

Far Eastern New Century Corporation (FENC)

2025 Annual General Shareholders' Meeting (Translation)

Meeting type: A hybrid shareholders' meeting
(Physical shareholders' meeting with the assistance of video conference)

Time: 9:00 a.m., Thursday, May 29, 2025 (Taipei time)

Place: 5F., No. 24, Section 1, Hangzhou S. Rd., Taipei, Taiwan
(Auditorium, GIS MOTC Convention Center)

E-meeting platform: Taiwan Depository & Clearing Corporation (TDCC) Stockservices
(<https://stockservices.tdcc.com.tw>)

Shareholders present: Total number of outstanding shares: 5,352,095,854 shares (excluding 779,373 shares owned by FENC's subsidiaries)

Total shares represented by shareholders present: 4,909,365,036 shares

Percentage of shares held by shareholders: 91.72%

Directors: Mr. Johnny Hsi, Mr. Shaw Y. Wang, Ms. Alice Hsu, Ms. Tonia Katherine Hsu, Mr. Kwan-Tao Li, Mr. Champion Lee, Mr. Shu-Chieh Huang, Mr. Raymond R. M. Tai, Mr. Chung-Shu Wu and Mr. Sy-Ming Guu.

(The Chairman of the Board was absent from this Annual General Shareholders' Meeting due to a cold. The Vice Chairman of the Board, Mr. Johnny Hsi, presided over the meeting in accordance with Article 208, Paragraph 3 of the Company Act and Article 2 of the Shareholders' Meeting Rules of Far Eastern New Century Corporation.)

Chairman: Mr. Johnny Hsi, Vice Chairman of the Board of Directors



Recorder: Ms. Grace Yang



Meeting called to order

(The aggregate shares of the shareholders present in person or by proxy constituted a quorum.)

Chairman's address (Omitted)

Reporting items:

1. 2024 business operations (Omitted)
2. 2024 financial statements (See Attachment I)
3. The Audit Committee's review report of 2024 business operations and financial statements (See Attachment II)
4. 2024 employees' compensation and Directors' remuneration (Omitted)
5. Information of the corporate bonds issued in 2024 (Omitted)
6. Information of the share exchange with Yuan Ding Investment Corporation (Omitted)
7. Acquisition or disposition of assets from or to related parties (Omitted)

There were seven reporting items. Shareholders raised questions regarding the first item; a summary of these questions and the Company's responses can be referred on pages 3 to 5. No further shareholder inquiries were made for the remaining items.

Summary of shareholders' questions and the Company's responses:

1. Shareholder (Number: 0305783), Taiwan Cooperative Bank, Ltd.

Shareholder inquiry: In the 2023 Sustainability Report, FENC implemented multiple water conservation measures, including rainwater recycling, reclaimed water, and production refinement. These efforts led to a 15% reduction in total effluent and an 11% decrease in effluent per unit of production compared to 2022. What are the Company's future goals and strategies for water resource management? Will the Company consider adopting more innovative technologies to further enhance water efficiency?

Response by Mr. K.S. Wu, President of the Petrochemical Business, under the Chairman's instruction:

The Company places strong emphasis on ESG and actively advances water resource management. By adopting low water-consumption equipment, refining production processes, and improving efficiency, we successfully met our water reduction targets. In 2024, total water withdrawal across our global production sites decreased by 20% compared to the previous year. We continue to invest in water recycling facilities to raise wastewater reuse rates. As AI applications and water-saving technologies evolve, the Company will continue to explore and adopt innovative solutions to further enhance water efficiency.

2. Shareholder (Number: 0349035), BankTaiwan Life Insurance Co., Ltd.

Shareholder inquiry: What impact will the imposition of a carbon tax in Taiwan have on the Company, and how does the Company plan to mitigate it?

Response by Mr. K.S. Wu, President of the Petrochemical Business, under the Chairman's instruction:

Starting next year, Taiwan will begin imposing a carbon fee on manufacturers with annual emissions exceeding 25,000 metric tons, and the Company will fall under this policy. To mitigate the impact, we are implementing two primary strategies aimed at achieving a 50% reduction in carbon emissions by 2030 and reaching carbon neutrality by 2050. First, we are enhancing energy efficiency and transitioning to low-emission fuels and renewable energy sources to reduce greenhouse gas emissions. Over the past four years, our Taiwan sites have achieved a cumulative 25% reduction in emissions, underscoring the effectiveness of these measures. Second, with Taiwan setting the carbon fee cap at NT\$300 per metric ton, the Company plans to apply for a "Voluntary Reduction Plan," which would qualify us for a preferential rate of NT\$50 per ton - aligned with our 2030 reduction goal. Additionally, we will invest in energy and carbon reduction equipment, particularly in energy-intensive upstream processes. These investments will not only lower carbon fees and variable costs but also generate surplus electricity for reuse, further improving operational efficiency.

3. Shareholder (Number: 036260), SinoPac Securities Corporation

Shareholder inquiry: What were the Company's key R&D and operational achievements over the past year in developing alternative low-carbon materials, and what are the plans for the next three years?

Response by Ms. Fanny Liao, Executive Director of the R&D Center, under the Chairman's instruction:

The Company's primary low-carbon materials are derived from recycling and provide a comprehensive solution across land, sea, and air. In addition to producing recycled fibers, we have advanced closed-loop PET bottle recycling - transforming used PET bottles back into new ones for high-end applications. For instance, as presented during the meeting, our collaboration with a French brand resulted in footwear that incorporates rigid recycled PET in both the upper and midsole. The product has been well received, selling out in markets such as Europe, Japan, and China. Looking ahead, we will continue to scale up and enhance our recycling technologies and develop innovative materials - such as converting carbon monoxide and carbon dioxide into feasible materials for footwear and apparel production. Several of these new materials have already been certified by clients, and we aim to expand their application and market footprint.

4. Shareholder (Number: 0318971), CTBC Bank Co., Ltd. (Through virtual meeting platform)

Shareholder inquiry: The Company's efforts in developing green products have been widely recognized, and according to its sustainability report, the short-term goals set for 2023 have already been achieved. In light of this progress, I would like to inquire about the following:

- a. What are the Company's future targets and progress regarding greenhouse gas emissions reduction?
- b. What is the Company's vision and what are the short-, medium-, and long-term goals for green product development across the group?

Response by Ms. Fanny Liao, Executive Director of the R&D Center, under the Chairman's instruction:

Over the past year, the Company's carbon emissions from its Production Business totaled 1.598 million metric tons, reflecting a 34% reduction compared to 2020 base level. The Company aims to achieve a 50% reduction by 2030. In terms of green products, in addition to conventional mechanical recycling, PET bottles have been successfully repurposed into fibers, new bottles, and most recently, innovative footwear products showcased during the meeting. We are also actively developing next-generation materials derived from greenhouse gases such as carbon monoxide and carbon dioxide captured from the atmosphere. These products are currently undergoing brand testing. Looking ahead, our medium-term strategy focuses on investing in chemical recycling technologies to process textile and material waste, with related facilities already under construction. As illustrated in the presentation, the featured footwear product is made entirely from polyester, enabling full chemical recycling without the need to separate components - similar to the textile recycling process. This closed-loop model is a key strategic pillar of the Company's medium- to long-term development roadmap.

5. Shareholder (Number: 0521857), UPAMC Taiwan High Dividend Momentum ETF

Shareholder inquiry:

① In addition to recycled PET filament, how many types of low-carbon materials is the Company currently developing, and how have they been received by customers? How do the prices of these materials compare to conventional alternatives? Additionally, what is the proportion of low-carbon products in 2024, and what are the target proportions for the coming years?

Response by Ms. Eva Luo, Assistant Vice President for Green Materials, under the Chairman's instruction:

The Company's low-carbon green products fall into three main categories: energy-saving polyester, recycled polyester, and bio-based polyester. Among these, food-grade recycled PET resins - used primarily in food and beverage packaging - are a core product. FENC currently holds the world's largest production capacity for food-grade recycled PET resins, with six production sites established globally. Beyond recycled products, the Company is also a key global supplier of bio-based polyester, offering a diverse range of functional combinations tailored to various applications. FENC is a leading green material supplier to global brands across the beverage, apparel, home goods, and industrial sectors. In 2024, green product sales reached NT\$48.3 billion, accounting for 33% of Production Business revenue, marking the fourth consecutive year of growth. The Company aims to increase this share to 50% by 2030. As market demand continues to rise, green products have become one of the Company's primary drivers of profitability.

② It was previously mentioned that the U.S. joint venture plant would be reactivated. Could you provide the latest update on its operational status and feasibility?

Response by the Chairman:

In recent years, the return of manufacturing to the U.S. has become a prominent topic. Whether this trend presents an opportunity or a challenge depends on each industry's characteristics and a company's strategic expansion plans. For instance, in the tech sector, establishing plants in the U.S. can be two to three times more expensive than in Taiwan, posing significant challenges. The Far Eastern Group has invested in a PET plant and a recycling plant in the U.S., with capital expenditures accounting for approximately 10% of its total investment.

These U.S. investments come with both advantages and drawbacks. On the positive side, the U.S. represents about one-quarter of global GDP, and nearly one-third of its PET consumption depends on imports - creating a stable and promising market for local production. Additionally, access to shale-gas based petrochemical feedstock offers cost and supply-chain advantages. Currently, the Company operates two production facilities in the U.S., and a third large-scale joint venture plant is under construction, with progress at around 60%. This plant is a risk-sharing initiative invested by the Company and two other partners. Although construction was delayed due to the pandemic, U.S. inflation, and interest rate fluctuations, the remaining work will resume - either in full or in phases - depending on future developments, particularly the clarity of new U.S. tariff policies expected by the end of June. Capital deployment will be carefully planned, and a final investment decision is anticipated in the second half of the year.

Overall, the Company's strategy is to continue expanding its capacity in the U.S. and Japan while reinforcing its presence in Vietnam and Southeast Asia, aiming to mitigate geopolitical risks and strengthen global competitiveness.

Approval items

1. To accept 2024 business report and financial statements

The Board of Directors proposes and recommends that each shareholder vote FOR the acceptance of 2024 business report and financial statements.

Explanatory Notes:

- i. FENC's 2024 business report and financial statements (including consolidated balance sheets, consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and balance sheets, statements of comprehensive income, statements of changes in equity, statements of cash flows) have been audited by independent auditors, Mr. Guo-Ning Huang and Mr. Chih-Ming Shao of Deloitte & Touche, and have been examined by and determined to be correct and accurate by the Audit Committee of FENC. We thereby submit this report.
- ii. The 2024 business report, independent auditors' reports, Audit Committee's report, and the aforesaid financial statements are attached as Attachments I and II.
- iii. Please accept the aforesaid business report and financial statements.

Voting Results: 4,909,365,036 shares were represented at the time of voting (including via e-voting and virtual meeting platform); 4,621,039,948 shares voted for the proposal, representing 94.13% of the total represented shares, 303,303 shares voted against the proposal, while 288,021,785 shares voted to abstain from the proposal.

RESOLVED, that the 2024 business report and financial statements be and hereby were accepted as submitted.

There were no shareholder inquiries in this item.

2. To approve the proposal for distribution of 2024 profits

The Board of Directors proposes and recommends that each shareholder vote FOR the distribution of 2024 profits.

Explanatory Notes:

- i. Cash dividends to common shareholders: NT\$ 8,564,600,363. (NT\$ 1.60/share)
- ii. After being approved at the Annual General Shareholders' Meeting, the cash dividends to common shareholders will be distributed on a record date to be determined by the Chairman granted full authority from the Board of Directors. Should FENC subsequently repurchase its common shares or issue new common shares according to the relevant regulations, the total number of common shares outstanding may change, and the ultimate cash to be distributed to each common share may need to be adjusted accordingly. It is proposed that the Board of Directors of FENC be authorized to adjust the cash to be distributed to each common share based on the total amount of profits resolved to be distributed and the number of actual common shares outstanding on the record date for distribution.

iii. Please refer to the following table for the 2024 profit allocation proposal

	(Unit: NT\$)
1. Net income of 2024	10,031,844,026
2. Adjustments due to changes in investees' equity in equity-method investments	519,570,826
3. Adjustments due to changes in other comprehensive income	160,399,022
4. Reversal of special reserve for first-time adoption of TIFRS and investment properties measured using the fair value model	426,601,317
5. Legal reserve	1,113,841,519
6. Special reserve	2,839,783,507
7. Reversal of special reserve due to subsequent changes in the fair value of investment properties	231,336,166
8. Unappropriated earnings of previous years	3,032,162,066
9. Earnings available for distribution as of 31 December 2024 (1+2+3+4-5-6+7+8)	10,448,288,397
Distribution item:	
1. Shareholders' dividend (NT\$ 1.60/share in cash)	8,564,600,363
Total distribution	8,564,600,363
Unappropriated earnings	1,883,688,034

iv. Please approve the aforesaid proposal for the distribution of 2024 profits.

Voting Results: 4,909,365,036 shares were represented at the time of voting (including via e-voting and virtual meeting platform); 4,624,621,403 shares voted for the proposal, representing 94.20% of the total represented shares, 318,753 shares voted against the proposal, while 284,424,880 shares voted to abstain from the proposal.

RESOLVED, the proposal for distribution of 2024 profits be and hereby was accepted as proposed.

There were no shareholder inquiries in this item.

Proposed resolutions

1. To approve the revisions to the “Articles of Incorporation of Far Eastern New Century Corporation”

The Board of Directors proposes and recommends that each shareholder vote FOR the amendments to the Articles of Incorporation.

Explanatory Notes:

- i. In accordance with the “Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers” stipulated and promulgated by TWSE, the Company hereby amends Articles 16 and 17 of the “Articles of Incorporation of Far Eastern New Century Corporation”, to specify the terms regarding the number of Independent Directors and the restrictions on their consecutive terms of office.
- ii. According to Article 14, Paragraph 6 of the “Securities and Exchange Act”, a TWSE-listed company shall specify a certain percentage of annual profits to be allocated for salary adjustments or compensation distribution to its non-executive employees in its Articles of Incorporation. In compliance with the Financial Supervisory Commission’s Order No. 1130385442 (November 8, 2024), and with reference to the “Regulations for Tax Preferences Provided to Small and Medium Enterprise on Wage Payment Raising” promulgated by Ministry of Economic Affairs, the Company hereby defines non-executive employees as those with an average monthly salary of NT\$63,000 or less, and specifies that no less than 25% of the employees' compensation shall be reserved for non-executive employees.
- iii. The overview table for the “Articles of Incorporation of Far Eastern New Century Corporation” Before and After amendments is attached as follows.
- iv. Please approve the proposal for the amendments to the “Articles of Incorporation of Far Eastern New Century Corporation”.

Section	Proposed Changes	Current Articles
Article 16	<p>The Company shall have 10 to 15 Directors, who are elected and appointed from the individuals with legal capacity at the shareholders' meeting. The total number of registered shares of the Company held by all of the Directors shall be determined in accordance with the provisions of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p><u>In the preceding paragraph, the number of Independent Directors shall be no less than one-third of the seats on the Board of Directors.</u></p> <p>Directors shall be elected through the candidate nomination system in accordance with Article 192-1 of the “Company Act”. Shareholders shall elect from the nominees listed in the roster of candidates. The election of Independent and non-Independent Directors shall be conducted jointly but the seats shall be calculated separately.</p>	<p>There shall be 10 to 15 Directors of the Company, who are elected and appointed from the persons with legal capacity at the shareholders' meeting. The total shares number of the registered shares of the Company held by all of the Directors shall be determined according to the provisions of "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".</p> <p><u>3 to 5 of the Directors in the preceding paragraph shall be Independent Directors.</u></p> <p>Directors shall be elected by adopting candidate nomination system in accordance with the Article 192-1 of Company Act. A shareholder shall elect from the nominees listed in the roster of candidates. The election of Independent and non-Independent Directors shall be held jointly but seats shall be calculated separately.</p>

Section	Proposed Changes	Current Articles
Article 17	The term of office for each Director is 3 years. They may be reappointed following their re-election. <u>However, the restriction on the consecutive terms of office for the Independent Directors shall be pursuant to the applicable laws and regulations.</u>	The respective appointments of Directors are for a period of 3 years. They may be reappointed following their re-election.
Article 22	The Company shall have a number of General Managers, Chief Operating Officers, Deputy General Managers, <u>or other personnel of equivalent rank</u> , Associate Managers, Managers, Factory Chiefs, a Chief Auditor, and a Deputy Chief Auditor. The appointment and dismissal of the above positions shall be determined by the Board of Directors, with the attendance of more than half of the Directors and the approval of more than half of the attending Directors.	The Company shall have a number of General Managers, Chief Operating Officers and Deputy General Managers, Executive Vice Presidents Managers and Factory Managers, a Chief Auditor and a Deputy Chief Auditor. The appointment and dismissal of the above staff shall be by way of a majority at the meetings of the Board of Directors, subject to more than half of the Directors are in attendance of the said meetings.
Article 26	If the Company makes a profit for the current year, <u>no more than 2.5% of the profit shall be allocated as Directors' remuneration, and 2% to 3.5% shall be allocated as employees' compensation, with no less than 25% of the employees' compensation reserved for non-executive employees</u> , provided that the Company's accumulated losses have been covered. The Company may, by a resolution of the Board of Directors, with the attendance of at least two-thirds of the Directors and the approval of more than half of the attending directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit to be distributed as employees' compensation. Additionally, a report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit to be distributed as Directors' remuneration shall also be determined by the Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.	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.
Article 29	These Articles of Incorporation were drafted on December 15, 1952, and came into effect upon approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect upon their approval at the	These Articles of Incorporation were drafted on December 15, 1952, and came into effect following its approval by a resolution of the General Shareholders' Meeting and the competent authorities. Amendments shall take effect following their approval at

Section	Proposed Changes	Current Articles
	shareholders' meetings.	the shareholders' meetings.
	<u>Seventy-first amendment on May 29, 2025.</u>	<u>Seventieth amendment on June 28, 2023</u>

Voting Results: 4,909,365,036 shares were represented at the time of voting (including via e-voting and virtual meeting platform); 4,609,233,495 shares voted for the proposal, representing 93.89% of the total represented shares, 3,284,682 shares voted against the proposal, while 296,846,859 shares voted to abstain from the proposal.

RESOLVED, the proposal for the amendments to the “Articles of Incorporation of Far Eastern New Century Corporation” be and hereby was accepted as proposed.

There were no shareholder inquiries in this resolution.

Extemporaneous motion: None

Meeting adjourned: 9:58 a.m., Thursday, May 29, 2025 (Taipei time)

Attachment I

2024 Independent Auditors' Report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and Shareholders
Far Eastern New Century Corporation

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern New Century Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of our report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the consolidated financial statements for the year ended December 31, 2024 are as follows:

Fair Value Appraisal of Investment Properties

The Group's investment properties was subsequently measured using the fair value model. The fair value appraisal involved significant accounting estimation and judgment. As a result, the fair value appraisal of investment properties is considered a key audit matter.

For the accounting policies, significant accounting judgments, evaluations, and assumptions on the main source of uncertainty related to investment properties, refer to Notes 4 (k) and 5 to the consolidated financial statements. For more information about the Group's investment property, refer to Note 17 to the consolidated financial statements.

For the fair value appraisal of investment property, we performed the corresponding audit procedures as follows:

1. We assessed the competencies and independence of the external appraiser engaged by the management, discussed with the management the appraiser's work scope and process of engagement acceptance, evaluated the risk of possible impairment of the appraiser's independence and determined that the appraiser's work scope was free from limiting factors.
2. We assessed the reasonableness of the appraiser's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data that was used by the appraiser in the valuation process.

Recognition of Revenue Derived from Mobile Telecommunications Service

Mobile telecommunications service revenue is the main source of the Group's telecommunications segment. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, the Group often launches different combinations of products and services. The charge rates of the aforementioned

products and services are set manually in the systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

For the accounting policies related to mobile telecommunications service revenue, refer to Note 4(s) to the accompanying consolidated financial statements.

By conducting tests of controls, we obtained an understanding of the Group's recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal information technology (IT) specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures, which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls.
2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.
3. Tested the access controls and change controls over the input of rates to the billing systems.
4. Tested the accuracy of the billing calculation.
5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information on the switch equipment.
2. Sampled user contracts to confirm the accuracy of the billing system information.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we compared whether there was any difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates to confirm the accuracy of the amounts.

Other Matter

We did not audit the financial statements of APG Polytech USA Holdings, Inc. (subsidiary) along with its subsidiaries and Corpus Christi Polymers, LLC (joint operation) for the year ended December 31, 2024, and APG Polytech, LLC and Corpus Christi Polymers, LLC for the year ended December 31, 2023, included in the consolidated financial statements of the Group, but such financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the Group's consolidated financial statements for these aforementioned companies, is based solely on the reports of other auditors. The total assets of the aforementioned companies were NT\$35,223,094 thousand and NT\$25,483,136 thousand, representing 5% and 4% of the Group's consolidated assets as of December 31, 2024 and 2023, respectively. The total operating revenue of the aforementioned companies were NT\$26,557,631 thousand and NT\$16,892,374 thousand, representing 10% and 7% of the Group's consolidated net operating revenue, for the years ended December 31, 2024 and 2023, respectively.

We have also audited the parent company only financial statements of Far Eastern New Century Corporation as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with other matter paragraph.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuo-Ning Huang and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2025

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 41,314,608	6	\$ 31,763,569	5
Financial assets at fair value through profit or loss	6,987,140	1	5,416,642	1
Financial assets at fair value through other comprehensive income	135,738	-	121,720	-
Financial assets at amortized cost	2,221,773	-	2,545,614	-
Contact assets	8,461,979	1	6,427,253	1
Notes and accounts receivable, net	35,585,141	5	32,559,191	5
Other receivables	3,921,121	1	3,646,561	1
Current tax assets	332,679	-	215,643	-
Inventories	47,615,589	7	47,400,833	7
Prepayments	3,471,619	1	4,446,097	1
Other financial assets	2,522,015	-	3,212,463	-
Refundable deposits	108,799	-	144,845	-
Other current assets	3,115,594	1	3,106,691	-
Total current assets	155,793,795	23	141,007,122	21
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss	10,000	-	-	-
Financial assets at fair value through other comprehensive income	3,440,623	1	3,132,605	1
Financial assets at amortized cost	1,145,300	-	1,320,300	-
Financial assets for hedging	2,256	-	5,714	-
Investments accounted for using the equity method	81,402,387	12	79,019,993	12
Contract assets	4,447,746	1	4,119,329	1
Property, plant and equipment	182,119,491	27	178,375,955	27
Right-of-use assets	20,243,339	3	19,869,733	3
Investment properties	129,883,858	19	131,414,775	20
Concessions	61,007,519	9	67,455,980	10
Goodwill	20,256,695	3	20,185,668	3
Other intangible assets	4,373,088	1	4,922,522	1
Deferred tax assets	2,861,349	-	2,882,270	-
Prepayments for equipment	2,052,995	-	2,077,755	-
Refundable deposits	1,507,444	-	1,469,680	-
Long-term receivables	288,368	-	2,281,779	-
Incremental costs of obtaining a contract	4,734,345	1	5,783,434	1
Net defined benefit assets	2,411,070	-	2,140,441	-
Other financial assets	2,627,410	-	2,146,378	-
Other non-current assets	1,461,045	-	1,876,960	-
Total non-current assets	526,276,328	77	530,481,271	79
TOTAL	\$682,070,123	100	\$671,488,393	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ 28,067,306	4	\$ 22,540,974	3
Short-term bills payable	10,440,180	1	6,958,656	1
Financial liabilities at fair value through profit or loss	185,370	-	1,399	-
Contract liabilities	6,917,125	1	6,600,440	1
Notes and accounts payable	24,353,893	4	21,978,933	3
Lease liabilities	3,713,038	1	4,191,095	1
Payables to suppliers of machinery and equipment	2,267,126	-	3,910,197	1
Other payables	17,447,085	3	16,668,695	3
Current tax liabilities	3,095,608	-	2,801,729	-
Provisions	716,311	-	481,303	-
Guarantee deposits received	213,620	-	229,664	-
Current portion of long-term liabilities	28,077,613	4	28,226,813	4
Other current liabilities	4,126,423	1	3,940,411	1
Total current liabilities	129,620,698	19	118,530,309	18
NON-CURRENT LIABILITIES				
Contract liabilities	148,655	-	172,712	-
Lease liabilities	9,558,069	1	7,827,663	1
Bonds payable	94,426,107	14	96,118,194	14
Long-term borrowings	99,949,743	15	111,493,359	17
Provisions	2,373,262	-	2,283,475	-
Deferred tax liabilities	20,064,562	3	18,978,838	3
Net defined benefit liabilities	597,270	-	781,740	-
Guarantee deposits received	961,226	-	906,690	-
Deferred credit-gains on related-party transactions	119,749	-	120,305	-
Other non-current liabilities	4,816,089	1	4,633,041	1
Total non-current liabilities	233,014,732	34	243,316,017	36
Total liabilities	362,635,430	53	361,846,326	54
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Common stock	53,528,751	8	53,528,751	8
Capital surplus	13,252,812	2	13,300,370	2
Retained earnings				
Legal reserve	22,487,312	3	21,594,642	3
Special reserve	120,780,422	18	118,453,274	18
Unappropriated earnings	14,170,578	2	13,904,964	2
Total retained earnings	157,438,312	23	153,952,880	23
Other equity	9,535,017	1	4,430,675	-
Treasury shares	(25,063)	-	(25,063)	-
Total equity attributable to owners of the Company	233,729,829	34	225,187,613	33
NON-CONTROLLING INTERESTS	85,704,864	13	84,454,454	13
Total equity	319,434,693	47	309,642,067	46
TOTAL	\$682,070,123	100	\$671,488,393	100

(With Deloitte & Touche auditors' report dated March 17, 2025)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Net sales	\$183,318,093	68	\$180,775,256	70
Telecommunications service revenue	56,501,766	21	48,460,509	19
Gain on disposal of investments, net	348,393	-	1,058,881	-
Construction revenue	6,438,107	2	4,767,051	2
Other operating revenue	<u>24,347,624</u>	<u>9</u>	<u>22,142,243</u>	<u>9</u>
Total operating revenue	<u>270,953,983</u>	<u>100</u>	<u>257,203,940</u>	<u>100</u>
OPERATING COSTS				
Cost of goods sold	166,965,454	62	168,089,093	65
Cost of telecommunications services	29,843,336	11	24,783,859	10
Construction costs	6,191,783	2	4,183,988	2
Other operating costs	<u>14,015,779</u>	<u>5</u>	<u>13,085,755</u>	<u>5</u>
Total operating costs	<u>217,016,352</u>	<u>80</u>	<u>210,142,695</u>	<u>82</u>
GROSS PROFIT	<u>53,937,631</u>	<u>20</u>	<u>47,061,245</u>	<u>18</u>
REALIZED CONSTRUCTION INCOME	<u>556</u>	<u>-</u>	<u>556</u>	<u>-</u>
OPERATING EXPENSES				
Selling and marketing	22,601,013	8	19,652,784	8
General and administrative	13,065,314	5	11,912,452	5
Research and development	1,319,026	1	1,132,331	-
Expected credit loss	<u>290,164</u>	<u>-</u>	<u>218,978</u>	<u>-</u>
Total operating expenses	<u>37,275,517</u>	<u>14</u>	<u>32,916,545</u>	<u>13</u>
OTHER INCOME AND EXPENSE	<u>1,031,735</u>	<u>1</u>	<u>827,426</u>	<u>1</u>
OPERATING INCOME	<u>17,694,405</u>	<u>7</u>	<u>14,972,682</u>	<u>6</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of associates	5,842,407	2	5,614,519	2
Interest income	760,580	-	740,275	-
Other income	1,045,435	1	1,301,508	1
Gain on financial assets (liabilities) at fair value through profit or loss, net	1,035,388	-	393,383	-
Gain on change in fair value of investment properties	3,717,145	1	2,982,542	1
Interest expense	(4,529,407)	(2)	(4,398,866)	(2)
Other expenses	(1,271,307)	-	(1,021,065)	-
Gain (loss) on disposal of non-financial assets	317,009	-	(324,767)	-
Exchange gain, net	847,529	-	146,037	-
Impairment loss	<u>(1,495,543)</u>	<u>-</u>	<u>(1,647,893)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>6,269,236</u>	<u>2</u>	<u>3,785,673</u>	<u>1</u>
INCOME BEFORE INCOME TAX	<u>23,963,641</u>	<u>9</u>	<u>18,758,355</u>	<u>7</u>
INCOME TAX EXPENSE	<u>(4,999,983)</u>	<u>(2)</u>	<u>(3,438,867)</u>	<u>(1)</u>
NET INCOME	<u>18,963,658</u>	<u>7</u>	<u>15,319,488</u>	<u>6</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 155,249	-	\$ 288,896	-
Gain on property revaluation	45,758	-	6,454,074	2
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	26,448	-	(559,792)	-
Share of the other comprehensive income gain of associates accounted for using the equity method	105,583	-	1,356,665	1
Income tax relating to items that will not be reclassified subsequently to profit or loss	(30,563)	-	(798,969)	-
	<u>302,475</u>	<u>-</u>	<u>6,740,874</u>	<u>3</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	4,494,839	2	(1,259,545)	(1)
Loss on hedging instruments	(3,458)	-	(1,266)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method	1,523,736	-	(226,996)	-
	<u>6,015,117</u>	<u>2</u>	<u>(1,487,807)</u>	<u>(1)</u>
Other comprehensive income, net of income tax	<u>6,317,592</u>	<u>2</u>	<u>5,253,067</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 25,281,250</u>	<u>9</u>	<u>\$ 20,572,555</u>	<u>8</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 10,031,844	4	\$ 8,229,199	3
Non-controlling interests	<u>8,931,814</u>	<u>3</u>	<u>7,090,289</u>	<u>3</u>
	<u>\$ 18,963,658</u>	<u>7</u>	<u>\$ 15,319,488</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 16,144,007	6	\$ 13,544,141	5
Non-controlling interests	<u>9,137,243</u>	<u>3</u>	<u>7,028,414</u>	<u>3</u>
	<u>\$ 25,281,250</u>	<u>9</u>	<u>\$ 20,572,555</u>	<u>8</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 29)				
Basic	<u>\$ 2.00</u>		<u>\$ 1.64</u>	
Diluted	<u>\$ 1.99</u>		<u>\$ 1.64</u>	

(With Deloitte & Touche auditors' report dated March 17, 2025)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										Total Equity Attributable to Owners of the Company	Non-controlling Interests	Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares			
BALANCE AT JANUARY 1, 2023	\$ 53,528,751	\$ 3,408,541	\$ 20,777,078	\$ 119,142,658	\$ 13,294,029	\$ (4,572,624)	\$ 837,114	\$ 24,584	\$ 2,593,410	\$ (25,063)	\$ 209,008,478	\$ 62,663,599	\$ 271,672,077
Effect of retrospective application and retrospective restatement	-	-	-	17,897	-	(301)	-	-	-	-	17,596	1,871	19,567
BALANCE AT JANUARY 1, 2023 AS RESTATED	53,528,751	3,408,541	20,777,078	119,142,658	13,311,926	(4,572,925)	837,114	24,584	2,593,410	(25,063)	209,026,074	62,665,570	271,691,644
Appropriation of the 2022 earnings	-	-	817,564	-	(817,564)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	271,822	(271,822)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)	-	(7,226,382)
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(5,271,287)	(5,271,287)
Cash dividends distributed by subsidiaries from legal reserve	-	-	-	-	-	-	-	-	-	-	-	(1,807,723)	(1,807,723)
Net income for the year ended December 31, 2023	-	-	-	-	8,229,199	-	-	-	-	-	8,229,199	7,090,289	15,319,488
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	296,886	(1,213,405)	1,349,258	(402)	4,882,605	-	5,314,942	(61,875)	5,253,067
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	8,526,085	(1,213,405)	1,349,258	(402)	4,882,605	-	13,544,141	7,028,414	20,572,555
Change in associates accounted for using the equity method	-	765	-	-	8,126	-	(215)	-	(10)	-	8,666	43	8,709
Cash capital increase by subsidiaries	-	190	-	-	-	-	-	-	-	-	190	45,233	45,423
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052	-	1,052
Disposal of equity-method investment	-	-	-	-	37,280	-	(35,962)	-	(1,318)	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(68,515)	(68,515)
Differences between the acquisition or disposition of the consideration and the carrying amount of subsidiaries	-	3,282,044	-	-	-	(506)	14,562	(57)	(980)	-	3,295,063	1,431,112	4,726,175
Change in ownership interest of subsidiaries	-	6,607,765	-	-	(68,969)	-	-	-	-	-	6,538,796	20,431,607	26,970,403
Disposal of equity instruments designated as fair value through other comprehensive income	-	-	-	-	(812,204)	-	812,204	-	-	-	-	-	-
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	257,282	-	(257,282)	-	-	-	-	-	-
Donations received from shareholders	-	13	-	-	-	-	-	-	-	-	13	-	13
Reversal of special reserve	-	-	-	(961,206)	961,206	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	53,528,751	13,300,370	21,594,642	118,453,274	13,904,964	(5,786,836)	2,719,679	24,125	7,473,707	(25,063)	225,187,613	84,454,454	309,642,067
Appropriation of the 2023 earnings	-	-	892,670	-	(892,670)	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	2,753,749	(2,753,749)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)	-	(7,226,382)
Cash dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(6,812,568)	(6,812,568)
Cash dividends distributed by subsidiaries from capital surplus	-	-	-	-	-	-	-	-	-	-	-	(1,489,937)	(1,489,937)
Net income for the year ended December 31, 2024	-	-	-	-	10,031,844	-	-	-	-	-	10,031,844	8,931,814	18,963,658
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	160,399	5,811,411	114,852	(2,090)	27,591	-	6,112,163	205,429	6,317,592
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	10,192,243	5,811,411	114,852	(2,090)	27,591	-	16,144,007	9,137,243	25,281,250
Overdue dividends unclaimed	-	163	-	-	-	-	-	-	-	-	163	337	500
Change in associates accounted for using the equity method	-	(83,612)	-	-	23,169	-	3,225	-	(43,604)	-	(100,822)	(30,279)	(131,101)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052	-	1,052
Disposal of equity-method investment	-	-	-	-	23,393	-	(19,836)	-	(3,557)	-	-	-	-
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount	-	3,410	-	-	(123,962)	-	-	-	-	-	(120,552)	(91,282)	(211,834)
Change in ownership interest of subsidiaries	-	31,429	-	-	(186,679)	-	-	-	-	-	(155,250)	419,119	263,869
Associate disposed the investment in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	357,433	-	(357,433)	-	-	-	-	-	-
Disposal of investment properties	-	-	-	-	426,217	-	-	-	(426,217)	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	117,777	117,777
Reversal of special reserve	-	-	-	(426,601)	426,601	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 53,528,751	\$ 13,252,812	\$ 22,487,312	\$ 120,780,422	\$ 14,170,578	\$ 24,575	\$ 2,460,487	\$ 22,035	\$ 7,027,920	\$ (25,063)	\$ 233,729,820	\$ 88,704,864	\$ 319,434,684

(With Deloitte & Touche auditors' report dated March 17, 2025)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 23,963,641	\$ 18,758,355
Adjustments for:		
Depreciation	22,776,013	20,853,434
Amortization	8,236,185	7,276,710
Expected credit loss	290,164	218,978
Interest expense	4,529,407	4,398,866
Interest income	(760,580)	(740,275)
Dividend income	(149,078)	(138,467)
Share-based payment transaction	8,071	7,195
Share of the profit of associates	(5,842,407)	(5,614,519)
(Gain) loss on disposal of non-financial assets	(317,009)	324,767
Gain on disposal of investments, net	(358,428)	(1,066,495)
Gain on exercise of exchangeable corporate bonds	(245)	-
Impairment loss	1,495,543	1,647,893
Write-down (reversal) of inventories	258,709	(463,082)
Realized gain on the transactions with associates	(556)	(556)
Gain on change in fair value of investment properties	(3,717,145)	(2,982,542)
Loss (gain) on modifications of lease arrangements	2,226	(2,693)
Others	-	(3,410)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(1,495,646)	545,109
Contract assets	(2,271,049)	305,729
Notes and accounts receivable	(2,498,522)	(2,749,329)
Other receivables	299,112	391,224
Inventories	836,774	7,307,138
Prepayments	979,867	(478,060)
Other current assets	4,946	717,178
Incremental cost of obtaining a contract	1,049,089	208,414
Financial liabilities at fair value through profit or loss	(118,705)	(26,893)
Contract liabilities	(29,663)	2,435
Notes and accounts payable	1,045,740	2,096,794
Other payables	331,231	(960,520)
Provisions	182,678	91,456
Other current liabilities	171,666	951,774
Net defined benefit assets and liabilities	(299,850)	(141,741)
Other non-current liabilities	(1,058,431)	(859,847)
Cash generated from operations	47,543,748	49,875,020
Interest received	651,206	802,960
Dividends received	4,155,360	4,070,792
Interest paid	(4,233,405)	(4,490,334)
Income tax paid	(3,729,678)	(3,758,639)
Net cash generated from operating activities	44,387,231	46,499,799
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(281,250)	(39,676)
Refund from capital reduction of financial assets at fair value through other comprehensive income	-	9,000
Decrease (increase) in financial assets at amortized cost	498,891	(505,847)

(Continued)

FAR EASTERN NEW CENTURY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Acquisition of investments accounted for using the equity method	\$ (206,729)	\$ (966,624)
Proceeds from disposal of investments accounted for using the equity method	1,534,572	4,912,641
Net cash inflow (outflow) on disposal of subsidiary (Note 32)	36,881	(55,472)
Refund from the capital reduction on investments accounted for using the equity method	-	1,404,742
Acquisition of property, plant, equipment and prepayments for equipment	(15,385,132)	(22,043,582)
Proceeds from the disposal of property, plant and equipment	215,439	102,474
Decrease in refundable deposits	40,858	286,166
Decrease in other receivables	1,499,090	1,822,910
Acquisition of intangible assets	(870,746)	(773,806)
Increase in concessions	(78,743)	(212,549)
Proceeds from disposal of concessions	19	-
Proceeds on the disposal of intangible assets	474	20
Cash received through a merger	259,675	190,316
Acquisition of investment properties	(1,037)	(16,268)
Proceeds from the disposal of investment properties	1,191,330	10,549
Decrease in other financial assets	239,432	18,780
Decrease (increase) in other non-current assets	41,231	(598,845)
Other investing activities	<u>1,242,620</u>	<u>1,109,563</u>
Net cash used in investing activities	<u>(10,023,125)</u>	<u>(15,345,508)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	4,426,216	(26,115,446)
Increase (decrease) in short-term bills payables	3,484,600	(25,906,000)
Proceeds from issue of bonds	23,700,000	27,400,000
Repayments of bonds payable	(23,700,000)	(21,000,000)
Proceeds from long-term borrowings	383,560,565	311,831,949
Repayments of long-term borrowings	(396,654,636)	(298,382,777)
Increase in guarantee deposits received	17,687	71,405
Repayment of the principal portion of lease liability	(4,792,697)	(4,072,484)
(Decrease) increase in other non-current liabilities	(1,141)	7,984
Cash dividends paid	(7,226,382)	(7,226,382)
Changes in non-controlling interests	43,964	5,146,226
Unclaimed dividends	500	-
Donations received from shareholders	-	13
Dividends paid to non-controlling interests	<u>(8,302,505)</u>	<u>(7,079,879)</u>
Net cash used in financing activities	<u>(25,443,829)</u>	<u>(45,325,391)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>630,762</u>	<u>(1,309,830)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,551,039	(15,480,930)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>31,763,569</u>	<u>47,244,499</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>\$ 41,314,608</u></u>	<u><u>\$ 31,763,569</u></u>

(With Deloitte & Touche auditors' report dated March 17, 2025)

(Concluded)

Independent auditors' report

(English Translation of a Report Originally Issued in Chinese)

The Board of Directors and the Shareholders
Far Eastern New Century Corporation

Opinion

We have audited the accompanying parent company only financial statements of Far Eastern New Century Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the financial statements for the year ended December 31, 2024 are as follows:

Fair Value Appraisal of Investment Properties (Including Investment Properties Held by
Subsidiaries Accounted for Using the Equity Method)

The Company's investment properties (including the investment property held by subsidiaries accounted for by using the equity method) was subsequently measured using the fair value model. The fair value appraisal involves significant accounting estimation and judgment. As a result, the fair value appraisal of investment properties (including the investment properties held by subsidiaries accounted for by using the equity method) is considered a key audit matter.

For the accounting policies, significant accounting judgments, evaluations, and assumptions on the main sources of uncertainty related to investment properties, refer to Notes 4(i) and 5 to the financial statements. For more information about the Company's investment properties, refer to Note 13 to the financial statements.

For the fair value appraisal of investment properties, we performed the corresponding audit procedures as follows:

1. We assessed the competencies and independence of the external appraiser engaged by the management, discussed with the management the appraiser's work scope and process of engagement acceptance, evaluated the risk of possible impairment of the appraiser's independence and determined that the appraiser's work scope was free from limiting factors.
2. We assessed the reasonableness of the appraiser's assumptions and methods used in the valuation.
3. We audited items from management's supporting documentation, including data that was used by the appraiser in the valuation process.

Recognition of Revenue Derived from Mobile Telecommunications Service of Subsidiary Accounted for Using the Equity Method

Far EasTone Telecommunications Co., Ltd ("Far EasTone"), an associate of the Company's subsidiary is a material component. Mobile telecommunications service revenue is the main source of Far EasTone. The calculation of mobile telecommunications service revenue relies heavily on automated systems and includes complicated and huge amounts of data transmission. In order to meet market demands and remain competitive, Far EasTone often launches different combinations of products and services. The charge rates of the aforementioned products and services are set manually in the systems. Since the effectiveness of the design and implementation of internal controls over systems and rate settings relevant to telecommunications service revenue directly and significantly affects the accuracy of revenue calculation, the recognition of mobile telecommunications service revenue is considered a key audit matter.

By conducting tests of controls, we obtained an understanding of the recognition of mobile telecommunications service revenue and the design and implementation of related controls.

We also engaged internal information technology (IT) specialists to understand and assess the systems and internal controls relevant to mobile telecommunications service revenue and perform the corresponding audit procedures which are listed as follows. The IT specialists:

1. Identified key systems that processed mobile telecommunications service revenue; assessed and tested the general information technology controls of the aforementioned systems, including access controls and change controls.
2. Tested the completeness and accuracy of interface controls between the switch equipment and the billing systems.
3. Tested the access controls and change controls over the input of rates to the billing systems.
4. Tested the accuracy of the billing calculation.
5. Tested the completeness and accuracy of the calculation and billing of monthly fees, airtime fees and value-added service fees.

In coordination with the internal IT specialists, we:

1. Performed dialing tests to verify the accuracy and completeness of the traffic and information on the switch equipment.
2. Sampled user contracts to confirm the accuracy of the billing system information.

For the revenue recognition of billed and unbilled amounts, we conducted the following tests:

1. For the billed amounts, we compared whether there was any difference between the reports generated from the accounting system and the billing system.
2. For the unbilled amounts, we recalculated the service revenue for services provided as of the balance sheet date based on the applied charge rates to confirm the accuracy of the amounts.

Other Matter

The financial statements of APG Polytech USA Holdings, Inc. along with its subsidiaries and Corpus Christi Polymers, LLC, associates of the Company's subsidiaries and joint operation, for the year ended December 31, 2024, and APG Polytech, LLC and Corpus Christi Polymers, LLC for the year ended December 31, 2023, were audited by other auditors. Our opinion, insofar as it relates to the amounts of investment accounted for using the equity method and share of the comprehensive income of equity method investment included in the financial statements for these investees, is based solely on the reports of other auditors. The balance of investment accounted for using the equity method of the aforementioned investees were NT\$27,060,825 thousand and NT\$23,187,314 thousand, representing 7% and 6% of the Company's total assets as of December 31, 2024 and 2023, respectively. The share of the comprehensive income of the aforementioned investees were NT\$1,483,078 thousand and NT\$478,212 thousand, representing 9% and 4% of the Company's total comprehensive income, for the years ended December 31, 2024 and 2023, respectively.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuo-Ning Huang and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 17, 2025

Notice to Readers

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

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

FAR EASTERN NEW CENTURY CORPORATION

BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents	\$ 20,236,016	5	\$ 17,241,562	4
Financial assets at fair value through profit or loss	3,829	-	17,796	-
Notes and accounts receivable, net	7,091,773	2	6,738,779	2
Other receivables	377,689	-	327,124	-
Current tax assets	39,197	-	15,966	-
Inventories	5,578,509	2	6,338,567	2
Prepayments	142,211	-	335,675	-
Refundable deposits	72	-	67	-
Other current assets	<u>230,054</u>	-	<u>231,024</u>	-
Total current assets	<u>33,699,350</u>	<u>9</u>	<u>31,246,560</u>	<u>8</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method	321,960,985	84	311,388,829	84
Property, plant and equipment	17,285,221	5	18,881,417	5
Right-of-use assets	1,091,193	-	1,036,645	-
Investment properties	5,294,431	1	5,097,454	2
Intangible assets	30,609	-	23,330	-
Deferred tax assets	3,746	-	14,977	-
Prepayments for equipment	251,081	-	201,663	-
Refundable deposits	68,145	-	58,834	-
Net defined benefit assets	2,128,218	1	1,980,694	1
Other financial assets	70,750	-	64,343	-
Other non-current assets	<u>35,238</u>	-	<u>58,898</u>	-
Total non-current assets	<u>348,219,617</u>	<u>91</u>	<u>338,807,084</u>	<u>92</u>
TOTAL	<u>\$ 381,918,967</u>	<u>100</u>	<u>\$ 370,053,644</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term bills payable	\$ 1,498,291	1	\$ -	-
Financial liabilities at fair value through profit or loss	178,871	-	-	-
Contract liabilities	207,227	-	148,221	-
Notes and accounts payable	1,309,163	-	1,613,849	-
Notes and accounts payable to related parties	1,296,038	-	1,665,576	1
Payables to suppliers of machinery and equipment	423	-	5,904	-
Other payables	5,324,274	2	4,554,979	1
Lease liabilities	266,505	-	203,856	-
Current portion of long-term liabilities	15,859,678	4	13,997,498	4
Other current liabilities	<u>893,633</u>	-	<u>830,790</u>	-
Total current liabilities	<u>26,834,103</u>	<u>7</u>	<u>23,020,673</u>	<u>6</u>
NON-CURRENT LIABILITIES				
Lease liabilities	856,302	-	858,139	-
Bonds payable	61,953,352	16	58,552,197	16
Long-term borrowings	56,111,432	15	60,108,813	16
Deferred tax liabilities	2,390,569	1	2,281,450	1
Guarantee deposits received	716	-	1,175	-
Deferred credit-gains on related-party transactions	<u>42,664</u>	-	<u>43,584</u>	-
Total non-current liabilities	<u>121,355,035</u>	<u>32</u>	<u>121,845,358</u>	<u>33</u>
Total liabilities	<u>148,189,138</u>	<u>39</u>	<u>144,866,031</u>	<u>39</u>
EQUITY (Note 18)				
Share capital				
Common stock	<u>53,528,751</u>	<u>14</u>	<u>53,528,751</u>	<u>14</u>
Capital surplus	<u>13,252,812</u>	<u>3</u>	<u>13,300,370</u>	<u>4</u>
Retained earnings				
Legal reserve	22,487,312	6	21,594,642	6
Special reserve	120,780,422	31	118,453,274	32
Unappropriated earnings	<u>14,170,578</u>	<u>4</u>	<u>13,904,964</u>	<u>4</u>
Total retained earnings	<u>157,438,312</u>	<u>41</u>	<u>153,952,880</u>	<u>42</u>
Other equity	<u>9,535,017</u>	<u>3</u>	<u>4,430,675</u>	<u>1</u>
Treasury shares	<u>(25,063)</u>	-	<u>(25,063)</u>	-
Total equity	<u>233,729,829</u>	<u>61</u>	<u>225,187,613</u>	<u>61</u>
TOTAL	<u>\$ 381,918,967</u>	<u>100</u>	<u>\$ 370,053,644</u>	<u>100</u>

(With Deloitte & Touche auditors' report dated March 17, 2025)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Net sales	\$ 43,554,473	100	\$ 42,846,673	100
OPERATING COSTS				
Cost of goods sold	<u>38,556,233</u>	<u>89</u>	<u>39,190,161</u>	<u>91</u>
GROSS PROFIT	<u>4,998,240</u>	<u>11</u>	<u>3,656,512</u>	<u>9</u>
OPERATING EXPENSES				
Selling and marketing	3,098,620	7	2,567,854	6
General and administrative	2,060,573	5	1,729,783	4
Research and development	1,144,046	2	965,005	2
Expected credit loss (reversed)	<u>896</u>	<u>-</u>	<u>(32,727)</u>	<u>-</u>
Total operating expenses	<u>6,304,135</u>	<u>14</u>	<u>5,229,915</u>	<u>12</u>
OPERATING LOSS	<u>(1,305,895)</u>	<u>(3)</u>	<u>(1,573,403)</u>	<u>(3)</u>
NON-OPERATING INCOME AND EXPENSES				
Share of the profit or loss of subsidiaries and associates	12,941,336	30	10,378,021	24
Interest income	67,216	-	89,609	-
Other income	217,496	1	337,229	1
Gain on disposal of property, plant and equipment	(1,048)	-	5,127	-
Gain on disposal of investments	85	-	64	-
Gain on change in fair value of investment properties	196,977	-	414,121	1
Exchange gain, net	464,598	1	68,952	-
Loss on financial assets (liabilities) at fair value through profit or loss	(123,500)	-	(46,408)	-
Interest expense	(1,774,633)	(4)	(1,620,728)	(4)
Other expenses	(352,023)	(1)	(223,794)	-
Impairment loss	<u>(270,783)</u>	<u>(1)</u>	<u>(278,497)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>11,365,721</u>	<u>26</u>	<u>9,123,696</u>	<u>21</u>
INCOME BEFORE INCOME TAX	10,059,826	23	7,550,293	18
TAX (EXPENSE) BENEFIT	<u>(27,982)</u>	<u>-</u>	<u>678,906</u>	<u>1</u>
NET INCOME	<u>10,031,844</u>	<u>23</u>	<u>8,229,199</u>	<u>19</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 46,181	-	\$ 310,279	1
Gain on property revaluation	-	-	1,454,525	3
Share of other comprehensive income accounted for using the equity method of subsidiaries and associates	236,475	1	5,009,749	12
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(9,236)</u>	<u>-</u>	<u>(334,211)</u>	<u>(1)</u>
	<u>273,420</u>	<u>1</u>	<u>6,440,342</u>	<u>15</u>
Items that may be reclassified subsequently to profit or loss:				
Share of other comprehensive income (loss) of subsidiaries and associates	<u>5,838,743</u>	<u>13</u>	<u>(1,125,400)</u>	<u>(2)</u>
Other comprehensive income, net of income tax	<u>6,112,163</u>	<u>14</u>	<u>5,314,942</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 16,144,007</u>	<u>37</u>	<u>\$ 13,544,141</u>	<u>32</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS)				
Basic	<u>\$ 2.00</u>		<u>\$ 1.64</u>	
Diluted	<u>\$ 1.99</u>		<u>\$ 1.64</u>	

(With Deloitte & Touche auditors' report dated March 17, 2025)

(Concluded)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

			Retained Earnings			Exchange	Unrealized Gain				
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Differences on Translation of Foreign Operations	(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain on Hedging Instruments	Gain on Property Revaluations	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2023	\$ 53,528,751	\$ 3,408,541	\$ 20,777,078	\$119,142,658	\$ 13,294,029	\$ (4,572,624)	\$ 837,114	\$ 24,584	\$ 2,593,410	\$ (25,063)	\$ 209,008,478
Effects of retrospective application and retrospective restatement	-	-	-	-	17,897	(301)	-	-	-	-	17,596
Balance at January 1, 2023 after adjustments	53,528,751	3,408,541	20,777,078	119,142,658	13,311,926	(4,572,925)	837,114	24,584	2,593,410	(25,063)	209,026,074
Appropriation of the 2022 earnings											
Legal reserve	-	-	817,564	-	(817,564)	-	-	-	-	-	-
Special reserve	-	-	-	271,822	(271,822)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)
Net income for the year ended December 31, 2023	-	-	-	-	8,229,199	-	-	-	-	-	8,229,199
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	296,886	(1,213,405)	1,349,258	(402)	4,882,605	-	5,314,942
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	8,526,085	(1,213,405)	1,349,258	(402)	4,882,605	-	13,544,141
Change in associates and subsidiaries accounted for using the equity method	-	9,890,770	-	-	(579,979)	(506)	534,801	(57)	(2,308)	-	9,842,721
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052
Changes in ownership interests of subsidiaries	-	(6)	-	-	-	-	-	-	-	-	(6)
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	1,494	-	(1,494)	-	-	-	-
Donations received from shareholders	-	13	-	-	-	-	-	-	-	-	13
Reversal of special reserve	-	-	-	(961,206)	961,206	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2023	53,528,751	13,300,370	21,594,642	118,453,274	13,904,964	(5,786,836)	2,719,679	24,125	7,473,707	(25,063)	225,187,613
Appropriation of the 2023 earnings											
Legal reserve	-	-	892,670	-	(892,670)	-	-	-	-	-	-
Special reserve	-	-	-	2,753,749	(2,753,749)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(7,226,382)	-	-	-	-	-	(7,226,382)
Net income for the year ended December 31, 2024	-	-	-	-	10,031,844	-	-	-	-	-	10,031,844
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	160,399	5,811,411	114,852	(2,090)	27,591	-	6,112,163
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	10,192,243	5,811,411	114,852	(2,090)	27,591	-	16,144,007
Change in associates and subsidiaries accounted for using the equity method	-	(48,610)	-	-	654,840	-	(221,061)	-	(473,347)	-	(88,178)
Change in the Company's capital surplus due to the distribution of dividends to subsidiaries	-	1,052	-	-	-	-	-	-	-	-	1,052
Disposal of equity-method investment	-	-	-	-	80	-	(49)	-	(31)	-	-
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount (Note 10)	-	-	-	-	(117,078)	-	-	-	-	-	(117,078)
Changes in ownership interests of subsidiaries (Note 10)	-	-	-	-	(171,205)	-	-	-	-	-	(171,205)
Associates disposed the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	152,934	-	(152,934)	-	-	-	-
Reversal of special reserve	-	-	-	(426,601)	426,601	-	-	-	-	-	-
BALANCE, DECEMBER 31, 2024	<u>\$ 53,528,751</u>	<u>\$ 13,252,812</u>	<u>\$ 22,487,312</u>	<u>\$120,780,422</u>	<u>\$ 14,170,578</u>	<u>\$ 24,575</u>	<u>\$ 2,460,487</u>	<u>\$ 22,035</u>	<u>\$ 7,027,920</u>	<u>\$ (25,063)</u>	<u>\$ 233,729,829</u>

(With Deloitte & Touche auditors' report dated March 17, 2025)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 10,059,826	\$ 7,550,293
Adjustments for:		
Depreciation	2,308,624	2,298,932
Amortization	9,164	8,450
Expected credit loss recognized (reversed)	896	(32,727)
Interest expense	1,774,633	1,620,728
Interest income	(67,216)	(89,609)
Share of the profit of subsidiaries and associates	(12,941,336)	(10,378,021)
Gain on disposal of property, plant and equipment	1,048	(5,127)
Gain on disposal of investments	(85)	(64)
Gains on exercise of exchangeable corporate bonds	(245)	-
Impairment loss recognized	270,783	278,497
Write-down of (reversal of) inventories	23,449	(38,589)
Gain on change in fair value of investment properties	(196,977)	(414,121)
Gain on modification of lease arrangements	(30)	(126)
Net changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	13,967	(17,796)
Notes and accounts receivable	(353,890)	609,354
Other receivables	14,344	75,581
Inventories	736,609	1,249,689
Prepayments	193,464	255,665
Other current assets	970	(8,240)
Contract liabilities	59,006	(63,384)
Notes and accounts payable	(304,686)	(240,203)
Notes and accounts payable to related parties	(369,538)	345,158
Other payables	688,130	(370,924)
Financial liabilities at fair value through profit or loss	(123,805)	(19,691)
Other current liabilities	62,843	19,400
Net defined benefit assets and liabilities	(101,343)	(106,903)
Cash generated from operations	1,758,605	2,526,222
Interest received	67,216	89,609
Dividends received	10,612,924	8,664,082
Interest paid	(1,620,829)	(1,556,023)
Income tax (paid) received	(2,408)	15,968
Net cash generated from operating activities	<u>10,815,508</u>	<u>9,739,858</u>

(Continued)

FAR EASTERN NEW CENTURY CORPORATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	\$ (2,547,008)	\$ (7,254,509)
Proceeds from the capital reduction on investments accounted for using the equity method	-	589,638
Acquisition of property, plant, equipment and prepayments for equipment	(775,508)	(1,362,005)
Proceeds from disposal of property, plant and equipment	8,999	5,609
Increase in refundable deposits	(9,316)	(361)
Acquisition of intangible assets	(16,443)	(13,809)
(Increase) decrease in other financial assets	(6,407)	2,600
Decrease in other non-current assets	<u>20,215</u>	<u>21,479</u>
Net cash used in investing activities	<u>(3,325,468)</u>	<u>(8,011,358)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(4,683,921)
Increase (decrease) in short-term bills payable	1,500,000	(15,600,000)
Proceeds from issue of bonds	19,500,000	15,900,000
Repayments of bonds payable	(14,000,000)	(10,000,000)
Proceeds from long-term borrowings	321,565,000	230,438,623
Repayments of long-term borrowings	(325,570,000)	(205,825,290)
Repayment of the principal portion of lease liabilities	(263,745)	(267,846)
(Decrease) increase in guarantee deposits received	(459)	132
Cash dividends paid	(7,226,382)	(7,226,382)
Donations from shareholders	<u>-</u>	<u>13</u>
Net cash (used in) generated from financing activities	<u>(4,495,586)</u>	<u>2,735,329</u>
INCREASE IN CASH AND CASH EQUIVALENTS	2,994,454	4,463,829
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>17,241,562</u>	<u>12,777,733</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 20,236,016</u>	<u>\$ 17,241,562</u>

(With Deloitte & Touche auditors' report dated March 17, 2025)

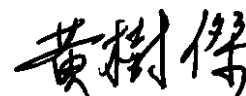
(Concluded)

Attachment II

The Audit Committee's Review Report

To the 2025 General Shareholders' Meeting of Far Eastern New Century Corporation,

In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, 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.

A handwritten signature in black ink, consisting of stylized Chinese characters, likely representing the name Shu-Chieh Huang.

The Convener of the Audit Committee: Shu-Chieh Huang

March 11, 2025