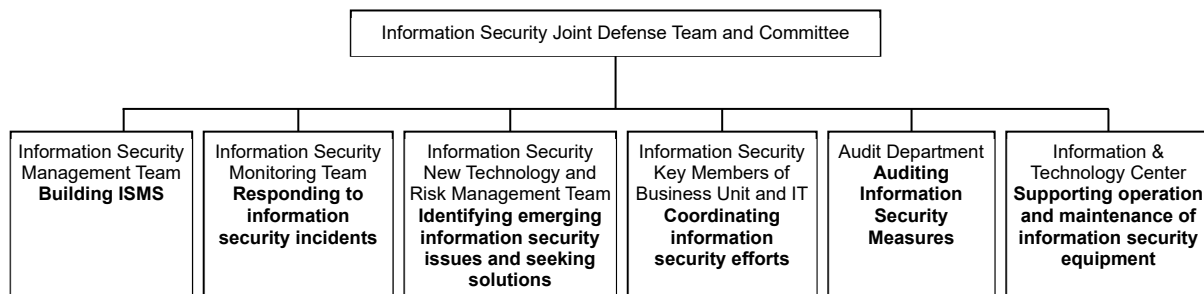
The Company has joined Taiwan CERT/CSIRT Alliance and established security incident management procedures that specify the process and measures to follow, including the incident reporting protocol and the description of the designated manager's responsibilities. In the event of an incident, the incident 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 improvement, reporting work results and putting forth a plan for corrective and preventive actions.

6.1.3 Personnel training on information security:

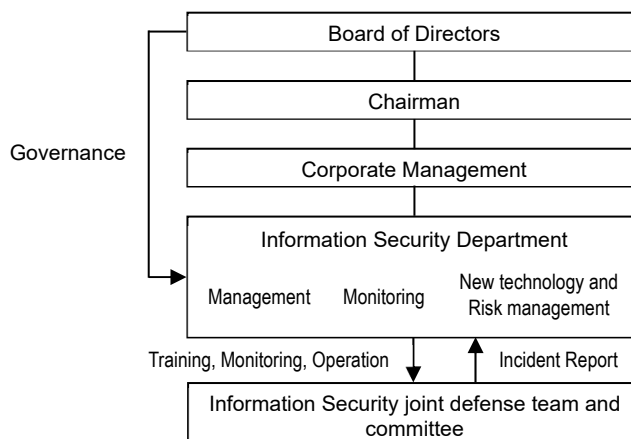
The Company designates the Information Security Department and the Human Resources Development Center to organize training on information security to promote understanding and raise awareness of its importance among employees. They are encouraged to participate in the training and acquire certificates. 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/communication security organization and other related matters, which are handled by a staff of 45 employees. On November 9, 2022, FENC established an information security department, a functional organization at the board level, with 5 employees which are responsible for building an architecture for corporate information security management, reporting quarterly to board of directors and reports to the Company at the monthly risk management meeting on risk-related issues, corresponding responses, security-strengthening measures and review of regulations.



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 2024 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	2024.06~2026.11	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.
Long-Term Supply Contract	OPTC	A to D (total four companies)	2024.01~2024.12	PX supply agreement	None
	Far Eastern Industries (Shanghai)	SABIC	2024.01~2025.12	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	
			2021.01 ~ 2024.01	Procurement for iPhone	
		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	OPTC	Mega International Commercial Bank	2021.10～2026.10	ESG linked loan agreement	
	Far Eastern Fibertech	The Bank of Taiwan	2022.02～2027.02	"Action Plan for Accelerated Investment by Domestic Corporations" loan	
	Oriental Green Materials Limited	Mega International Commercial Bank	2021.01～2026.01	"Action Plan for Accelerated Investment by SMEs" loan	
		The Bank of Taiwan	2021.03～2026.03	"Action Plan for Accelerated Investment by SMEs" loan	
	FENC	First Commercial Bank	2024.12～2026.06	Sustainability-Linked Loan	
		The Bank of Taiwan	2023.11～2027.05	Bank loan agreement	
			2024.08～2028.02	Sustainability-Linked Loan	
		Mizuho bank	2024.06～2027.06	Bank loan agreement	
		DBS bank	2025.02～2028.02	Blue Loan and Sustainability-Linked Loan Facilities	
		CTBC Bank Co., Ltd.	2023.08～2026.08	ESG Portfolio Lending	
	Yuan Ding Investment Corporation	CTBC Bank Co., Ltd.	2023.08～2026.06	ESG Portfolio Lending	
		China Bills Finance Corp.	2022.05～2026.05	Unsecured recurring commercial paper	

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	2024	2023	Variance	
			Amount	%
Current assets	155,793,795	141,007,122	14,786,673	10.49
Property, plant and equipment	182,119,491	178,375,955	3,743,536	2.10
Intangible assets	85,637,302	92,564,170	(6,926,868)	(7.48)
Other assets	258,519,535	259,541,146	(1,021,611)	(0.39)
Total assets	682,070,123	671,488,393	10,581,730	1.58
Current liabilities	129,620,698	118,530,309	11,090,389	9.36
Non-current liabilities	233,014,732	243,316,017	(10,301,285)	(4.23)
Total liabilities	362,635,430	361,846,326	789,104	0.22
Common stock	53,528,751	53,528,751	-	-
Capital surplus	13,252,812	13,300,370	(47,558)	(0.36)
Retained earnings	157,438,312	153,952,880	3,485,432	2.26
Other equity	9,535,017	4,430,675	5,104,342	115.20
Treasury stocks	(25,063)	(25,063)	-	-
Total equity attributable to owners of the Company	233,729,829	225,187,613	8,542,216	3.79
Non-controlling interests	85,704,864	84,454,454	1,250,410	1.48
Total equity	319,434,693	309,642,067	9,792,626	3.16
Analysis of variation exceeding 20% and NT\$10 million of the numbers in the previous year: Other equity increased: mainly due to the increase 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	2024	2023	Variance	
				Amount	%
Operating revenues		270,953,983	257,203,940	13,750,043	5.35
Operating costs		217,016,352	210,142,695	6,873,657	3.27
Gross profit		53,937,631	47,061,245	6,876,386	14.61
Realized construction income		556	556	-	-
Operating expenses		37,275,517	32,916,545	4,358,972	13.24
Operating income		17,694,405	14,972,682	2,721,723	18.18
Nonoperating income (expenses)		6,269,236	3,785,673	2,483,563	65.60
Income before income tax		23,963,641	18,758,355	5,205,286	27.75
Income tax expenses		4,999,983	3,438,867	1,561,116	45.40
Net income		18,963,658	15,319,488	3,644,170	23.79
Other comprehensive income (net of income tax)		6,317,592	5,253,067	1,064,525	20.26
Total comprehensive income		25,281,250	20,572,555	4,708,695	22.89
1. Analysis of variance: Nonoperating income (expenses): mainly due to the increase in fair value gains on investment properties, net foreign exchange gains, and gains on disposal of non-financial assets. Income before income tax, income tax expenses, and net income: mainly due to the increase in operating income and non-operating income and expenses. Other comprehensive income (net of income tax) and total comprehensive income: mainly due to the increase in exchange differences from the translation of financial statements of foreign operations and the net income for the period. 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".					

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
31,763,569	44,387,231	34,836,192	41,314,608	N/A	N/A
1. Cash flow analysis for year 2024: (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, equity investments, and capital expenditures. (3) Financing activities: mainly the issuance (or repayment) of corporate bonds, bank borrowings, cash dividend distributions, and repayment of lease liabilities. Remedial measures for projected cash shortfall and liquidity analysis: N/A					
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	45,228,519	45,096,592	41,446,535	N/A	N/A
2. 2025 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 due to equity investment and capital expenditures. (3) Financing activities: mainly the issuance (or repayment) of corporate bonds, bank borrowings, distribution of cash dividends, and repayment of lease liabilities. Remedial measures for projected cash shortfall and liquidity analysis: N/A					

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 2023	2024	2025	2026	2027
Vietnam polyester staple fiber FL-52	Retained earnings and bank borrowings	Dec 2025	1,034,425	849,681	-	184,745	-	-
Vietnam green material recycling		Jul 2025	1,605,603	1,558,739	45,185	1,678	-	-
Vietnam high tenacity industrial yarn		Jun 2027	4,174,213	2,092,890	9,914	1,522,753	548,656	-
Pellet plant expansion		Apr 2024	1,599,533	1,359,817	239,716	-	-	-
Malaysia R-PET		May 2026	1,718,114	-	438,659	1,257,164	22,291	-
Recycled PET resin		Dec 2026	579,063	-	-	222,717	356,346	-
Airbag Project Expansion		May 2025 ~ Oct 2027 To be completed in phases	2,479,534	954,545	233,059	503,451	463,259	325,220
PET Shrinkable film line 4&5		Dec 2025 ~ Jul 2027 To be completed in phases	1,730,100	275,355	1,184,546	154,834	29,500	85,865

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
2025	rPET resin	MT	46,562	46,562	2,766,132
	Recycle polyester flake	MT	15,600	15,600	525,995
	Airbag fabric	KM	1,336	547	73,042
	Airbag cushion	KPC	1,511	1,511	191,634
2026	Polyester staple fiber	MT	36,000	36,000	1,508,624
	rPET resin	MT	67,600	67,600	3,783,345
	Recycle polyester chip	MT	42,000	42,000	1,820,753
	Airbag fabric	KM	4,500	1,633	194,476
	Airbag cushion	KPC	7,560	4,910	547,214
	PET shrinkable film	MT	9,900	9,900	742,500

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 2024 was NT\$ 5.8 billion, and the profit generated by invested subsidiaries remained stable.

5.3 Future Investment Plan: (Please refer to page 101-102)

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 2024, 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 2025 and Central Bank of the Republic of China (Taiwan) in December 2024, Taiwan's GDP growth in 2024 was 4.30%, with a 2.18% increase in CPI. Projected GDP growth for 2025 is 3.13%, with CPI expected to rise by 1.89%. Looking ahead to 2025, 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 2025 are approximately NT\$ 64.672 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 2025 are approximately NT\$ 84.912 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 2025 are approximately NT\$ 95.231 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 115-116.

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 121

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:

Since Russia invaded Ukraine in Feb 2022, the fear of rising oil prices, increasing inflation, and high risks in trading with Ukraine or Russia has escalated globally. The Company immediately launched the risk management systems of "Procedures of Country-Level Risk Monitoring and Management" and "Policies and Risk Control Measures towards Russia-Ukraine war". Despite that, the Company has proactively cooperated with the brand customers (such as Coca-Cola, NIKE, Adidas, Bridgestone, etc.), following the international trade policies and practices, to mitigate its trading risks with these two countries. Overall, the Company has demonstrated strong capabilities in proactive risk assessment and effective response measures. As a result, we have successfully recovered all exposed debts without significant impact on our core business. The Company also looks for new business opportunities for further collaboration with international brands after the war.

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 for hedging, 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, financial liabilities for hedging, 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.



FAR EASTERN NEW CENTURY

36F, Taipei Metro Tower 207, Tun Hwa South Rd., Sec.2, Taipei, Taiwan, R.O.C
Tel +886 2 2733-8000