

Stock Code: 2107



Formosan Rubber Group Inc.

2024 Annual Report

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Website of the company's annual report: <http://www.frg.com.tw/>

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This English version is only a translation of the Chinese version. If there is any inconsistency or discrepancy between the Chinese and English versions, the Chinese version shall prevail for intents and purposes.

I. Spokesperson or deputy spokesperson information:

Spokesperson

Name: Huang Hui-Xian

Title: Assistant managerial officer

Telephone: (02)2370-0988

Email: judy8588@ms9.hinet.net

Deputy spokesperson

Name: Zheng Sheng-Yuan

Title: Manager, Management Department and Construction Department

Telephone: (02)2370-0988

Email: shengyuan126@gmail.com

II. Addresses and Telephones of the Head office, Branches and Plants:

Head Office

Address: 8F., No. 82, Sec. 1, Hankou St., Taipei City

Telephone: (02)23700988

FAX: (02)23123313

Taoyuan Plant

Address: No.1, Chaofeng Road, SanheVil, Longtan District, Taoyuan

Telephone: (03)4893456

FAX: (03)4893476

Nankan International Logistics Center:

Address: 2F, No.53, Hou-sheng Rd, Lu-chu Dist., Taoyuan City

Telephone: (03)3216533

FAX: (03)3216433

III. Share administration agency:

Taishin Securities Co., Ltd

Address: B1, No. 96, Sec. 1, Jianguo N. Rd., Taipei City

Website: www.tssco.com.tw

Telephone: (02)25048125

IV. CPAs for the most recent Independent External Auditor's Report:

Name of the CPAs: Zhou Yin-Lai, Lai Yong-Ji

Name of the Accounting Firm: Baker Tilly Clock & Co Clock & Co.

Email: clockcpa@ms35.hinet.net

Address: (Top floor) 14F., No. 111, Sec. 2, Nanjing E. Rd., Taipei City

Telephone: (02)25165255

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None

VI. Company's website: <http://www.frg.com.tw/>

Table of Contents

One. Letter to Shareholders	1
Two. CORPORATE GOVERNANCE REPORT	9
I. Background information of directors, president, Vice Presidents, assistant managerial officers, and the chief of various departments and branches	10
II. Remuneration packages for directors (including independent directors), general manager and deputy general managerial officers.	19
III. Implementation of Corporate Governance	25
(I) Functionality of the Board of Directors	25
(II) Evaluation of the Board of Directors	29
(III) Operation and key tasks of the Audit Committee	30
(IV) Corporate governance execution status and deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"	34
(V) Independence evaluation of CPAs	38
(VI) Composition, responsibilities and operation of the Remuneration Committee	40
(VII) Progress in practicing sustainable development; status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:	45
(IX) Disclose other important information helpful in enhancing the understanding of the operation of corporate governance together:	55
(X) The progress of the internal control system implementation of shall disclose the following matters:	60
(XI) Important resolutions of the shareholders' meeting and the board of directors from the beginning of last to the publication date of the annual report	61
(XII) Outline of different opinions (in writing or on record) by directors on major resolutions passed by the Board of Directors from the beginning of last year to the publication date of the annual report	63
(XIII) Risk Management Policy and Organizational Structure of Formosan Rubber Group Inc.	63
IV. Professional fees of the attesting CPAs.....	65
V. Change of CPA	65
VI. Any of the Company's chairperson, president, or managerial officer in charge of finance or accounting held a position in the CPA's firm or its affiliates in the most recent year	65
VII. Changes in shareholding and shares pledged by directors, managerial officers and shareholders with 10% shareholdings or more in most recent year and as of the publication date of the annual report	66
VIII. Top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other	67
IX. Number of shares held and shareholding percentage of the Company, the Company's directors, supervisors, managerial officers and directly or indirectly controlled entities on the same investee	69
Three. Funding Status.....	72
I. Capital and Shares	73
II. The Company's Handling of Corporate Bonds	77
III. The Company's Preferred Stocks	77
IV. Global Depositary Receipts	77
V. Employee Stock Options	77

VI.	New Restricted Employee Shares	77
VII.	New Shares Issued for Merger or Acquisition.....	77
VIII.	Progress on Planned Use of Capital.....	77
Four.	Operational Highlights	78
I.	Business Activities	79
(I)	Scope of Business	79
(II)	Industry Overview	80
(III)	Technology and R&D Status and the Progress of Future Plans and Estimated Investment Expenses.....	82
(IV)	Long-Term and Short-Term Business Development Plans	84
II.	Market and Production and Sales Overview	85
(I)	Market Analysis	85
(II)	Important Uses and Production Process of Major Products	89
(III)	Supply Situation for Major Raw Materials.....	90
(IV)	The Names and Purchases (Sales) and Proportion of the Customers that Accounted for more than 10% of the Total Procurement (sales) of Goods in any of the Past 2 Years and the Amount and Proportion of the Goods Sold	91
III.	Employees.....	92
IV.	Information on environmental protection expenditure	92
V.	Labor Relations and Employee Rights.....	92
(I)	Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures	92
(II)	List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken.....	95
(III)	Education and Training System for Employees and its Implementation.....	95
(IV)	Code of Conduct or Ethics for Employees.....	99
(V)	Workplace and employees' safety protection measures	99
VI.	Information security management.....	101
VII.	Important contracts:	102
Five. A	Review and Analysis of the Company's Financial Status and Financial Performance, and a Listing of Risks.....	103
I.	Financial Status Analysis:.....	104
II.	Financial Performance:	105
III.	Cash Flow:.....	105
IV.	The impact of major capital expenditures on financial business in recent years.....	106
V.	Investment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year	107
VI.	Risk Analysis.....	107
VII.	Other Important Matters	109
Six.	Special Disclosures	110
I.	Information relating to the Company's affiliates	111
II.	Transaction about the company's private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report	112

III.	If any of the situations listed in Article 36, paragraph 3 subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.....	112
IV.	Other matters that require additional explanation.....	112

One. Letter to Shareholders

Letter to Shareholders

Dear Shareholders,

The international financial market was volatile in 2024 due to different inflationary situations in various countries and the adjustment of monetary policies. Although the global manufacturing industry has different recovery speed and strength, the passion of emerging technology opportunities such as AI applications continues, and the global commodity trade escalates. The Company's diversified operations have increased its operating revenue, operating gross profit and pre-tax profit and loss in 2024 compared to the previous year. In addition, to cope with the relocation of the industrial chain led by the investments of major domestic and foreign companies in Taiwan to build plants and the manufacturers' warehouses have been shifted to Taiwan and Southeast Asian countries. The Company's construction project of logistics warehouse planned in Longtan Smart Park, Taoyuan was completed this year and is expected to bring positive impact to the Company's operating revenue.

Looking ahead to 2025, the uncertainties such as geopolitical and US-China tech war will continue. The new US President's policy, different monetary policies of central banks around the world, and China's real estate market prospect may interfere with the global economic growth and expansion pace. However, the demand for electronic products has recovered, and the demand for emerging technologies such as high-speed computing and artificial intelligence will continue to increase. The adjustment of the economic and trade policies is expected to continue the existing advantages to drive economic growth. In addition, the Company will continue to expand and improve the logistics service items, and expand and enhance our product performance in 2025. The Company has a prudent and stable view of the 2025 business prospect.

Meanwhile, the Company will continue to enforce expanding business scopes as follows: I. Rubber manufacturing: through the investment and upgrade of equipment to improve the functions of products, while continuously developing new products and innovating the new market applications; II. Warehousing and logistics: proactively developing the policy of "business expansion and professional services" by constantly seeking new customers in order to bring different types of businesses into the Park, increasing operating performance; III. Construction and development: flexibly operating various strategies to sell the completed construction project steadily, and suitable individual projects and land with potential profits will be sought out for development actively.

The increase in 2024 operating revenue, operating gross profit and pre-tax profit and loss was mainly due to the continued sale of the Company's construction projects and the growth of warehousing and logistics. It is to report the consolidated business results of FRG in 2024 and the summary of the business plan for 2025 to all shareholders as follows:

One. 2024 Consolidated business performances

I. Performance of business plan implementation

(I) Consolidated operating income, gross profit and pre-tax income:

Unit: NT\$ thousand

Item	2024	2023	Increase and decrease amount	Increase and decrease %
Operating income	1,481,243	1,359,718	121,525	8.94%
Operating margin	472,808	420,611	52,197	12.41%
Pre-Tax Income	653,630	592,200	61,430	10.37%

(II) Sales of reserved houses of the construction department

The number of reserved houses is not many and all are located at prime locations. The living

functions are well-rounded. The real estate market is measured and the sales are gradually entrusted to be sold steadily to protect the rights and interests of shareholders.

(III) FRG Bridge Upto Zenith Business Plaza

FRG Qiao Feng Business Plaza is located on the first and second floors of No. 168-180, Section 1, Zhongshan Road, Banqiao, covering an area of 1,882 pings (6221 square meters). The business plaza has been leased to E.SUN Commercial Bank, SinoPac Securities Corporation, and infant care center, Bell's HOUSE. FRG Qiao Feng Business Plaza has become an exquisite business center of Banqiao.

(IV) San Francisco and Hotel Development Project

Our subsidiary (FRG US Corp.) established in the US in 2017 participates in the construction investments; The subsidiary's investment in the project is currently approximately 14.56%. Residential sales were limited due to the significant increase in US mortgage interest rates, and the hotel has joined the Hilton hotel chain. The hotel operations gradually improved, aided by sustained brand visibility.

II. Budget Execution: No financial projection for year 2025 by FRG is required according to the "Regulations Governing the Publication of Financial Forecasts of Public Companies."

III. Analysis of Consolidated financial Income and Expenditure, and Profitability

Consolidated financial income and expenditure

Unit: NT\$ thousand

Item \ Year	2024	2023
Net cash inflow (outflow) from operating activities	826,999	682,692
Net cash inflow (outflow) from investments	(458,307)	(1,158,593)
Net cash inflow (outflow) from financing activities	(306,412)	(702,078)

Analysis Table of Consolidated Profitability

Item \ Year	2024	2023
Return on Asset (%)	4.01	3.85
Return on Equity (%)	4.49	4.28
Pre-Tax Income to Paid-In Capital (%)	21.53	19.51
Profit Margin (%)	38.71	38.16
EPS after tax	NT\$1.89	NT\$1.61

IV. Research & Development (R&D)

1. FRG has been investing in R&D and pursuing innovation based on the vision of “Beauty in Creation” committed 73 years ago. What we have achieved in 2024 are:

(1) In 2024, the Company obtained five new "invention" patents in the Republic of China:

[1]	Protective clothing fabric and manufacturing method thereof
[2]	Rubber compound fabric made from low-temperature resistant and abrasion-resistant materials and its manufacturing method

(2) There are four R.O.C. patent applications pending.

Two. 2025 Business Plan Overview

I. 2025 Business Guideline:

1. The three management policies for manufacturing industry are: “Innovation,” “globalization” and “service.”

“Innovation”: Optimize the production process by leveraging the application equipment and material characteristics, improve product performance, reliability and safety, explore new markets, strengthen competitiveness, and achieve sustainable development.

“International”: Cultivation of international talent and establishment of a global marketing system. Brand construction is enhanced by participating in international exhibitions to enhance the reputation of enterprises in the international market.

“Service”: The Company provides diversified technical services to quickly respond to and solve customer problems, improve brand image, and realize corporate sustainability.

2. The warehouse space rented by the Nankan leasing unit has reached the upper limit in the park. This year, we will continue interacting closely with customers and providing construction services for hardware and software setups and continue to refine our services. With the full load of the Nankan Logistics Park, the Company will fully develop the Phase II of the Longtan Smart Park in 2025, and strive to attract large-scale manufacturers to move to the park to form an industrial cluster. At the same time, the Company will initiate the customized warehouse cooperation model, and apply for the license of the third warehouse of the green building and logistics center, to effectively enhance the overall development strength of the park, and open up diverse cooperation opportunities, so that customers can feel the efficiency improvement and the value creation with the manufacturers, and promote the revenue growth year by year.

3. Real estate development and individual projects:

(1) The number of reserved houses is not many and all are located at prime locations. The living functions are well-rounded. The real estate market is measured and the sales are gradually entrusted to be sold steadily to protect the rights and interests of shareholders.

(2) Our subsidiary (FRG US Corp.) established in the US in 2017 participates in the construction investments; The subsidiary’s investment in the project is currently approximately 14.56%. Residential sales were limited due to the significant increase in US mortgage interest rates, and the hotel has joined the Hilton hotel chain. The hotel operations gradually improved, aided by sustained brand visibility.

(3) The reconstruction plan for the unsafe and old building has been completed for the Kaohsiung Ambassador Hotel and is currently undergoing architectural design, environmental impact assessment and urban design review.

II. Expected Sales and Their Basis

1. Years of statistics in Germany suggest that the total global demand for rubber and plastics remain growing slowing; the segments of life-saving, medication, and environment protection are outperforming the remaining ones; FRG is leading in the first two with better technology. Since 2024, inflation has eased, and the monetary policy has no longer been tight. The pressure on the labor market has eased, and the demand for AI-related goods has been strong. The developed economies have benefited from the improvement of the supply chain and the increase in service demand, which has led to significant trade recovery. However, geopolitical risks, the Russo-Ukrainian War continues, and the intensification of the Middle East conflict and the escalation of the US-China trade war will weaken the confidence in economic optimism. The economic growth of various countries around the world is different, and the trend is offset by each other. The global economic growth is still lack of momentum. Looking ahead to 2025, though the global geopolitical tensions intensify, the single-handed and the internal-oriented industrial policy will be re-initiated, the uncertainty of demand and the possibility of financial market volatility, but the benefits of the trend of AI and the continuous innovation of the energy field, coupled with the loosened monetary tightening policy of major central banks, it is expected that the consumption and investment momentum of advanced economies will drive the steady global economic growth. Based on the above factors, FRG is targeting to outsell the 8,256 thousand yards of rubber, plastic and synthetic leather (2023) in 2024 for 2025.
2. Nankan warehouse logistics and property management: established more than two decades ago, the FRGILC has built up a logistic park covering some 1.3 million square meter and 6 buildings for the business of warehouse leasing business and logistic center, and is home to a number of well-known manufacturers including electronic distributors, boutique, apparel and e-commerce. In order to meet the customer's requirements for building and cargo safety, the Company values fire safety and maintenance and repair, so that the residents can have a peace of mind. The fire safety inspection and building safety inspection are conducted every year, and the building is regularly maintained and repaired, so that the customers in the Nankan logistics park can have a customer base of more than 70% for more than five years, and the long-term maintenance rate is maintained at more than 90%. The logistics center provides professional software and hardware construction services and customized hardware demand for contract customers, and optimizes the process to improve the shipping efficiency of customers. In the coming years, the logistics lease business will be expanded to the Longtan Smart Park, to increase the operation performance, and to make it the benchmark of the logistics lease industry. Income of warehouse leasing and logistic service is expected to go up by 1%-2% in 2025 than 2024.
3. Pending units: sell those of projects "55Timeless" and "La Bella Vita" held by share-of-rights owners. Pending units of projects World Garden, Modesty Home, Legend River: keep on marketing them.
4. FRG Bridge Upto Zenith Business Plaza: The first and second floors (1,882 Ping combined) were 100% leased; FRG will keep on improving customer service and mall management to build up the image of leading commercial center in Xinban Special Economic Zone.

III. Important Production and Sales Policy:

1. The three major guidelines for the production and sales of the manufacturing industry are "precision investment", "full production", and "order delivery".
 “Precision investment”: accurately target market demand, grasp technology trends, and leverage our advantages to invest limited resources in the most effective projects and improve resource efficiency.
 “Full production”: Optimize the production plan, improve equipment efficiency, implement lean production, and reduce idle time and waste of resources as much as possible to achieve the maximum cost-effect.
 “Order delivery”: Meeting market demand, improving customer satisfaction, reducing inventory cost, and strengthening the overall competitiveness of the company through effective strategies and measures.
2. The industry is now recovering. Semiconductor manufacturers continue to invest in advanced processes. Taiwanese businessmen return to Taiwan and foreign companies accelerate their investment in Taiwan, which helps the private sector to steadily expand. In addition, the government accelerates the public construction, which will maintain the domestic investment momentum. However, due to the impact of the tariff policy of the US President on Taiwan's investment, in order to respond to the trend, the storage capacity of the Nankan Logistics Center has reached its maximum. In the next two years, the focus will be shifted to Longtan, Taoyuan, to build a smart logistics park for the third phase. It is expected that the first phase of the logistics plant will be completed in 2025, and the building has been completed: It is projected that the relevant licenses will be obtained in the first quarter, and the objects of investment are large-scale professional logistics companies, which will contribute to the increase in rental income and increase revenue. The development of phases two to three of the park will be tailored to cater to different industries, providing exclusive services to meet the needs of incoming businesses. We will continue to collaborate with international clients, constantly upgrading and optimizing peripheral facilities such as truck identification systems, charging stations and security surveillance equipment. This will effectively enhance the overall development intensity of the park, aiming to become a preferred choice for customers and a representative of high-quality industrial parks.
3. Based on lands in Xinyi District acquired in 2012, FRG is joint venture with CDC for the 55Timeless project in 2016; KPC for the Legend River project in Xindian with KPC in 2012; acquire lands of the La Bella Vita project in Taichung in 2015 and sell its units in 2016; in December 2022, FRG acquired a share of the base land of the Kaohsiung Ambassador Hotel and now it is in progress of architectural design. Efforts invested in land development will improve FRG’s earnings and images significantly.

Three. The Company’s Future Development Strategy

I. Secondary Processing Industries:

- A. By signing annual sales contracts with major customers - ensuring stable performance of 60% or more.
- B. By improving quality - continue to establish OEM/ODM partnership with international major manufactures to ensure turnover.
- C. By making good use of equipment - develop multi-colored and multi-specification productions, ensuring customers’ brand loyalty.
- D. By the continual technical partnership with European, American and Japanese plants - create new products and introduce them to new markets applications
- E. By developing compound products and adding new production lines, with one stop shop service, fulfilling customers’ needs.

II. Nankan Warehouse Logistics and Rental and Leasing Business:

The leasing service industry continues to actively develop new customers. Customers' needs in service have evolved from leasing relationships to providing construction of professional software and hardware to customers, enabling sustainable long-term partnership with customers. In the future, technology will be adopted to manage integration processes and integration services pattern, allowing customers to experience improved efficiency. This year, through the connection between the logistics system and equipment to improve the operation pattern, optimize the work process, and secure the future talents. As the upstream and downstream manufacturers of semiconductor manufacturers successively locate their factories in Taiwan, FRG Longtan Smart Park will be the next key growth driver of FRG. The warehouse construction was completed in the first half of the year, and the focus of merchant recruitment business this year will be extended to Longtan Park, to provide customers with more choices of different locations and make FRG the representative of the best professional leasing and logistics integration services.

III. Real Estate Development

In a bid to continue the real estate development experience and creating the long-term stable profit for the Company, not only do we have our own real estate assets, we also focus on other suitable land or individual projects. In addition to resident buildings, development of commercial spaces of considerable size are also planned. Not only can commercial real estate developments acquire long-term stable rent income, they also covers fields of business plaza operation, real estate management and property management. Due to the need of long-term development, other than the existing development projects, the Company will actively look for projects meeting the Company's conditions.

Four. Effects by External Competitive, Regulatory and Overall Operating Environments

I. Secondary Processing Industries:

Looking ahead to 2024, despite the Fed's interest rate cut, the central banks around the world have been more cautious about adjusting the speed and magnitude of interest rate cuts, and thus the direction of monetary policies, in turn increases financial market volatility and affects long-term investment momentum. In the process of fighting inflation, the global economy remains flexible and has not experienced recession. As the European and US markets initiated the interest rate cut, China escalated its fiscal stimulus policy to maintain economic growth, and India achieved strong economic growth by relying on domestic demand and infrastructure investment, which indirectly brought recovery opportunities for the production. After the U.S. presidential election came to an end, Trump returned to the White House. Many new policies have caused significant impact and rewritten the U.S. and global political and economic environment. The global economic outlook is still constrained by the policies of the new U.S. government, even though the U.S. economy has performed better than expected in recent years. However, the market uncertainty has intensified. In addition to the impact of Trump's policies, climate change and geopolitical tensions are still the main risks in the world in 2025. Overall, the global economy will be a combination of opportunities and risks. Therefore, by continuously developing new products, improving quality and strictly controlling costs based on the market orientation, the sustainable development of the Company may be ensured

II. Nankan Warehouse Logistics and Rental and Leasing Business:

Geopolitical pressure is elevating, the United States' control over Taiwan on tax issues continues intensify and the trend of "new globalization" has taken shape. Technology manufacturers have launched globalization positioning around the world to expand their global presence accommodate customer needs. Since some heavyweight foreign companies decided to set up R&D or logistics centers in Taiwan after evaluation over the past two years, other companies will inevitably be driven to relocate their warehouses to Taiwan. To seize these opportunities, the Company will continue to construct tailored warehouses and initiate collaboration plans with property-related industries, effectively enhancing the overall development strength of the park and opening up diverse cooperation opportunities with manufacturers.

III. Land Developments

The Company's construction products are all located in good locations, and the sales targets are mostly loyal customers who hold real estate for a long time. There are not many remaining reserved units, so the sales conditions and prices are very stable.

In recent years, both domestic and international inflationary pressures, coupled with significant increases in land prices and construction costs, resulting in the stubborn prices of the domestic real estates. However, it seems the national policy is to suppress the real estate markets with laws and regulation as well as the housing policy, imposing more uncertainty and difficulty on land development project. The Company will continue to insist the strategy of finding land with high potential of value raising and reasonable profits in high-quality urban areas, and make investment cautiously to ensure the Company's profits.

This is my great honor to present the business performances 2024 and summary of plan 2025 to all of you; My greatest thanks to each of our shareholders; we will do our best and continue to contribute better business results in the future.

I wish you

Best wishes and good health to you.

Chairperson: Hsu Zhen-Tsai

President: Hsu Zhen-Ji

Chief accounting officer: Shi Ming-De

Two. CORPORATE GOVERNANCE REPORT

- I. Background information of directors, president, Vice Presidents, assistant managerial officers, and the chief of various departments and branches
- II. Remuneration of Directors (Including Independent Directors), Supervisors, Presidents and Vice Presidents
- III. Implementation of Corporate Governance
- IV. Professional fees of the attesting CPAs
- V. Change of CPA
- VI. Any of the Company's chairperson, president, or managerial officer in charge of finance or accounting held a position in the CPA's firm or its affiliates in the most recent year
- VII. Changes in shareholding and shares pledged by directors, managerial officers and shareholders with 10% shareholdings or more in most recent year and as of the publication date of the annual report
- VIII. Top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other
- IX. Number of shares held and shareholding percentage of the Company, the Company's directors, supervisors, managerial officers and directly or indirectly controlled entities on the same investee

Two. CORPORATE GOVERNANCE REPORT

I. Background information of directors, president, Vice Presidents, assistant managerial officers, and the chief of various departments and branches

(I) Information of Directors

Book closure: 2025.04.15

Title (Note 1)	Nationality or Place of Registration	Name	Gender and Age (Note 2)	Date Elected	Term of office	Date elected the 1st time (Note 3)	Shareholding When Elected		Current Shareholding		Shares Currently Being Held by Spouse and Underage Children		Shares Held by Proxy		Major experiences and educations (Note 4)	Current Concurrent Positions in the Company and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks (Note 5)
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Chairperson	Republic of China	Hsu Zhen-Tsai	Male 60~70 years old	2022.06.08	3 years	1981.11.05	3,389,588	0.99%	4,690,917	1.55%	3,755,170	1.24%	0	0%	Dropped out of University of San Francisco Chairperson of Formosan Rubber Group Inc.	CSO of Formosan Rubber Group Inc. Chairperson of Banjian Development Co., Ltd. Ho and Hohe Construction Co., Ltd. Chairperson of Shanghai Ruifu Property Development Co., Ltd.	Director and President Representative of juristic-person director	Hsu Zhen-Ji Hsu Zhen-Xin	Brother Brother	None
Director and President	Republic of China	Hsu Zhen-Ji	Male 60~70 years old	2022.06.08	3 years	1989.06.12	2,083,781	0.61%	3,159,466	1.04%	0	0%	0	0%	Department of Chemical Engineering, Tamkang University International Business, National Taiwan University Director and President, Formosan Rubber Group	Chairperson of Ruifu Development Co., Ltd., CEO of FRG US CORP.	Chairperson Representative of juristic-person director	Hsu Zhen-Tsai Hsu Zhen-Xin	Brother Brother	None
Director	Republic of China	Quanxinfeng Co., Ltd.	Not applicable	2022.06.08	3 years	2022.06.08	8,942,410	2.61%	8,049,069	2.65%	0	0%	0	0%	None	None	None	None	None	None
Juristic-person representative of director	Republic of China	Representative of Quanxinfeng Co., Ltd. Hsu Zhen-Xin	Male 60~70 years old	2022.06.08	3 years	1989.06.12	0	0.00%	2,529,820	0.83%	0	0%	0	0%	School of Law, Fu Jen Catholic University Representative of juristic-person director, Formosan Rubber Group Inc. Representative	Chairperson of Ruifu Investment Co., Ltd., Hallmark Int'l Co., Ltd., Quanxinfeng Co., Ltd., FRG US CORP. CFO	Chairperson Director and President	Hsu Zhen-Tsai Hsu Zhen-Ji	Brother Brother	None
Director	Republic of China	Ruifu Construction Co., Ltd.	Not applicable	2022.06.08	3 years	2016.06.07	34,070,754	9.95%	30,663,678	10.10%	0	0%	0	0%	None	None	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender and Age (Note 2)	Date Elected	Term of office	Date elected the 1st time (Note 3)	Shareholding When Elected		Current Shareholding		Shares Currently Being Held by Spouse and Underage Children		Shares Held by Proxy		Major experiences and educations (Note 4)	Current Concurrent Positions in the Company and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks (Note 5)
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Juristic-person representative of director	Republic of China	Representative of Ruifu Construction Co., Ltd.: Hsu Wei-Zhi	Male 60~70 years old	2022.06.08	3 years	2007.06.15	0	0.00%	4,137	0.00%	58,320	0.02%	0	0%	Master, Architecture in Urban Design, Harvard University, USA Master, Architecture, University of California, Berkeley Architect, Hsu Wei-Zhi Law Firm	Architect, Hsu Wei-Zhi Law Firm Adjunct Professor, Department of Architecture, Tamkang University	None	None	None	None
Director	Republic of China	Hohe Construction Co., Ltd.	Not applicable	2022.06.08	3 years	2016.06.07	14,632,726	4.27%	17,324,553	5.71%	0	0%	0	0%	None	None	None	None	None	None
Juristic-person representative of director	Republic of China	Representative of Hohe Construction Co., Ltd.: Lin Kun-Rong	Male 70~80 years old	2022.06.08	3 years	2007.06.15	0	0.00%	21,870	0.01%	0	0%	0	0%	Master of Business Administration, NTPU Chairperson of Yingcheng Construction Co., Ltd.	Chairperson of Yingcheng Construction Co., Ltd.	None	None	None	None
Director	Republic of China	Ascend Gear International Inc.	Not applicable	2022.06.08	3 years	2022.06.08	17,415,047	5.09%	16,820,342	5.54%	0	0%	0	0%	None	None	None	None	None	None
Juristic-person representative of director	Republic of China	Representative of Ascend Gear International Inc.: Chu, Lung-Tsung	Male 70~80 years old	2022.06.08	3 years	2022.06.08	0	0.00%	0	0.00%	0	0%	0	0%	EMBA, National Chengchi University President, Wan-Sheng Securities President, Chien-Hung Futures Director, Taiwan Securities Association	None	None	None	None	None
Independent director	Republic of China	Wu Chun-Lai	Male 60~70 years old	2022.06.08	3 years	2019.06.05	0	0.00%	0	0.00%	0	0%	0	0%	Doctor, Management, Shanghai Jiao Tong University Master, Department of Public Administration, National Chengchi University	General Consultant, Jet-Go Consulting Group Executive Director, Active Aging Association Taiwan	None	None	None	None
Independent director	Republic of China	Lorraine Yao	Female 40~50 years old	2022.06.08	3 years	2022.06.08	5,000	0.00%	4,500	0.00%	0	0%	0	0%	Bachelor in Accounting, Chaoyang University of Technology	Partner CPA of ShineWing International	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender and Age (Note 2)	Date Elected	Term of office	Date elected the 1st time (Note 3)	Shareholding When Elected		Current Shareholding		Shares Currently Being Held by Spouse and Underage Children		Shares Held by Proxy		Major experiences and educations (Note 4)	Current Concurrent Positions in the Company and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks (Note 5)
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
															Partner CPA of ShineWing International					
Independent director	Republic of China	Chu, Shih-Yi	Male 50~60 years old	2024.06.07	~2025.06.07	2024.06.07	0	0.00%	0	0.00%	0	0%	0	0%	Master of Business Administration, National Taiwan University Assistant Vice President of Bond Department of MasterLink Securities Co. Ltd. Assistant Vice President of Underwriting Department of MasterLink Securities Co. Ltd.	None	None	None	None	None

Note 1: If a juristic-person shareholder, please list its name and the representative's name (if the representative of a juristic-person shareholder, please indicate the name of the juristic-person shareholder) and fill in Table 1 below.

Note 2: List the chronological age expressed in intervals, such as 41~50 or 51~60 years old.

Note 3: Fill in the date elected for the first time (either director or supervisor); give more details in case you have been re-elected one or more times afterwards.

Note 4: Regarding experiences related with current position, e.g. work with the attesting CPA firm or its associates in the said period, note down titles and functions then.

Note 5: Regarding the chairman and the general manager or the person with the equivalent position (the top managerial officer) being the same person, spouse or a blood relative within the first degree of kinship: explain the reasons, rationality, necessity and countermeasures (e.g. add more independent directors and more than half of the directors are not concurrently employees or managerial officers): no such situation.

Table 1: Major shareholders of juristic-person shareholders:

Book closure: April 15, 2025

Name of juristic-person shareholder (Note 1)	Major shareholders of the juristic-person shareholder (Note 2)
Ruifu Construction Co., Ltd.	Hsu Zhen-Tsai (81.99%) Ascend Gear International Inc. (18%)
Hohe Construction Co., Ltd.	Formosan Rubber Group Inc.(26.2%) Hsu Zhen-Tsai (22.41%) Ruifu Construction Co., Ltd. (18.99%) Ascend Gear International Inc. (10.15%) Kuancheng International Inc. (3.67%) Chengxi Investment Co., Ltd. (3.51%) Hsu Zhen-Ji (3.11%) Hsu Mei-Ling (2.68%)Hsu Mei-Zhi (2.43%) Hsu Zhen-Qun (1.89%)
Quanxinfeng Co., Ltd.	Hsu Zhen-Xin (41%); Li Yue Ling (41%); Hallmark Int'l Co., Ltd. (18%)
Ascend Gear International Inc.	Hsu Zhen-Tsai (64%) Chen Hui-Jin (36%)

Note 1: If the Director is the representative of a juristic-person shareholder, please fill in the name of the juristic-person shareholder.

Note 2: Please fill in the name of the major shareholder of the juristic-person shareholder (top 10 in shareholding) and the shareholding ratio.

If the major shareholder is a juristic-person shareholder, please also fill in Table 2.

Table 2: Major shareholders of the major shareholders in Table 1 who are juristic-person shareholders

Juristic person (Note 1)	Major shareholders of the juristic-person shareholder (Note 2)
Formosan Rubber Group Inc.	Ruifu Construction Co., Ltd. (10.10%), Hohe Construction Co. Ltd. (5.71%), Ascend Gear International Co., Ltd.(5.54%),Chengxi Investment Co., Ltd. (5.11%), Hsu Mei-Lun (2.84%), Quanxinfeng Co., Ltd.(2.65%), Ren-Yu Investment Limited(1.81%), Hsu Zhen-Tsai (1.55%), and Chen Hui-Jin (1.24%). The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the series of funds of the Progressive Global Investment International Stock Index Fund Investment (1.16%)
Ruifu Construction Co., Ltd.	Hsu Zhen-Tsai (81.99%) Ascend Gear International Inc. (18%)
Chengxi Investment Co., Ltd.	Hsu Zhen-Ji (99.5%), Yang Xunwen (0.2%), Xu Ruyi (0.15%), Xu Chengxi (0.15%)
Kuancheng International Inc.	Xu Zhengtai (88.257%), Xu Linqingrong (11.728%), Lin Qinghua (0.007%), Lin Cai Suai (0.007%)
Ascend Gear International Inc.	Hsu Zhen-Tsai (64%) Chen Hui-Jin (36%)
Hallmark Int'l Co., Ltd.	Hsu Zhen-Xin (84.12%), Li Yueling (12.53%), Xu Qiwen (1.67%), Xu Xiumin (1.68%)

Note 1: If the major shareholder in Table 1 is a juristic-person shareholder, please fill in their name.

Note 2: Please fill in the name of the juristic-person shareholder's major shareholder (top 10 in shareholding) and the shareholding ratio.

Information of Directors (II)

I. Professional qualifications of directors and the independence of independent directors:

2025.04.15

Name	Conditions	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairperson Hsu Zhen-Tsai		<ul style="list-style-type: none"> Chairman, FRG (now) Chairman of Hohe Construction Co., Ltd., Banjian Development Co., Ltd., and Shanghai Ruifu Business Development Co., Ltd. (in the past) Not under any circumstances set in Article 30 of the Company Act 	Not applicable	0
Director Hsu Zhen-Ji		<ul style="list-style-type: none"> Director and general manager, FRG (now) Ruifu Development Co., Ltd. (in the past) Not under any circumstances set in Article 30 of the Company Act 	Not applicable	0
Representative of Quanxinfeng Co., Ltd. Hsu Zhen-Xin		<ul style="list-style-type: none"> Juristic-person director, FRG (now) Chairman, Hallmark Int'l Co., Ltd. and Ruifu Investment Co., Ltd. (in the past) Not under any circumstances set in Article 30 of the Company Act 	Not applicable	0
Representative, Ruifu Construction Co., Ltd. Hsu Wei-Zhi		<ul style="list-style-type: none"> Juristic-person director, FRG (now) Architect, Xu Weizhi Architect Associate Adjunct Professor, Department of Architecture, Tamkang University. Not under any circumstances set in Article 30 of the Company Act 	Not applicable	0
Representative, Hohe Construction Co., Ltd., Lin Kun-Rong		<ul style="list-style-type: none"> Juristic-person director, FRG (now) Chairman, Yingcheng Construction Co., Ltd. (in the past) Not under any circumstances set in Article 30 of the Company Act 	Not applicable	0
Representative of Ascend Gear International Inc. Chu, Lung-Tsung		<ul style="list-style-type: none"> Juristic-person director, FRG (now) Not under any circumstances set in Article 30 of the Company Act 	Not applicable	0
Independent director Wu Chun-Lai		<ul style="list-style-type: none"> Independent director, FRG (now) General Counsel, Jet-Go Consulting Group. Executive Director, Active Aging Association Taiwan (now) Manager and spokesman of the chairman's office, Farglory Group (in the past). He used to be the Executive Vice President of Heding Technology (in the past). Deputy General Manager, Hung Kuo Real Estate Development Corp. (in the past). Chair Professor, National Academy of Civil Service (in the past). Not under any circumstances set in Article 30 of the Company Act 	<p>Independence compliance</p> <ol style="list-style-type: none"> Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. In no circumstances he/she is compensated by FRG or its affiliated companies for business, legal, financial, accounting and other services rendered in the last two years. 	0

Name	Conditions	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent director Lorraine Yao		<ul style="list-style-type: none"> Independent director, FRG (now) Partner CPA of ShineWing International Former Audit Manager of KPMG Taiwan Not under any circumstances set in Article 30 of the Company Act 	<p>Independence compliance</p> <ol style="list-style-type: none"> Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” The independent director only holds 4,500 shares, and his/her spouse or blood relatives (or in the name of others) hold shares of FRG. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. ShineWing International, the accounting firm the independent director belongs to, had received no more than NT\$500,000 as the accumulated compensation in the most recent two years. 	0
Independent director Chu, Shih-Yi		<ul style="list-style-type: none"> Independent director, FRG (now) Former Assistant Vice President of Bond Department and Underwriting Department of MasterLink Securities Co., Ltd. Not under any circumstances set in Article 30 of the Company Act 	<p>Independence compliance</p> <ol style="list-style-type: none"> Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. In no circumstances he/she is compensated by FRG or its affiliated companies for business, legal, financial, accounting and other services rendered in the last two years. 	0

II. Diversity and independence of the board of directors

(I) Diversity of the board of directors

1. The entire board of directors of FRG shall have the following capacities according to Article 20, paragraph 4 of its Governance Guidelines:

- (1) Business judgment capabilities
- (2) Accounting and financial analysis capabilities
- (3) Operation and management capabilities
- (4) Crisis management capabilities
- (5) Industry knowledge
- (6) International market awareness
- (7) Leadership
- (8) Decision-making capabilities

2. To meet the said goals, FRG has set up the “Board of Directors diversification policy” based on Article 20 paragraph 3 of the Governance Guidelines; diversify members of the Board of Directors as much as possible; no more than one-third of directors shall be managerial officer of FRG; set up diversification policy, as required by requirements of operation, business type, and develop, to cover, but not limited to, the following two standards:
- (1) Basic conditions and values: gender, age, nationality and culture.
 - (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.
3. The Board of Directors has nine directors (including three independent directors with one of them being female); with their professional areas covering financial accounting, law, public relations, chemical engineering). There are 2 directors who are also employees, 1 independent director who has served for 5.5 years, 1 independent director who has served for 2.5 years, and 1 independent director who has served for 0.5 years.
4. If the number of female directors in the Board of Directors of the Company is less than one-third of the total number of directors, specify the reason and the measures to be taken to enhance the diversity of the Board of Directors:
- (1) Explanation: The Company has 9 seats of Directors as specified in the Articles of Incorporation. The current Directors were elected in the general shareholders' meeting on June 8, 2022, and by-election in the general shareholders' meeting on June 7, 2024. There is only one female Director. Although the number of female Directors is in compliance with the relevant laws and regulations, it is still less than one-third of the total number of Directors. This is due to the characteristics of the industry, which makes it difficult to recruit talent in a short time.
 - (2) The Company values the gender equality of the composition of the Board of Directors, and aims to increase female directors to account for more than one-third of the total number of directors. In the future, the Company will strive to increase female directors through a variety of channels and talent, in order to improve corporate governance performance and implement the policy of diversification of directors.

Implementation of the diversification policy by the Company's Board of Directors members is as follows:

Name of director	Age	Gender	Professional background	Abilities possessed									
				Operation and management capabilities	Business judgment capabilities	Finance and accounting analysis capabilities	Crisis management capabilities	Industry knowledge	Industry experience			International market perspective	Leadership and decision making capabilities
									Rubber and plastic	Construction and building	Finance and investment		
Hsu Zhen-Tsai	60 - 69 years old	Male	Management, construction, building	V	V	V	V	V	V	V	※	V	V
Hsu Zhen-Ji	60 - 69 years old	Male	Management and chemical engineering	V	V	V	V	V	V	※	※	V	V
Hsu Zhen-Xin	60 - 69 years old	Male	Management and law	V	V	V	V	V	V	V	※	V	V
Hsu Wei-Zhi	60 - 69 years old	Male	Construction and design	V	V	V	V	V	※	V	※	V	V
Lin Kun-Rong	70 - 75 years old	Male	Management, construction, building	V	V	V	V	V	※	V	※	V	V
Chu, Lung-Tsung	70 - 75 years old	Male	Finance	V	V	V	V	V	※	※	V	V	V
Wu Chun-Lai	60 - 69 years old	Male	Public relation, construction, building	V	V	V	V	V	※	V	※	V	V
Lorraine Yao	40 - 50 years old	Female	Finance, accounting	V	V	V	V	V	※	※	V	V	V
Chu, Shih-Yi	50~60 years old	Male	Finance	V	V	V	V	V	※	※	V	V	V

※ refers to experiences in other industries

4. The company's diverse management objectives: The board of directors should demonstrate industry experience in at least one of the company's main business items (such as rubber, plastic, construction, financial investment and logistics). In particular, there are more than two directors with experience in more than two of the company's business items.
5. The implementation status of the company's diverse management: All the company's board of directors has met the management objectives.

(II) Independence of the board of directors: note number and proportion of independent directors, independence of the board, circumstances set in Article 26-3, paragraph 3 and 4 of the Securities and Exchange Act (detailing spouse or a blood relative within the second degree of kinship among directors, and supervisors) °

1. The Board of Directors has 6 directors and 3 independent directors, the latter account for 33% of the board.
2. The directors and independent directors have no circumstances set in Article 26-3, paragraph 3 and 4 of the Securities and Exchange Act existing among the directors and independent directors.
3. The independent directors have none the following circumstances in two years before taking their office:
 - (1) An employee of the company or any of its affiliates.
 - (2) A director or supervisor of the company or any of its affiliates.
 - (3) 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 of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
 - (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
 - (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
 - (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
 - (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
 - (8) A director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
 - (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

Note 1: Professional qualifications and experience: note professional qualifications and experience of individual directors and supervisors; those being member of the audit committee and have accounting or financial expertise, note their accounting or financial background and work experience; note there is no circumstances set in Article 30 of the Company Act in existence.

Note 2: Independent directors shall note their compliance with independence, including but not limited to: circumstance of he/she and his/her spouse, or relatives within the second degree of kinship being directors, supervisors or employees of FRG or its affiliated companies; shares and portion of shares hold by he/she and his/her spouse, or relatives (or in name of others); being directors, supervisors, or employees of companies having specific relationship with FRG (see Article 3, paragraph 1, subparagraph 5 ~ 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies Establishment of Independent Directors and Matters to be Complied with in Public Offering Companies); the amount of remuneration received for providing business, legal, financial, accounting and other services to FRG or its affiliates in the last two years.

(II) Information on Presidents, Vice Presidents, Assistant Managers, and the chief of various departments and branches:

Book closure: April 15, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse and Underage Children		Shares Held by Proxy		Main Career (Academic) Achievements	Current Concurrent Positions in Other Companies	Managerial Officers Who are Spouses or Within Second-Degree of Kinship to Each Other			Remarks (Note 1)
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
President	Republic of China	Hsu Zhen-Ji	Male	June 8, 2022	3,159,466	1.04%	0	0%	0	0%	Department of Chemical Engineering, Tamkang University International Business, National Taiwan University President of Formosan Rubber Group Inc.	Chairperson of Ruifu Development Co., Ltd., CEO of FRG US CORP.	Director and Special Assistant	Hsu Zhen-Xin	Brother	None
Director and Special Assistant	Republic of China	Hsu Zhen-Xin	Male	July 4, 2014	2,529,820	0.83%	0	0%	0	0%	School of Law, Fu Jen Catholic University Chairperson of Hallmark Int'l Co., Ltd. Chairperson of Quanxinfeng Co., Ltd.	Chairperson of Ruifu Investment Co., Ltd., Hallmark Int'l Co., Ltd., Quanxinfeng Co., Ltd., CFO of FRG US CORP.	President	Hsu Zhen-Ji	Brother	None
Assistant managerial officer	Republic of China	Hsiao Zheng-Zhong	Male	January 1, 1998	9,376	0.00%	0	0%	0	0%	Lunghwa University of Science and Technology Manager of Production Development of Formosan Rubber Group Inc.	Supervisor of Banjian Development Co., Ltd.	None	None	None	None
Assistant managerial officer	Republic of China	Huang Hui Xian	Female	March 1, 2010	1,458	0.00%	0	0%	0	0%	Vanung University EMBA National Tsing Hua University Manager of the Warehouse Department Formosan Rubber Group Inc.	None	None	None	None	None
Supervisor of Management and Construction Department	Republic of China	Cheng Sheng Yuan	Male	July 1, 2022	0	0.00%	0	0%	0	0%	Master, Institute of Political Science, National Chengchi University Assistant Vice President, Construction Department; Formosan Rubber Group	Chief financial officer and secretary of FRG US CORP. chief, Officer of Department of Management, Banjian Development Co., Ltd., and officer of Department of Management, Ruifu Development Co., Ltd.	None	None	None	None
Chief financial officer	Republic of China	Bao Shi-Rong	Male	July 1, 2022	5,400	0.00%	0	0%	0	0%	Department of Accounting, National Taipei University Assistant Vice President of Finance, Formosan Rubber Group	Chief financial officer and chief accounting officer of Banjian Development Co., Ltd. and Chief financial officer and chief accounting officer of Ruifu Development Co., Ltd.	None	None	None	None
Head of Accounting and Head of Corporate Governance	Republic of China	Shi Ming-De	Male	February 1, 2010	0	0.00%	0	0%	0	0%	National Taipei University Chief of KPMG Taiwan	Chief accounting officer of FRG US CORP.	None	None	None	None
Internal Audit Officer	Republic of China	Ou, Chia-Bao	Male	January 1, 2021	298	0.00%	0	0	0	0%	Aletheia University Deputy Manager, Taipei Branch, Citibank	Internal Audit Officer, Banjian Development Co., Ltd.	None	None	None	None

Note 1: Regarding the general manager or the person with the equivalent position (the top managerial officer) being the same person, spouse or a blood relative within the first degree of kinship: explain the reasons, rationality, necessity and countermeasures (e.g. add more independent directors and more than half of the directors are not concurrently employees or managerial officers): no such situation.

II. Remuneration packages for directors (including independent directors), general manager and deputy general managerial officers.

(1-1) Remuneration of directors (including independent directors) (name and payment method of individual directors) Unit: NT\$

Title	Name	Remuneration to Directors								The sum of A, B, C and D and as a percentage of net income (Note 10)		Remuneration as Company employee								The sum of items A, B, C, D, E, F and G and percentage to the net income after tax (Note 10)		Remuneration from investees other than subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Directors' remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances, etc. (E) (Note 5)		Pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)			The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company		All companies included in the financial reports (Note 7)				
										Cash amount	Stock amount					Cash amount	Stock amount					
Chairpers on	Hsu Zhen-Tsai	11,781,900	11,781,900	0	0	1,680,075	1,680,075	184,000	184,000	13,645,975 2.38%	13,645,975 2.38%	0	0	0	0	0	0	0	0	13,645,975 2.38%	13,645,975 2.38%	0
Director and President	Hsu Zhen-Ji	1,225,000	1,225,000	0	0	1,008,045	1,008,045	184,000	184,000	2,417,045 0.42%	2,417,045 0.42%	6,332,200	6,332,200	0	0	328,000	0	328,000	0	9,077,245 1.58%	9,077,245 1.58%	0
Director and Special Assistant	Quanxinfeng Co., Ltd.	0	0	0	0	1,008,045	1,008,045	0	0	1,008,045 0.18%	1,008,045 0.18%	0	0	0	0	0	0	0	0	1,008,045 0.18%	1,008,045 0.18%	0
	Corporate Representative: Hsu Zhen-Xin	1,425,000	1,425,000	0	0	0	0	184,000	184,000	1,609,000 0.28%	1,609,000 0.28%	6,331,900	6,331,900	0	0	328,000	0	328,000	0	8,268,900 1.44%	8,268,900 1.44%	0
Director	Ruifu Construction Co., Ltd.	0	0	0	0	672,030	672,030	0	0	672,030 0.12%	672,030 0.12%	0	0	0	0	0	0	0	0	672,030 0.12%	672,030 0.12%	0
	Corporate Representative: Hsu Zhen-Ji	675,000	675,000	0	0	0	0	84,000	84,000	759,000 0.13%	759,000 0.13%	0	0	0	0	0	0	0	0	759,000 0.13%	759,000 0.13%	0
Director	Hohe Construction Co., Ltd.	0	0	0	0	672,030	672,030	0	0	672,030 0.12%	672,030 0.12%	0	0	0	0	0	0	0	0	672,030 0.12%	672,030 0.12%	0
	Corporate Representative: Lin Kun-Rong	675,000	675,000	0	0	0	0	84,000	84,000	759,000 0.13%	759,000 0.13%	0	0	0	0	0	0	0	0	759,000 0.13%	759,000 0.13%	0
Director	Ascend Gear International Inc.	0	0	0	0	672,030	672,030	0	0	672,030 0.12%	672,030 0.12%	0	0	0	0	0	0	0	0	672,030 0.12%	672,030 0.12%	0
	Representative: Chu, Lung-Tsung	1,425,000	1,425,000	0	0	0	0	184,000	184,000	1,609,000 0.28%	1,609,000 0.28%	0	0	0	0	0	0	0	0	1,609,000 0.28%	1,609,000 0.28%	0
Independ ent director	Wu Chun-Lai	1,047,000	1,047,000	0	0	336,015	336,015	174,000	174,000	1,557,015 0.27%	1,557,015 0.27%	0	0	0	0	0	0	0	0	1,557,015 0.27%	1,557,015 0.27%	0
Independ ent director	Lorraine Yao	1,047,000	1,047,000	0	0	336,015	336,015	174,000	174,000	1,557,015 0.27%	1,557,015 0.27%	0	0	0	0	0	0	0	0	1,557,015 0.27%	1,557,015 0.27%	0
Independ ent director	Chu, Shih-Yi (Newly elected on 2024.06.07)	481,600	481,600	0	0	186,715	186,715	78,000	78,000	746,315 0.13%	746,315 0.13%	0	0	0	0	0	0	0	0	746,315 0.13%	746,315 0.13%	0

1. Note the policy, system, standard and structure of remuneration to independent directors; note association between remuneration and responsibilities, risks, time spent, and other factors: the Board of Directors is authorized to determine the remuneration of directors and independent directors on the basis of their participation and contribution value to the operation of the company and norms accepted by industries in Taiwan and foreign countries.

2. Remuneration to services rendered by directors for companies contained in the financial statements in the most recent year (e.g. non-employee consultant of the parent company, companies contained in the financial statements, and investees) other than those disclosed in the said table: None

Note 1: (1) Salary of the chairman's driver: NT\$724,209; security guards: NT\$623,197. (2) Salary of the general manager's driver: NT\$727,607.

Remuneration bracket table

Remunerations to individual directors in respective brackets along the remuneration scale	Name of director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial reports (Note 9) H	The Company (Note 8)	All companies included in the financial reports (Note 9) I
Below NT\$1,000,000	3 Hsu Wei-Zhi, Lin Kun-Rong, Chu Shih-Yi	3 Hsu Wei-Zhi, Lin Kun-Rong, Chu Shih-Yi	3 Hsu Wei-Zhi, Lin Kun-Rong, Chu Shih-Yi	3 Hsu Wei-Zhi, Lin Kun-Rong, Chu Shih-Yi
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	4 Hsu Cheng-Hsin, Chu Lung-Tsung, Wu Chun-Lai, Lorraine Yao	4 Hsu Cheng-Hsin, Chu Lung-Tsung, Wu Chun-Lai, Lorraine Yao	3 Chu Lung-Tsung, Wu Chun-Lai, Lorraine Yao	3 Chu Lung-Tsung, Wu Chun-Lai, Lorraine Yao
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	1 Hsu Zhen-Ji	1 Hsu Zhen-Ji		
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)				
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)			2 Hsu Zhen-Ji, Hsu Zhen-Xin	2 Hsu Zhen-Ji, Hsu Zhen-Xin
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	1 Hsu Zhen-Tsai	1 Hsu Zhen-Tsai	1 Hsu Zhen-Tsai	1 Hsu Zhen-Tsai
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)				
Above NT\$100,000,000				
Total	9	9	9	9

Note 1: Directors' names are presented separately (for juristic-person shareholders, the name of the juristic-person shareholder and its representatives are stated separately), whereas the amount of benefits and allowances are presented in aggregate sums. Any directors who co-headed the President or Vice President positions are disclosed in this table and in Table (3-1) or (3-2) below.

Note 2: Refers to director's remuneration in the last year (including salaries, allowances, severance pay, various bonuses and incentives, etc.)

Note 3: Represents the amount of directors' remuneration that the Board has proposed as part of the latest earnings appropriation.

Note 4: Refers to remuneration to directors for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the last year for assuming the role of a company employee (such as President, Vice President, managerial officer or other employee). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee stock options, restricted employee shares and subscription to cash issues are treated as remuneration.

Note 6: Refers to any remuneration that the director has received (in cash or in shares) in the last year for assuming the role of an employee (such as President, Vice President, managerial officer or other employees). The amount of employee remuneration proposed by the Board of Directors in the last year has been disclosed (where the amount could not be estimated, the actual amount paid in the last year was presented instead). Table 1-3 has also been completed for reference.

- Note 7: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of remuneration paid by all companies above to the Company's directors.
- Note 8: The amount of remuneration paid by the Company to each director has been disclosed in ranges.
- Note 9: The details represent the range of remuneration paid by the consolidated entity (including the Company) to each director.
- Note 10: Net income refers to the amount of profit shown in the latest financial reports of the consolidated/standalone entity; If International Financial Reporting Standards ("IFRS") has been adopted, Net Income is the after-tax profit in the consolidated financial statement in the most recent years.
- Note 11:
- a. This field represents all forms of remuneration that directors received from the Company's invested businesses other than subsidiaries.
 - b. For directors who received remuneration from invested businesses other than subsidiaries, amounts received from these invested businesses have been added to column I of the remuneration brackets table. In which case, column I will be renamed "All investees".
 - c. Remuneration refers to any returns, remuneration (including remuneration received as an employee, director and supervisor) and professional service fees which the director received for serving as directors, supervisors or managerial officers in invested businesses other than subsidiaries.
- The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.
- (2-1) Remuneration supervisors: NA as FRG has audit committee instead.

(3-1) Remuneration of General Manager and Deputy General Managers (name and payment method of individual directors) Unit: NT\$

	Name	Remuneration (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of items A, B, C and D and percentage (%) to the net income after tax (Note 8)		Remuneration from the investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company		All companies included in the financial reports (Note 5)		The Company	All companies included in the financial reports (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hsu Zhen-Ji	3,007,200	3,007,200	0	0	3,325,000	3,325,000	328,000	0	328,000	0	6,660,200 1.16%	6,660,200 1.16%	0
Director and Special assistant	Hsu Zhen-Xin	3,007,200	3,007,200	0	0	3,324,700	3,324,700	328,000	0	328,000	0	6,659,900 1.16%	6,659,900 1.16%	0

Remuneration bracket table

Range of remunerations to the President and Vice Presidents	Name of President and Vice Presidents	
	The Company (Note 6)	All companies included in the financial reports (Note 7) E
Below NT\$1,000,000		
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	2 Hsu Zhen-Ji, Hsu Zhen-Xin	2 Hsu Zhen-Ji, Hsu Zhen-Xin
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
Above NT\$100,000,000		
Total	2	2

(4-1) The remuneration of the top five department heads with the highest remuneration (disclose the name and remuneration individually)(Note 1)

Title	Name	Remuneration (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of items A, B, C and D and percentage (%) to the net income after tax (Note 6)		Remuneration from the investees other than subsidiaries or parent company (Note 7)
		The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company		All companies included in the financial reports (Note 5)		The Company	All companies included in the financial reports (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hsu Zhen-Ji	3,007,200	3,007,200	0	0	3,325,000	3,325,000	328,000	0	328,000	0	6,660,200 1.16%	6,660,200 1.16%	0
Director and Special assistant	Hsu Zhen-Xin	3,007,200	3,007,200	0	0	3,324,700	3,324,700	328,000	0	328,000	0	6,659,900 1.16%	6,659,900 1.16%	0
Assistant managerial officer	Huang Hui Xian	1,606,399	1,606,399	94,824	94,824	1,927,600	1,927,600	227,000	0	227,000	0	3,855,823 0.67%	3,855,823 0.67%	0
Assistant managerial officer	Hsiao Zheng-Zhong	1,204,915	1,528,915	72,252	72,252	1,826,000	1,836,000	227,000	0	227,000	0	3,330,167 0.58%	3,664,167 0.64%	0
Vice Manager	Cheng Sheng Yuan	1,016,400	1,016,400	63,072	63,072	1,160,345	1,160,345	227,000	0	227,000	0	2,466,817 0.43%	2,466,817 0.43%	0

Note 1: In "top five managers with the highest remuneration," managers refer to the company's managerial officers. The standards for identifying managerial officers are handled in reference to the applicable scope of provisions of the former Securities and Futures Bureau, Financial Supervisory Commission, Ministry of Finance, as stated in Tai-Cai-Zheng-San-Zi No. 0920001301 dated March 27, 2003. The principle for identifying the calculation of "top five managers with the highest remuneration" is based on the salary, pensions, bonuses, special allowances, etc., as well as the total employee remuneration (i.e., the sum of A+B+C+D) of all companies included in the financial reports, which are ranked to obtain the top five with the highest remuneration.

Note 2: Refers to salaries, allowances, and severance pay made to the top five managers with the highest remuneration in the last year.

Note3: Refers to other remunerations such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicle or other in-kind benefits made to the top managers. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee stock options, restricted employee shares and subscription to cash issues are treated as remuneration.

Note 4: Represents the amount of employee remuneration provided for the top five managers with the highest remuneration (in cash or in shares).

Note 5: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of remuneration paid by all companies above to the Company's top five managers with the highest remuneration.

Note 6: The net income after tax refers to the amount of profit shown in the latest financial reports of the consolidated/standalone entity.

Note 7: a. In this column, the remuneration amounts of the top five managers with the highest remuneration from reinvested business other than the subsidiary or are parent company related should be clearly filled out (if not applicable, enter "no").

b. Remuneration refers to the compensation, rewards (including rewards for employees, directors and supervisors) and business execution expenses claimed by the Company's top five department heads with the highest remuneration for serving as directors, supervisors or managers in invested businesses other than subsidiaries or the parent company.

*The basis of remuneration disclosed above is different according to the basis of the Income Tax Act; hence the above table has been prepared solely for information disclosure, and not for tax purpose.

(I) Names of managerial officers who received employee remuneration

December 31, 2024

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	As a percentage of net income (%)
Managerial Officer	President	Hsu Zhen-Ji	0	NT\$1,791,000	NT\$1,791,000	0.31%
	Director and Special Assistant	Hsu Zhen-Xin				
	Assistant managerial officer	Hsiao Zheng-Zhong				
	Assistant managerial officer	Huang Hui Xian				
	Supervisor of Management and Construction Department	Cheng Sheng Yuan				
	Chief financial officer	Bao Shi-Rong				
	Head of Accounting and Head of Corporate Governance	Shi Ming-De				

Note 1: Names and titles have been disclosed separately, whereas the amount of remuneration has been disclosed in aggregate.

Note 2: Represents the amount of employee remuneration provided for the managerial officers (in cash or in shares), which the Board of Directors has proposed as part of the most recent earnings appropriation (where the amount could not be estimated, a calculation was made based on last year's payout ratio). Net income refers to the amount of profit shown in the latest financial reports of the consolidated/standalone entity. If International Financial Reporting Standards ("IFRS") has been adopted, Net Income is the after-tax profit in the consolidated financial statement in the most recent years.

Note 3: Pursuant to FSC Letter No. Tai-Tsai-Cheng-3-0920001301 dated March 27, 2003; the role of managerial officer covers the following positions:

- (1) President or other equivalent position.
- (2) Vice President or other equivalent position.
- (3) Assistant managerial officer or other equivalent position.
- (4) Chief of Finance Department
- (5) Chief of Accounting Department
- (6) Others with the right to manage affairs and sign for the Company

Note 4: Directors, President and Vice Presidents who receive employee remuneration (in cash or in shares) shall have details disclosed in this table in addition to Table 1-2.

(II) Compare and explain share of remuneration to directors, supervisors, general managerial officers and deputy general managerial officers by the company and all companies in the consolidated financial statements in last two years versus net income after tax indicated in parent company only financial statements; and explain the remuneration policy, criteria and portfolio, procedures for determining remuneration, and correlation with operating performance and future risks.

Name	Percentage of total remuneration to net income after tax in 2024		Percentage of total remuneration to net income after tax in 2023	
	The Company	All companies in consolidated reports	The Company	All companies in consolidated reports
Director	7.15%	7.15%	7.18%	7.18%
President and Vice Presidents	2.32%	2.32%	2.66%	2.66%

- (1) The Board of Directors is authorized to determine the fixed remuneration of directors on the basis of their participation and contribution value to the operation of the company and norms accepted by industries in Taiwan and foreign countries.
- (2) The salary structures of Presidents and Vice Presidents are basic salary, job allowance, food allowance and bonuses are distributed based on the annual operating performance.

III. Implementation of Corporate Governance:

(I) Functionality of the Board of Directors

The Board of Directors held 7 meetings (A) in the period from 2024.03.12 to 2025.03.11; see below for their attendance:

Title	Name (Note 1)	Actual Attendance B	Proxy Attendance	Percentage of actual (proxy) attendance (%) [B/A] (Note 1)	Remarks
Chairperson	Hsu Zhen-Tsai	7	0	100%	
Director	Hsu Zhen-Ji	7	0	100%	
Director	Quanxinfeng Co., Ltd. Representative: Hsu Zhen-Xin	7	0	100%	
Director	Ruifu Construction Co., Ltd. Representative: Hsu Zhen-Ji	7	0	100%	
Director	Hohe Construction Co., Ltd. Representative: Lin Kun-Rong	7	0	100%	
Director	Ascend Gear International Inc. Representative: Chu, Lung-Tsung	7	0	100%	
Independent director	Wu Chun-Lai	7	0	100%	
Independent director	Lorraine Yao	7	0	100%	
Independent director	Chu, Shih-Yi	5	0	100%	New appointment on June 7, 2024, with attendance at the meeting for 5 times.

Other information required:

I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act:

1. The 16th meeting of the 21st Board of Directors on March 12, 2024: Performance reward and punishment of each department and project.

Contents: The bonus is distributed to the managers and employees based on the performance of each department. Except for Chairperson, Hsu Cheng-Tsai recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.

2. The 16th board meeting by the 21st Board of Directors on March 12, 2024: Professional fees of the attesting CPAs.

Content: The Company's current appointed CPAs of Baker Tilly Clock & Co. The renewed appointment contract with Baker Tilly Clock & Co; the case has been discussed and approved by the Audit Committee on March 12. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

3. The 16th board meeting by the 21st Board of Directors on March 12, 2024: Proposal to adjust the ratio of endorsements/guarantees for the investment project of 950 Market Street, San Francisco.

Content: As the Mid-Market Center, LLC and Monkey Affairs, LLC are no longer able to repay CTBC Bank loans, the Continental Development Corporation made an independent investment on 3/1 and signed the first supplementary agreement to dilute its equity. As a result, the Company's provision for a loan guarantee of approximately 11.23% based on the investment ratio was adjusted to 11.24%. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

4. The 19th meeting of the 21st the Board of Directors on August 7, 2024: The performance appraisal and settlement of the production business division and the logistics center.

Content: The bonus is distributed to the managers and employees based on the semi-annual performance of each department. Except Hsu, Cheng-Tsai recusing himself, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director Wu, Chun-Lai.

5. The 19th board meeting by the 21st Board of Directors on August 7, 2024: Proposal to increase the investment limit to the subsidiary, FRG US Corp., and increase its capital.

Content: Approval for increasing the investment in FRG US by US\$5.5 million, i.e. from US\$32 million to US\$37.5 million, and the estimated capital increase is US\$5.32 million (the actual capital increase and schedule are based on the notice of capital increase by Trimosa and the operation of FRG US, but shall not exceed the investment amount). The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

6. The 19th board meeting by the 21st Board of Directors on 2024.08.07: Proposal where FRG US Corp. intended to increase the investment limit of Trimosa Holdings LLC. and increase the capital.

Content: The subsidiary, FRG US, intended to increase the investment in Trimosa by US\$5.5 million, i.e. from US\$28 million to US\$33.5 million. It is estimated that the capital increase will be about US\$5.12 million (the actual capital increase and schedule are based on the notice of capital increase by TRIMOSA, but it shall not exceed the investment amount). The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

7. The 20th board meeting by the 21st Board of Directors on November 8, 2024: Proposal to adjust the endorsements/guarantees for the investment project of 950 Market Street, San Francisco.

- Content: Due to the purchase of the equity of Joy, the Company will make loan guarantee based on the investment ratio 14.56%. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
8. The 20th meeting of the 21st Board of Directors on November 8, 2024: Proposal to evaluate the independence and competence of the attesting CPAs.
- Content: After assessing that the Company's CPAs still meet the Company's criteria for independence and competence, the Company's CPAs are qualified to perform the Company's certification business. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
9. The 20th board meeting by the 21st Board of Directors on November 8, 2024: The establishment of the internal control system for the management of sustainable information of the Company.
- Content: According to the Order of the Financial Supervisory Commission Jin-Guan-Zheng-Zi No. 1130381962, the Company has established a new internal control system, CM-20 "Management of Sustainable Information", which regulates the scope of application for sustainable information management, responsible units, operating procedures, key control points. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
10. The 20th meeting of the 21st Board of Directors on November 8, 2024: Amendment to the Company's authorization and internal control system of investment.
- Content: The Taiwan Stock Exchange Corporation conducted a substantial review of the Company's internal control system in 2024, and issued a letter on April 26, 2024 requiring the Company to correct the deficiencies of investment cycles. Therefore, the Company's "Investment Cycles" and "Decision Making Authority Table" are proposed to be amended. After the chair consulted all the directors present, the proposal was approved unanimously by all directors attending the meeting without objections, and the amended proposal was sent to the next Board of Directors for discussion.
11. The 20th board meeting by the 21st Board of Directors on November 8, 2024: Proposal to amend some provisions of the "Procedures for the Acquisition or Disposal of Assets".
- Content: The Taiwan Stock Exchange Corporation conducted a substantial review of the Company's internal control system in the current year (2024), and issued a letter on April 26, 2024 requiring the Company to correct the deficiencies such as investment cycle. Therefore, the Company plans to amend the procedures for the acquisition or disposal of assets. After the chair consulted all the directors present, the proposal was approved unanimously by all directors attending the meeting without objections, and the amended proposal was sent to the next Board of Directors for discussion.
12. The 21st board meeting by the 21st Board of Directors on December 27, 2024: Proposal of performance bonus for 2024 stock investment project.
- Content: The Company has reached the performance of stock investment in 2024, so the performance bonus is distributed. Except Chairperson, Hsu, Cheng-Tsai, and Director, Hsu, Cheng-Ji, Hsu, Cheng-Hsin, and Chu, Lung-Tsung recusing themselves, the proposal was approved by the remaining directors unanimously, and the independent directors expressed no other opinions.
13. The 21st meeting of the 21st Board of Directors on December 27, 2024: Change in land category of the Soil and water conservation project for land lot 964, Changhua Section, Longtan District.
- Content: The land expansion project for Taoyuan Factory is a land change project. As the site is located in a mountain slope, a soil and water conservation plan is required according to the regulations. The contractor for this project is Ying-Cheng Construction, and the responsible person, Mr. Kun-Rung Lin, is a director of the Company. This project is a related party transaction. According to the Company's Procedures for Acquisition or Disposal of Assets, the relevant information of this case shall be submitted to the Audit Committee and the Board of Directors for approval before signing the transaction contract. Except for Director Lin Kun-Rung recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
14. The 21st board meeting by the 21st Board of Directors on December 27, 2024: Proposal of additional warehouse construction for the new warehouse construction in Zone A, Longtan Smart Park.
- Content: The warehouse of Zone A of the Longtan Smart Park, built by Yingcheng Construction, is expected to be completed soon. The design drawings have been changed and additional applications for the green building (copper grade) have been filed. Therefore, the Company proposed to add additional construction fee, which will be calculated based on the unit price in the contract. Except for Director Lin Kun-Rung recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
15. The 21st meeting of the 21st Board of Directors on December 27, 2024: Amendment to the Company's authorization and internal control system of investment.
- Content: The Taiwan Stock Exchange Corporation conducted a substantial review of the Company's internal control system in 2024, and issued a letter on April 26, 2024 requiring the Company to correct the deficiencies of investment cycles. Therefore, the Company's "Investment Cycles" and "Decision Making Authority Table" are proposed to be amended. The review for this case was completed by Deloitte Taiwan. After the chair consulted all the directors present, the proposal was approved unanimously by all directors attending the meeting without objections, and the amended proposal was sent to the next Board of Directors for discussion.
16. The 21st board meeting by the 21st Board of Directors on December 27, 2024: Proposal to amend some provisions of the "Procedures for the Acquisition or Disposal of Assets".
- Content: The Taiwan Stock Exchange Corporation conducted a substantial review of the Company's internal control system in the current year (2024), and issued a letter on April 26, 2024 requiring the Company to correct the deficiencies such as investment cycle. Therefore, the Company plans to amend the procedures for the acquisition or disposal of assets. The review for this case was completed by Deloitte Taiwan. After the chair consulted all the directors present, the proposal was approved unanimously by all directors attending the meeting without objections, and the amended proposal was sent to the next Board of Directors for discussion.
17. The 22nd meeting of the 21st Board of Directors on March 11, 2025: Lift the non-compete restriction on newly appointed directors and their representatives.

	<p>Content: According to Article 209 of the Company Act, the regulations stipulate that "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to a shareholders meeting the essential contents of such an act and secure its approval." In order to make use of the special expertise and relevant experience of the Company's directors to complete the Company's various businesses, it is proposed to the shareholders meeting to approve the removal of the non-competition restriction on the directors elected at the 2025 general shareholders' meeting and their representatives. Except Chairman <u>Hsu Zhen-Tsai</u>, director <u>Hsu Zhen-Ji</u>, representative of Quanxinfeng Co., Ltd., director <u>Hsu Zhen-Xin</u>, representative of Ruifu Construction Co., Ltd., director <u>Hsu Wei-zhi</u>, representative of Hohe Construction Co., Ltd., Director <u>Lin Kun-Rong</u>, recusing themselves, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Chu, Lung-Tsung</u> as appointed.</p>
	<p>18.The 22nd meeting of the 21st Board of Directors on March 11, 2025: 2024 Performance reward and punishment of each department and project.</p> <p>Content: The bonus is distributed to the managers and employees based on the annual performance of each department. Except <u>Hsu, Cheng-Tsai</u> recusing himself, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Chu, Lung-Tsung</u> as appointed.</p>
	<p>19.The 22nd board meeting by the 21st Board of Directors on March 11, 2025: Renovation work for the Longtan R&D Building.</p> <p>Content: R&D Building 1st Floor Reconstruction to meet the needs of the logistics warehouse operation environment, and provide customers with storage requirements, to increase operating revenue. The tender winner of the project is Ying-Cheng Construction, whose person in charge is <u>Lin Kun-Rung</u>, a director of the Company, so this project was a related person transaction. Except for <u>Director Lin Kun-Rung</u> recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.</p>
	<p>20.The 22nd board meeting by the 21st Board of Directors on March 11, 2025: Professional fees of the attesting CPAs.</p> <p>Content: According to Article 14-5 of the Securities and Exchange Act, "The appointment, dismissal or remuneration of the CPAs" shall be approved by more than one-half of the members of the Audit Committee and submitted to the Board of Directors for resolution. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.</p>
	<p>21.The 22nd board meeting by the 21st Board of Directors on March 11, 2025: Proposal to amend some provisions of the "Procedures for the Acquisition or Disposal of Assets".</p> <p>Content: In order to accommodate the actual operation of the Company's internal governance, it is proposed to amend the Company's procedures for acquisition or disposal of assets. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.</p>
	<p>22.The 22nd meeting of the 21st Board of Directors on March 11, 2025: Establishing the "Procedures for Loaning Funds to Others" for the subsidiary, FRG US Corp..</p> <p>Content: According to Article 36-1 of the Securities and Exchange Act and Article 10 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", if a subsidiary of a public company intends to make loans to others, the public company shall instruct it to formulate its own Procedures for Loaning Funds to Others in accordance with these Regulations, and it shall comply with the Procedures when loaning funds. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.</p>
	<p>23.The 22nd board meeting by the 21st Board of Directors on March 11, 2025: FRG loan to subsidiary FRG US Corp..</p> <p>Content: The Company intends to have the loaning of funds to the subsidiary, FRG US, not exceeding US\$3.15 million, for a period of one year, with an interest rate of 4.31%, and the interest is paid either monthly or in lump sum before settlement after approval from the board of directors. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.</p>
	<p>24.The 22nd meeting of the 21st Board of Directors on March 11, 2025: Loaning Funds to Others by the subsidiary, FRG US Corp..</p> <p>Content: The subsidiary, FRG US Corp., intends to loan the funds of less than US\$3.15 million for a period of one year in accordance with the terms of this case. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.</p>
(II)	Any other documented objections or qualified opinions raised by independent directors against board resolutions in relation to matters other than those described above: None
II.	For the implementation and state of directors' recusal for conflicts of interests, the directors' name, topic discussed, reasons for the required recusal, and participation in the voting process:
	<p>1. The 16th meeting of the 21st Board of Directors on March 12, 2024: Performance reward and punishment of each department and project.</p> <p>Contents: The bonus is distributed to the managers and employees based on the performance of each department. Except for <u>Chairperson, Hsu Cheng-Tsai</u> recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.</p>
	<p>2. The 19th meeting of the 21st the Board of Directors on August 7, 2024: The performance appraisal and settlement of the production business division and the logistics center.</p> <p>Content: The bonus is distributed to the managers and employees based on the semi-annual performance of each department. Except <u>Hsu, Cheng-Tsai</u> recusing himself, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Wu, Chun-Lai</u>.</p>
	<p>3. The 21st board meeting by the 21st Board of Directors on December 27, 2024: Proposal of performance bonus for 2024 stock investment project.</p> <p>Content: The Company has reached the performance of stock investment in 2024, so the performance bonus is distributed. Except <u>Chairperson, Hsu, Cheng-Tsai</u>, and Director, <u>Hsu, Cheng-Ji</u>, <u>Hsu, Cheng-Hsin</u>, and <u>Chu, Lung-Tsung</u> recusing themselves, the proposal was approved by the remaining directors unanimously, and the independent directors expressed no other</p>

	<p>opinions.</p> <p>4. The 21st meeting of the 21st Board of Directors on December 27, 2024: Change in land category of the Soil and water conservation project for land lot 964, Changhua Section, Longtan District.</p> <p>Content: The land expansion project for Taoyuan Factory is a land change project. As the site is located in a mountain slope, a soil and water conservation plan is required according to the regulations. The contractor for this project is Ying-Cheng Construction, and the responsible person, <u>Mr. Kun-Rung Lin</u>, is a director of the Company. This project is a related party transaction. According to the Company's Procedures for Acquisition or Disposal of Assets, the relevant information of this case shall be submitted to the Audit Committee and the Board of Directors for approval before signing the transaction contract. Except for <u>Director Lin Kun-Rung</u> recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.</p> <p>5. The 21st board meeting by the 21st Board of Directors on December 27, 2024: Proposal of additional warehouse construction for the new warehouse construction in Zone A, Longtan Smart Park.</p> <p>Content: The warehouse of Zone A of the Longtan Smart Park, built by Yingcheng Construction, is expected to be completed soon. The design drawings have been changed and additional applications for the green building (copper grade) have been filed. Therefore, the Company proposed to add additional construction fee, which will be calculated based on the unit price in the contract. Except for <u>Director Lin Kun-Rung</u> recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.</p> <p>6. The 22nd meeting of the 21st Board of Directors on March 11, 2025: Lift the non-compete restriction on newly appointed directors and their representatives.</p> <p>Content: According to Article 209 of the Company Act, the regulations stipulate that "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to a shareholders meeting the essential contents of such an act and secure its approval." In order to make use of the special expertise and relevant experience of the Company's directors to complete the Company's various businesses, it is proposed to the shareholders' meeting to approve the removal of the non-competition restriction on the directors elected at the 2025 general shareholders' meeting and their representatives. Except Chairman <u>Hsu Zhen-Tsai</u>, director <u>Hsu Zhen-Ji</u>, representative of Quanxinfeng Co., Ltd., director <u>Hsu Zhen-Xin</u>, representative of Ruifu Construction Co., Ltd., director <u>Hsu Wei-zhi</u>, representative of Hohe Construction Co., Ltd., Director <u>Lin Kun-Rong</u> recusing themselves, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Chu, Lung-Tsung</u> as appointed.</p> <p>7. The 22nd meeting of the 21st Board of Directors on March 11, 2025: 2024 Performance reward and punishment of each department and project.</p> <p>Content: The bonus is distributed to the managers and employees based on the annual performance of each department. Except <u>Hsu, Cheng-Tsai</u> recusing himself, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Chu, Lung-Tsung</u> as appointed.</p> <p>8. The 22nd board meeting by the 21st Board of Directors on March 11, 2025: Renovation work for the Longtan R&D Building.</p> <p>Content: R&D Building 1st Floor Reconstruction to meet the needs of the logistics warehouse operation environment, and provide customers with storage requirements, to increase operating revenue. The tender winner of the project is Ying-Cheng Construction, whose person in charge is <u>Lin Kun-Rung</u>, a director of the Company, so this project was a related person transaction. Except for <u>Director Lin Kun-Rung</u> recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.</p>
III.	For the disclosures of the cycles and periods, scopes, methods, and descriptions of the appraisal of the Board of Directors, please refer to (II) Evaluation of the Board of Directors
IV.	<p>Measures the objectives to strengthen the functionality of the Board (e.g. establish an Audit Committee, enhance information transparency) and execution status in the current year and the recent years:</p> <p>The Company's Board of Directors had 7 board meetings in the year. Important agendas are announced on the MOPS, making information public.</p>

Note 1: If a director is a juristic person, please disclose the name of the juristic person shareholder and their representative.

Note 2: (1) If a director resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) If there is a re-election of a director before the end of the year, the new and old independent directors must be stated, and indicate if such independent director is old, new, or re-elected, as well as the re-election date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Board of Directors' meetings held during active duty and the number of actual (proxy) attendance.

(II) Evaluation of the Board of Directors:

Evaluation cycles	Evaluation periods	Evaluation scope	Evaluation method	Evaluation content		
Internal performance evaluation: implemented once per year.	January 1, 2024 to December 31, 2024	Including the performance evaluation of overall and individual board members and functional committees.	The internal self-evaluation is adopted.	Evaluation is described as the following:		
				1. Board of Directors' Performance Self-Assessment:		
				Self-assessment 5Major Aspect	Questions	Score
				A. Participation in the operation of the company;	12 questions	26.5
				B. Improvement of the quality of the board of directors' decision making;	12 questions	26.4
				C. Composition and structure of the board of directors;	7 questions	15.2
				D. Election and continuing education of the directors; and	7 questions	15.0
				E. Internal control.	7 questions	15.5
				Total	45 questions	98.6
				The KPI of the Board of Directors comes in five dimensions covering 45 items; scoring at 98.6 shows that the Board of Directors is functioning well and met the requirements of corporate governance.		
				2. Board Member's Performance Self-Assessment:		
				Self-assessment 6 Major Aspect	Questions	Score
				A. Alignment of the goals and mission of the company;	3 questions	13.1
				B. Awareness of the duties of a director;	3 questions	13.0
				C. Participation in the operation of the company;	8 questions	34.5
				D. Management of internal relationship and communication;	3 questions	13.0
				E. The director's professionalism and continuing education	3 questions	13.0
				F. Internal control.	3 questions	13.1
				Total	23 questions	99.7
				The KPIs of board member come in six dimensions covering 23 indicators; scoring at 99.7 shows that directors are performing with efficiency and effect and is contributing to FRG.		
				3. Self performance evaluation by the functional committees:		
				(1) Self performance evaluation of the Remuneration Committee		
				Self-assessment 5Major Aspect	Questions	Score
				A. Participation in the operation of the company;	4 questions	20.0
				B. Awareness of the duties of the Remuneration Committee	5 questions	24.5
				C. Improvement of quality of decisions made by the Remuneration Committee	6 questions	29.5
				D. Makeup of the Remuneration Committee and election of its members	3 questions	14.7
E. Internal control.	1 questions	5.0				
Total	19 questions	93.7				
The KPIs of the of the Remuneration Committee in five dimensions covering 19 indicators; scoring at 93.7 shows that directors are performing with efficiency and effect and is contributing to FRG.						
Evaluation	Evaluation	Evaluation	Evaluation	Evaluation content		

cycles	periods	scope	method			
Internal performance evaluation: implemented once per year.	January 1, 2024 to December 31, 2024	Including the performance evaluation of overall and individual board members and functional committees.	The internal self-evaluation is adopted.	(2) Self performance evaluation by the Audit Committee		
				Self-assessment 5Major Aspect	Questions	Score
				A. Participation in the operation of the company;	4 questions	17.4
				B. Awareness of the duties of the Audit Committee	6 questions	25.8
				C. Improvement of quality of decisions made by the Audit Committee	7 questions	30.5
				D. Makeup of the Audit Committee and election of its members	3 questions	13.0
				E. Internal control.	3 questions	13.0
				Total	23 questions	99.7
				The Audit Committee performance indicators come in five dimensions covering 23 indicators; scoring at 99.7 shows that directors are performing with efficiency and effect and is contributing to FRG.		

(III) Operation and key tasks of the Audit Committee

Deliberation of the Audit Committee mainly include:

1. Fair presentation of the financial statements.
2. Assessment of the effectiveness of the internal control system.
3. Transactions involving material asset or derivatives trading.
4. Material monetary loans, endorsements, or provision of guarantees.
5. The offering, issuance, or private placement of any equity-type securities.
6. Compliance with the related laws and regulations.
7. Matters bearing on the personal interest of a director or supervisor.
8. Control of the existing or potential risks.
9. Appointment (dismissal) of CPAs and their independence and performance.
10. The hiring, dismissal or remuneration of an attesting certified public accountant.
11. The appointment or dismissal of a financial, accounting, or internal auditing officer.

Reviewing financial report.

The board of directors has prepared the business report, financial statements and profit distribution proposals of year 2024; the financial statements have been audited by Baker Tilly Clock and Co.; the latter issued audit report as well. The aforesaid business report, financial statements and the motion for earnings distribution have been reviewed by the Audit Committee and deemed no inconsistency.

The Audit Committee held 6 meetings (A) in the period from 2024.01.01 to 2025.03.11; see below for attendance of independent directors:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A) (Note)	Remarks
Independent director a	Lorraine Yao	6	0	100%	
Independent director b	Wu Chun-Lai	6	0	100%	
Independent director c	Chu, Shih-Yi	4	0	100%	Mr. Chu, Shih-Yi was newly elected on June 7, 2024, and should attend the meeting for 4 times during his tenure.

Other information required:

I. Operation of the Year

Meeting date of the Audit Committee	Motion content and follow-up	Objection, reservation, or material recommendations by independent directors	The matters referred to in Article 14-5 of the Securities and Exchange Act	Resolution(s) not passed by the Audit Committee but receiving the consent of two thirds of the Board of Directors	Responses to recommendation by the audit committee
The 2nd term 12th meeting 2024.03.12	1. Annual business report and financial statements 2023.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal of the 2023 cash dividends paid from earning distribution.				
	3. Proposal of the Company’s 2023 Earnings Distribution Table.				
	4. Professional fees of the attesting CPAs.				
	5. 2023 internal control system statement.				
	6. Changes to the ratio of endorsements/guarantees for the investment project of 950 Market Street, San Francisco.				
	Resolution by the audit committee on March 12, 2024: passed without objection from all members of the Audit Committee.				
The 2nd term 13th meeting 2024.05.07	1. Consolidated financial report of Q1 2024.	None	v		Passed as proposed without objection from directors present at the meeting
	Resolution by the audit committee on 2024.05.07: passed without objection from members present at the meeting				
The 2nd term 14th meeting 2024.08.07	1. Consolidated financial report of Q2 2024.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal to increase the investment limit of the subsidiary FRG US Crop. and increase its capital.				
	3. Proposal where FRG US Crop. the intended to increase the investment limit of Trimosa holdings LLC. and increase the capital.				
	Resolution by the audit committee on August 7, 2024: passed without objection from all members of the Audit Committee.				
The 2nd term 15th meeting 2024.11.08	1. Consolidated financial report of Q3 2024.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Changes to endorsements/guarantees for the investment project of 950 Market Street, San Francisco				
	3. Proposal of independence and competence assessment for attesting CPA.				
	4. Establishment of the internal control system for the management of sustainable information.				
	5. Amendment to the Company’s decision-making authority and investment cycle internal control system.				
	6. Proposal to amend the Procedures for Asset Acquisition and Disposal				
	Resolution by the audit committee on 2024.11.08: passed without objection from members present at the meeting				

The 2nd term 16th meeting 2024.12.27	1. Proposal of 2025 audit plan.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Change in land category of the Soil and water conservation project for land lot 964, Changhua Section, Longtan District.				
	3. Additional warehouse construction project in Longtan Smart Park Zone A.				
	4. The de-recognition and scrap of some of the Company's assets.				
	5. Amendment to the Company's decision-making authority and investment cycle internal control system.				
	6. Proposal to amend the Procedures for Asset Acquisition and Disposal				
	Resolution by the audit committee on 2024.12.27: passed without objection from members present at the meeting				
The 2nd term 17th meeting 2025.03.11	1. Annual business report and financial statements 2024.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal of the 2024 cash dividends paid from earning distribution.				
	3. Proposal of the Company's 2024 Earnings Distribution Table.				
	4. Longtan R&D Building renovation project				
	5. Professional fees of the attesting CPAs.				
	6. 2024 internal control system statement.				
	7. Proposal to amend the Procedures for Asset Acquisition and Disposal				
	8. Formulation of the "Procedures for Loaning Funds to Others" of the subsidiary, FRG US Crop..				
	9. Proposal to loan to subsidiary FRG US Crop..				
	10. Loaning of funds to others by the subsidiary, FRG US Crop..				
Resolutions by the Audit Committee on 2025.03.11 passed without objection from members present at the meeting.					
II. For the implementation and state of independent directors' recusal for conflicts of interests, the independent directors' name, topic discussed, reasons for the required recusal, and participation in the voting process: none.					
III. Communication between the independent directors and internal auditing officers and CPAs (including the material matters related to the company's finance and business, approaches and results):					
(1)					
Date	Communicated matter	Communication result			
2024/03/12	Report of the results of audit in February, 2024. Recommendations by independent directors: None.	The Audit Office has completed the audit and provided the related information to the internal control department of the Taiwan Stock Exchange for internal control inspection.			
2024/05/07	Report of the results of audit in April 2024. Recommendations by independent directors: None.	The audit office has completed the audit plan successfully.			
2024/08/07	Report of the results of audit in August 2024. Recommendations by independent directors: None.	The Audit Office has completed the audit operation. In addition, deficiencies in internal control will be amended by the Administration Department one by one.			
2024/11/08	Report of the results of audit in October 2024. Recommendations of independent directors: none	The audit office has improved the contents of the audit report as recommended by independent directors. The audit office has no relevant units to provide related information as soon as possible.			
2024/12/27	Report of the results of audit in November 2024. Recommendations of independent directors: none	The audit office has completed the audit plan successfully.			
(2) Policy report of the communication between independent directors, the CPAs and internal auditing officers					
Date	Communicated matter	Communication result			
2024/09/18	See below for two-way communication on corporate governance matters: 1. 2024 Q2 Independent Auditors' Review Report 2. Description of AQI. 3. Focus of recent regulatory updates. 4. Implementation of IFRS Sustainability Disclosure Standards. 5. The internal control system or regulations to be established or amended. 6. Others.	1. Noted, and no other comments. 2. Noted, and no other comments. 3. The Company shall comply with the law and shall consult with the public and shall not have any other opinions. 4. Please continue to track and follow the regulations of the competent authority. 5. To be handled in accordance with the regulations of the competent authority. Please submit to the Board of Directors for approval. 6. Please continue to track and take appropriate actions.			

Note:

- * If an independent director resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during the term of the Audit Committee and the number of meetings actually attended during active duty.
- * If there is a re-election of an independent director before the end of the year, the new and old independent directors must be stated, and indicate if such independent director is old, new, or re-elected, as well as the re-election date. The percentage of actual (proxy) attendance

(%) will be calculated based on the number of Audit Committee meetings held during active duty and the number of actual (proxy) attendance.

(IV) Corporate governance execution status and deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies":

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
I. Whether The Company establishes and discloses its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has passed the "Rules of Corporate Governance" on the 8th session of the 20th Board held on March 20, 2020 and it has been disclosed on the Company's website.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
II. Equity structure and shareholders' equity				
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		(I) The Company has established stock personnel and legal affairs personnel to handle shareholders' proposals, disputes, and litigation matters, and these matters are enforced according to procedures.	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		(II) The Company has established stock affairs unit and stock affairs agency that can get hold of the list of the ultimate controllers of the major shareholders.	(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		(III) The Company has established internal rules and internal control system of relevant legal mechanism in compliance with the laws and regulations and has enforced the rules accordingly. Aside from supervising important subsidiaries to establish internal control system as required by Article 3 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies," the Company also reviews its own and the important subsidiaries' internal and external changes to thoroughly enforce risk control and firewall mechanism.	(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		(IV) In compliance with the Company's "Procedures for Handling Material Inside Information" to regulate material inside information and disclosure mechanism to avoid improper disclosure and ensure that the information disclosed by the Company is consistent and positive. Prevention of insider trading will also be strengthened.	(IV) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
III. The Composition of the Board of Directors and Their Duties				
(I) Does the board of directors formulate policies and specific management objectives for diversification and implement them accordingly?	✓		(I) The Company's Board of Directors currently has 9 directors and has adopted the nomination system. As the Board of Directors nominates candidates, aside from basic legal qualifications, they are also required to have knowledge and professional experience in terms of relevant business, law and industry in order to reach the goal of the implementation of diversified board members.	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
(II) Apart from the Remuneration Committee and Audit Committee, has the company assembled other functional committees at its own discretion?	✓		(II) The company has set up remuneration committee, audit committee and employee welfare committee; establishment of other functional committees will be determined in accordance with the Company Act at the discretion of FRG or its actual needs.	(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".
(III) As the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?	✓		(III) The company established the Regulations Governing the Board Performance Evaluation and its evaluation methods in the 8th meeting of Board of directors, 20th Term on March 20, 2020. The external board performance evaluation shall be executed by an external professional independent institution or an external team of scholars and experts once every three years. The outcomes of the performance evaluation is submitted to the meeting of Board of directors in the first quarter of the next year. In addition, it periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and	(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies".

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Is an external auditor's independence assessed on a regular basis?	✓		executive officers, and the recommendations are submitted to the meeting of Board of directors for discussion. (IV) The management department of the company will assess the independence of the attesting CPA annually, and report the results to the Audit Committee on November 8, 2024 and the Board of Directors on November 8, 2024. Mr. Lai Chia-Yu and Lai Yung-Ji, CPA of Baker Tilly Clock & Co., met FRG's independence criteria as assessed by the management department of FRG; they are qualified to serve as attesting CPA of the company. See P38-P40 (V) of annual report for shareholders' meeting for details of "independence assessment of the attesting CPA."	(IV) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
IV. Is the company a TWSE/TPEX listed company, and has the company designated an appropriate number of personnel that specialize (or are involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders meetings, preparation of board meeting and shareholders meeting minutes, etc)?	✓		The Board of Directors on May 11, 2021 company has passed the resolution to appoint Mr. Shi Mingde, Assistant Manager, as the director of corporate governance to protect the rights and interests of shareholders and strengthen the functions of the board of directors. Mr. Shi Mingde has more than three years of experience as an accounting supervisor in a TWSE listed company. The main responsibilities of the director of corporate governance are: take care of matters related to the board of directors and shareholders' meeting according to law, prepare minutes of the board of directors and shareholders' meeting, assist directors in their appointment and continuous education, provide directors with the information they need to execute their business, and assist directors to comply with laws and regulations.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
V. Does the Company establish mechanisms for communicating with stakeholders (including but not limited to stockholders, employees, customers and suppliers), and a stakeholder site on the company website to appropriately respond to material CSR topics they concern about?	✓		Aside from appointing dedicated personnel to handle stakeholder channels, the Company has also set up a stakeholder section on its website and responses accordingly to issues concerning stakeholders in terms of corporate social responsibility.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
VI. Has the company appointed a professional shareholders service agent to process the affairs related to shareholders' meetings?	✓		The Company has appointed Stock Agency Department of Taishin International Bank as stock agency to handle stock related affairs.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
VII. Information disclosure				
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		(I) The Company has set up a website to disclose information in relation to the Company's financial matters and businesses and is updated on a regular basis. The Company's website is .http://frg.com.tw	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		(II) The Company has a spokesperson and an acting spokesperson and has established a website in both traditional Chinese and English. A dedicated personnel has been assigned to collect company information and information disclosure. There is related company introduction, production introduction and its latest news on the Company's website	(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline.		✓	(III) The Company has published and reported financial reports and operating status for each month based on the regulations specified in the "List of Matters Required to Be Handled by Issuers of Listed Securities"; however, the Company has not been publicly announced and reported the financial report within two months after the end of the fiscal year. The Company announces and reports the financial statements of the first, second, and third quarter and monthly operations before deadlines as statutorily scheduled.	(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	✓		<p>(I) Employees' rights and benefits: The Company has reasonable salary system in accordance with the Labor Standards Act to protect the legal rights of employees.</p> <p>(II) Employees' care: The Company's various management rules are formulated based on the on the interests of employees and also purchases various types of insurance for employees such as health, nursing, employment, work injury and public welfare. The Company organizes annual health check-ups to protect employees.</p> <p>(III) Investor relations: The Company has a spokesperson and an acting spokesperson who are responsible for the Company's external communication; dedicated personnel has also been set up to disclose the Company's information on MOPs as required by the law.</p> <p>(IV) Supplier relations: The Company has exceptional supply relations with suppliers, reaching overall production cost optimization.</p> <p>(V) Rights of stakeholders: The Company maintains positive communication channels with stakeholders and respects and protects their legal rights. The Company also has a spokesperson and acting spokesperson system to handle issues and suggestions with regards to shareholders.</p> <p>(VI) Further training for directors: The Company's directors have participated in further training courses as required by the law. In the future, the Company will arrange suitable further training courses for directors in the future on an unscheduled basis.</p> <p>(VII) Implementation of risk management policy and risk assessment standards: Various internal rules internal control system have been formulated as required by the law, and the Company conducts various risk management and evaluation. The internal audit unit carries out inspection of the implementation of the internal control system on a regular basis or on an unscheduled basis.</p> <p>(VIII) Implementation of customer service policy: The Company has exceptional relations with customers and provides customer service based on various internal control measures. The "customer satisfaction" is treated as an important part of the quality policy.</p> <p>(IX) The Company purchases liability insurance for directors.</p>	<p>(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(IV) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(V) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(VI) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(VII) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(VIII) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p> <p>(IX) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".</p>
<p>IX. Please note progress of improvements made and propose remedial measures against those pending for improvements based on the corporate governance assessment report (2024) issued by the Corporate Governance Center of the TWSE:</p> <p>1. Does the Company have a unit that specializes (or is involved) in sustainability issues? Does the Company conducts risk assessments on environmental, social, or corporate governance issues related to company operations, and formulates relevant risk management policies or strategies based on the principle of materiality? Does the Board of Directors supervises the implementation of sustainability and the Company discloses such information on the Company's website and annual report? The Company has a unit that specializes (or is involved) in sustainability issues, and conducts risk assessments on environmental, social, or corporate governance issues related to company operations based on the principle of materiality, and formulates relevant risk management policies or strategies. The Board of Directors supervises the implementation of sustainability and the Company discloses such information on the Company's website and annual report.</p> <p>2. Has the Company established full-time (part-time) corporate integrity operation units responsible for supervising and implementing integrity management policies and prevention plan. Have the established</p>				

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
units' operational and implementation statuses been explained on the company's website and annual report and have they been reported to the board of directors at least once a year? The Company has established full-time (part-time) corporate integrity operation units responsible for supervising and implementing integrity management policies and prevention plan. The established units' operational and implementation statuses have been explained on the company's website and annual report, and they have been reported to the board of directors at least once a year.				

Note: Regardless of clicking “yes” or “no”, it should be explained in the summary field.

(V) Independence evaluation of CPAs

(1) Audit Quality Indicator (AQIs) Assessment:

(1) Audit Quality Indicator (AQIs) Assessment.								
Item number	Evaluation Item				Evaluation opinions			
1.	Do CPAs and their affiliated accounting firms have the necessary professionalism and management skills to carry out audits?				CPAs have nearly 20 years of auditing-related experience; thus, they have adequate auditing knowledge.			
	Sub-item indicators		Level of the case	Level of the accounting firm				
	(1-1-1) Inspection experience of CPAs (chief CPA)		7 years	18				
	(1-1-1) Inspection experience of CPAs (counter-signing CPA)		31 years	18				
	(1-1-2) Engagement quality control review (EQCR) accounting inspection experience		2 years	16.3 years				
	(1-1-3) Inspection experience of inspectors above managerial level (excluding CPAs)		8 years	21.1 years				
	Sub-item indicators			Level of the accounting firm				
	(1-2-1) Training hours for CPAs			51.9 hours				
	(1-2-2) Training hours for inspectors above managerial level (excluding CPAs).			48.3 hours				
	(1-3-1) Turnover rate of inspectors above managerial level (excluding CPAs)			5.6%				
	(1-4-1) Ratio of professionals in support of inspections by the Department			6.3%				
	(1-4-2) Number of hours spent by professionals in cases involving TWSE/TPEX listed companies			0.1%				
	2.	Are CPAs overburdened with work, and is the inspection team has appropriate involvement in various inspection stages?				The ratio of publicly offered companies with chief CPAs and counter-signing CPAs and the ratio of CPAs who can put in working hours are considered reasonable.		
		Dimensions	Sub-item indicators				Level of the case	Level of the accounting firm
		(2-1-1)	The number of publicly offered companies with CPAs serving as the chief CPA.				2 companies	3.4 companies
		The number publicly offered companies with CPAs serving as the chief CPA.		3 companies	3.4 companies			
(2-1-2)		Ratio of CPAs who can put in working hours-chief CPAs		19.75%	33.6%			
		Ratio of CPAs who can put in working hours-counter-signing CPAs		34.4%	33.6%			
Ratio of inspection hours		Level of the case inspected in 2022						
		CPA	Managerial officer	Inspector	Total			
Planning stage		4%	7%	21%	32%			
Implementation stage		5%	16%	47%	68%			
Total		9%	23%	68%	100%			
Ratio of inspection hours		Level of the accounting firm inspected in 2022						
		CPA	Managerial officer	Inspector	Total			
Planning stage		3.2%	6.7%	25.1%	35.0%			
Implementation stage		5.1%	11.0%	48.9%	65.0%			
Total	8.3%	17.7%	74.0%	100%				
3.	Do engagement quality control review (EQCR) CPAs put in sufficient hours to implement auditing case reviews and if accounting firms have sufficient quality control manpower to support their inspection teams?				The ratio of review hours among EQCR CPA accountants is equivalent to that of the accounting firm. Furthermore, the ratio of quality control personnel supporting the Audit Department is reasonable and sufficient to maintain the Company's audit quality.			
	Sub-item indicators		Level of the case	Level of the accounting firm				
	(2-3-1) Ratio of EQCR CPAs' review hours		0.6%	0.76%				
	Sub-item indicators			Level of the accounting firm				
	(2-4-1) Equivalent number of full-time quality control personnel			9.1				
	(2-4-2) Ratio of quality control personnel supporting the Auditing Department.			8.6%				

4.	If accounting firms and their affiliated businesses collect excessive non-audit service fees and if accounting firms provide financial reports and auditing services to the Company for an inordinately long period of time.			Although accounting firms have provided audit services to the Company for 30 years, CPAs have not provided audit services for more than seven years and non-audit fees do not account for more than 40%; thus, when CPAs and their affiliated accounting firms perform audit work, they can maintain independence and express their opinions fairly.
	Sub-item indicators		2022	2021
	(3-1) Ratio of audit cases of non-audit service fees		33.8%	32.13%
	Sub-item indicators			2022
	(3-2) Cumulative number of years of audit cases certifying annual financial reports at accounting firms		30 years	

(2) Independence and competence evaluation:

(2) Independence and competence evaluation.

Item number	Evaluation Item	Evaluation result	
		Yes/compliant	No/non-compliant
Independent evaluation			
1.	CPAs, their families (including spouses, persons living with CPAs, and minor children) and the Company have no direct or significant indirect financial interests.	✓	
2.	The accountant is not currently serving as a director, managerial officer or in a position that has a significant impact on audit cases and has not done so in the previous two years.	✓	
3.	The CPA is not a spouse, direct blood relative, direct relative by marriage, relative within the second degree or collateral relative by blood of the Company's directors, managerial officers, or personnel whose positions have a significant impact on audit cases.	✓	
4.	CPAs, their accounting firms and affiliated enterprises do not provide non-audit services that could jeopardize the Company's independence.	✓	
5.	There are no circumstances in which CPAs have provided audit services to the Company for seven consecutive years. (Note 3)	✓	
6.	In the previous year, the individual did not hold the position of director, managerial officer or other position with a significant impact on audit cases at the company.	✓	
7.	Do CPAs maintain an impartial and objective stance when implementing professional services to ensure that professional judgment is not influenced by bias, conflict of interest or vital interest.	✓	
Competence evaluation			
8.	Do CPAs and their affiliated accounting firms have the necessary professionalism and management skills to carry out audits?	✓	
9.	Do CPAs and their affiliated accounting firms possess adequate audit quality control competence?	✓	
10.	If CPAs have not received disciplinary action from the CPA Disciplinary Committee within the last two years.	✓	
11.	If CPAs timely complete the review or inspection of the Company's quarterly financial reports?	✓	

Note 1: When the above evaluation result is "no/not met," the situation should be described in detail to serve as a basis for determining the impact on independence and competence, as well as whether or not a CPA replacement is required.

Note 2: In accordance with Article 68 of the Standard for Quality Control No. 1 and Article 29 of the Corporate Governance Best-Practice Principles, in order to prevent long-term relationship with the CPAs for providing services to the Company, and the CPAs have become over-familiar with the Company's management and further lose their independence, it is clearly stipulated that CPAs must be replaced on a fixed period (no more than 7 years). Before 7 years of providing service to the same client is due, the CPAs must be changed from time to time.

Note 3: The rotation periods (7 years) for the Company's attesting CPAs is as below:

CPA	Period
Lai Chia-Yu	Q3 2023 to Q2 2030
Lai Yongji	Q1 2021 to Q4 2027

- (3) Following an initial evaluation, the Company's CPA independence and competence evaluation standards were met.

(VI) Composition, responsibilities and operation of the Remuneration Committee:

1. The Company has established the Remuneration Committee after passing the formulation of the "Remuneration Committee Charter" by the Board of Directors. The main duties of the Remuneration Committee are as follows and should submit suggestions to the Board of Directors for discussion.
 - (1) Establish and regularly review policies, system, standards and structures for performance evaluation and remuneration for directors and managerial officers.
 - (2) Regularly assess and set up the 2salary remuneration for directors and managerial officers.
2. The Company has appointed Wu Chun-Lai, Hsiao Sheng-Hsien, and Lorraine Yao as members of the Company's 5th Remuneration Committee on the first meeting of the 21st Board of Directors' meeting (June 14, 2022). It was proposed that the term of appointment should be June 14, 2022 to June 7, 2025, same as this board.
3. Mr. Sheng-Hsien Hsiao resigned as an independent director on July 1, 2023. Mr. Chi-Ji Lin was appointed as the new member of the Remuneration Committee in September of the same year.
4. The 5th Remuneration Committee held 13 meetings between June 14, 2022 and March 11, 2025 to assist the Board of Directors in implementing and evaluating the company's overall remuneration policies, as well as making recommendations to the Board of Directors.

Information on Remuneration Committee members

2025.04.15

Title (Note 1)	Conditions	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Member of the Remuneration Committee
	Name			
Convener	Wu Chun-Lai	<ul style="list-style-type: none"> Independent director, FRG (now) General Counsel, Jet-Go Consulting Group. Executive Director, Active Aging Association Taiwan (now) Manager and spokesman of the chairman's office, Farglory Group (in the past). He used to be the Executive Vice President of Heding Technology (in the past). Deputy General Manager, Hung Kuo Real Estate Development Corp. (in the past). Chair Professor, National Academy of Civil Service (in the past). Not under any circumstances set in Article 30 of the Company Act 	<p>Independence compliance</p> <ol style="list-style-type: none"> Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. In no circumstances he/she is compensated by FRG or its affiliated companies for business, legal, financial, accounting and other services rendered in the last two years. 	0
Member	Lorraine Yao	<ul style="list-style-type: none"> Independent director, FRG (now) Partner CPA of ShineWing International Former Audit Manager of KPMG Taiwan Not under any circumstances set in Article 30 of the Company Act 	<p>Independence compliance</p> <ol style="list-style-type: none"> Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” The independent director only holds 4,500 shares, and his/her spouse or blood relatives (or in the name of others) hold shares of FRG. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. ShineWing International, the accounting firm the independent director belongs to, had received no more than NT\$500,000 as the accumulated compensation in the most recent two years. 	0

Member	Lin Ying-Ji	<ul style="list-style-type: none"> · Currently a member of the Company's Remuneration Committee. · Currently an attorney in practice. · Former director of the Company's Legal Office and Finance Section. · Served as legal assistant managerial officer of Howarm United Industries Co., Ltd. · Served as legal assistant managerial officer of Kingland Property Corporation Ltd. · Not under any circumstances set in Article 30 of the Company Act 	Independence compliance 1. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 2. In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. 3. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. 4. In no circumstances he/she is compensated by FRG or its affiliated companies for business, legal, financial, accounting and other services rendered in the last two years.	0
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Note 1: Please profile members of the remuneration committee including relevant working years, professional qualifications and experience and independence in the form; regarding those being independent directors, add remark "please refer to Table 1 at page 22 of directors and supervisors Information form (I)". Regarding the "Role" cell: fill in "independent director" or other data (for conveners, remark them accordingly).

Note 2: Professional qualifications and experience: note these data of individual compensation committee members.

Note 3: Compliance with independence: note remuneration committee members' compliance with independence including but not limited to: circumstance of he/she and his/her spouse, or relatives within the second degree of kinship being directors, supervisors or employees of FRG or its affiliated companies; shares and portion of shares hold by he/she and his/her spouse, or relatives (or in name of others); being directors, supervisors, or employees of companies having specific relationship with FRG (see Article 6, paragraph 1, subparagraph 5 ~ 8 of the 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); the amount of remuneration received for providing business, legal, financial, accounting and other services to FRG or its affiliates in the last two years.

Information on the Operation of the Remuneration Committee

- I. The Company's Remuneration Committee is comprised of 3 members.
- II. The term of the current members: June 14, 2022 to June 7, 2025. The Remuneration Committee convened five meetings (A) from January 1, 2024 to March 11, 2025; qualifications and attendance of members are:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A) (Note)	Remarks
Convener	Wu Chun-Lai	5	0	100%	
Member	Lorraine Yao	5	0	100%	
Member	Lin Ying-Ji	5	0	100%	
Other information required: I. If the board of directors defy or amend the recommendations by the remuneration committee, note down date of the meeting, term of the board, the content of the proposal, the resolution of the board of directors, and measures taken by FRG against the recommendations made; (if the package approved by the board is better than that of the remuneration committee, give variations' value and reasons): none, see page 43 for details. II. If with respect to any resolution of the remuneration committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, including meeting date, term of the committee, the content of the proposal, the measures taken by FRG for the said members and their recommendation: none, see page 43 for details.					

- Note: (1) If a member of the Remuneration Committee resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during the term of the Remuneration Committee and the number of meetings actually attended during active duty.
- (2) If there is a re-election of the Remuneration Committee before the end of the year, the new and old members of the Remuneration Committee must be stated, and indicate if such member is old, new, or re-elected, as well as the re-election date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Remuneration Committee meetings held during active duty and the number of actual (proxy) attendance.

III. Other information required:

1. Motion contents and resolution results of the Remuneration Committee

Meeting date of the Remuneration Committee	Motion content	Objections, reservations or material recommendations	Resolution result	The Company's handling of the Remuneration Committee's opinions
The 5th meeting of the 9th Remuneration Committee (March 12, 2024)	1. Remuneration of directors and remuneration distribution of employees (2023). 2. Dragon boat festival bonus (2024) of FRG and Banjian subsidiary. Section Longtan, Taoyuan.” 3. Motion of performance, reward and punishment for each department and project in 2023 (presented by each unit).	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 10th meeting of the 5th Remuneration Committee (May 7, 2024)	1. Proposal to re-appoint consultants of the Company's subsidiary Banjian Development Co., Ltd.	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 11th meeting of the 5th Remuneration Committee (August 7, 2024)	1. 1. The semi-annual settlement of the performance reward and punishment case of the Production Division and Logistics Center.	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 12th meeting of the 5th Remuneration Committee (December 27, 2024)	1. Proposal for year-end bonus (2024). 2. Proposal for year-end bonus (2024) of the subsidiary, Banjian. 3. Proposal for remuneration of associate vice-president, manager, vice manager and assistant managerial officer level (2025). 4. Proposal of Performance Bonus for Stock Investment Project in 2024. 5. Proposal of appointment and remuneration of the Company's advisors (2025)	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 13th meeting of the 5th Remuneration Committee (March 11, 2025)	1. Remuneration of directors and remuneration distribution of employees (2024). 2. Dragon boat festival bonus (2025) of FRG and Banjian subsidiary. 3. Motion of performance, reward and punishment for each department and project in 2024.	None.	Approved by all attending members as proposed without dissent, and submitted to the board of directors for resolution.	Approved by all attending directors as proposed without dissent.

2. If the Board of Directors declines to adopt or modify a recommendation of the Remuneration Committee, the date, session, topic discussed and the resolution of the Board meeting and handling of the resolution of the Remuneration Committee shall be specified (if the compensation package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.
3. As to the resolution of the Remuneration Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.
4. Information and operation of the members of the nomination committee: FRG has no nomination committee as of now, FRG is expected to set up one in coming years.

(VII) Progress in practicing sustainable development; status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies:

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
I. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (or acting) unit to promote sustainable development, authorize the senior management to act accordingly, and status of supervision by the board of directors?	✓		<p>The Company has established the "Sustainable Development Team" to take charge of promoting the annual goals for all ESG aspects, tracking and reviewing the implementation results of various aspects of ESG, and greenhouse gas inventory. The chairman serves as the convener of the team, the president serves as the deputy convener, and the associate vice president and advisors serve as members. The team selects one secretary general and one secretary to take charge of the communications and coordination of the team's duties, and the compilation and provision of the information related the team's duties. The tasks forces include the operation governance team, sustainable manufacturing team, and social care team.</p> <p>1. Operation governance team: assisting in the improvement and implementation of the internal control system of the Company, and integrating relevant departments to formulate various corporate governance-related regulations and systems, while establishing a high-quality team and learning-type organization to improve business performance.</p> <p>2. Sustainable manufacturing team: promoting product innovation, research and development technologies, managing the Company's tasks of environmental protection, waste, safety and health, energy-saving, water-saving and greenhouse gas, while enhancing the sustainable competitiveness.</p> <p>3. Social care team: in charge of maintaining labor-management relations, planning various remuneration and benefits for employees, and providing a diverse and competitive incentive system to attract and develop outstanding talents. It also promotes communication with external communities and society, and works with the Formosan Rubber Charity Foundation to promote social welfare activities and charity donations. The "Sustainable Development Team" reports to the Board on ESG implementation and development direction recommendations, to ensure that the Company's daily operations incorporate the concept of sustainable management at least once a year. At least once a year, the company's board of directors hears the operating team's report (including ESG reports). The management level must propose company strategies to the board; the board must assess the likelihood of these strategies' success and regularly inspect the implementation of strategies. When necessary, it will prompt the management team to make adjustments.</p>	Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)	✓		<p>1. The Company shall conduct a detailed assessment and classification of environmental, social and corporate governance issues related to its operations for effective management and control based on the principle of materiality and establish relevant policies, strategies or operating procedures, while disclosing such in the sustainability report in accordance with the corporate governance 3.0-sustainable roadmap, GRI, and TCFD related regulations.</p> <p>2. The Company's "Sustainable Development Team" will carry out an analysis based on the principle of materiality in the sustainability report, as well as communicate with interested parties. Furthermore, the ESG majority issues are evaluated by inspecting domestic and foreign research reports, literature and integrating department and subsidiary evaluation data. This enables the establishment of effective risk identification, measurement, evaluation, supervision and control procedures, as well as the implementation of specific action plans to mitigate the effects of related risks.</p> <p>3. Based on the identified risks after an evaluation, the following risk management policies</p>	Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Item		Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies										
		Yes	No	Summary											
				<div>or strategies are as follows:</div> <table><tr><th>Major issues</th><th>Risk assessment items</th><th>Description of policies or strategies</th></tr><tr><td rowspan="3">Corporate governance</td><td>Social, economic, and legal compliance</td><td>1. Establish governance organizations and implement internal control mechanisms to ensure all the personnel in the Company and operations are in compliance with related laws and regulations. 2. The products researched and developed by the Company have applied for patents to protect the Company's rights.</td></tr><tr><td>Strengthen board functionality.</td><td>1. Plan relevant training topics for the board and provide it with the most recent regulations, system development and policies every year. 2. Acquire liability insurance for the board to shield them against lawsuits or claims for reimbursement.</td></tr><tr><td>Communication with interested parties.</td><td>1. Every year, the Company analyzes important issues that are important and concerning to them in order to prevent interested parties and the Company from taking opposing positions, resulting in misunderstandings and operating or lawsuit risks. 2. Set up multiple communication channels and actively communicate to reduce opposition and misunderstandings. Establish an investor mailbox that will be tended to by a spokesperson who will also be responsible for answering questions.</td></tr></table>	Major issues	Risk assessment items	Description of policies or strategies	Corporate governance	Social, economic, and legal compliance	1. Establish governance organizations and implement internal control mechanisms to ensure all the personnel in the Company and operations are in compliance with related laws and regulations. 2. The products researched and developed by the Company have applied for patents to protect the Company's rights.	Strengthen board functionality.	1. Plan relevant training topics for the board and provide it with the most recent regulations, system development and policies every year. 2. Acquire liability insurance for the board to shield them against lawsuits or claims for reimbursement.	Communication with interested parties.	1. Every year, the Company analyzes important issues that are important and concerning to them in order to prevent interested parties and the Company from taking opposing positions, resulting in misunderstandings and operating or lawsuit risks. 2. Set up multiple communication channels and actively communicate to reduce opposition and misunderstandings. Establish an investor mailbox that will be tended to by a spokesperson who will also be responsible for answering questions.	
Major issues	Risk assessment items	Description of policies or strategies													
Corporate governance	Social, economic, and legal compliance	1. Establish governance organizations and implement internal control mechanisms to ensure all the personnel in the Company and operations are in compliance with related laws and regulations. 2. The products researched and developed by the Company have applied for patents to protect the Company's rights.													
	Strengthen board functionality.	1. Plan relevant training topics for the board and provide it with the most recent regulations, system development and policies every year. 2. Acquire liability insurance for the board to shield them against lawsuits or claims for reimbursement.													
	Communication with interested parties.	1. Every year, the Company analyzes important issues that are important and concerning to them in order to prevent interested parties and the Company from taking opposing positions, resulting in misunderstandings and operating or lawsuit risks. 2. Set up multiple communication channels and actively communicate to reduce opposition and misunderstandings. Establish an investor mailbox that will be tended to by a spokesperson who will also be responsible for answering questions.													
III. Environmental Issues															
(I)	Does the company have an appropriate environmental management system established in accordance with its industrial character?	✓		(I) FRG is implementing the environmental management system (ISO14001) to perfect the system and enhance safety, health and environmental management.	Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies										
(II)	Does the company committed to improve energy efficiency and employ recycled materials with low impact on the environment?	✓		(II) FRG has been striving to improve the efficiency of resources consumed including: no paper provided and requirement to prepare personal cup by employees; requirement for employees to bring their own environmentally friendly utensils; use envelopes and Kraft paper bags repeatedly for document delivery. The boilers in plants uses LPG & wooden grains as fuels; commitment to garbage classification and recycling renewable resources, and contribute to environment protection, energy conservation and carbon reduction.											
(III)	Has the company assessed the potential risks and	✓		(III) The global climate has changed dramatically due to the greenhouse effect and its											

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
<p>opportunities for business operations now and the future regarding climate change and will it adopt response measures related to climate issues?</p> <p>(IV) Has the Company tallied the greenhouse gas emissions, water consumption and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?</p>	✓		<p>impact scope poses potential risk for a corporate sustainable operation. The Company has established emergency response measures as to minimize the impact when disaster strikes.</p> <p>(IV) The Company is conducting an internal inventory of greenhouse gases, and will set a goal to reduce greenhouse gas emissions after the external verification is completed; the Company strengthens the promotion for the concept of water-saving, and the plant production lines will use recycled water to reduce water consumption; the energy-saving and carbon reduction are actively promoted, to achieve the waste reduction target; the use of paper is reduced by digitalization; the office temperature control is set with energy-saving light bulbs to achieve the purpose of energy saving and carbon reduction.</p>	
<p>IV. Social Issues</p> <p>(I) Does the company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p>	✓		<p>(I) The United Nations Global Covenant, the United Nations Universal Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work are just a few examples of international human rights conventions that the company supports and abides by. It also respects employee rights and interests in the workplace and works to end forms of discrimination, forced labor and other human rights violations. To safeguard the fundamental rights and interests of employees, all applicable labor laws, employee appointment and dismissal procedures and compensation are compliant with the company's employee appointment management regulations.</p>	<p>(I) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) and appropriately reflect the business performance or achievements in the employee remuneration?</p>	✓		<p>(II) The Company outlines a number of welfare measures for its employees. In addition to receiving meal subsidies during working hours, all employees are also eligible for group insurance, labor insurance, national health insurance, wedding and childcare allowances, birthday and festival gift cards and grants and scholarships for children's education. An Employee Welfare Committee has also been created.</p> <p>To ensure the retirement rights of the employees opted the old pension system, the Company contributes 2% of the total salary as a retirement fund every month, and deposits such in a dedicate account in the name of the Labor Retirement Reserve Supervisory Committee in the Trust Department of Bank of Taiwan; 6% is contributed for the employees under the new system as the labor pension to their personal account in the Labor Insurance Bureau.</p> <p>The Company calculates and pays wages, working hours, leaves, pensions, labor and national health insurance, occupational disaster compensation to employees pursuant to labor laws and regulations. According to the Company's Articles of Incorporation, the Company distributes no less than 1% of profit before tax as remuneration to employees. For relevant measures, please refer to the Company's website.</p> <p>The Company's remuneration policy is based on personal abilities, contribution to the Company, and performance, which are positively correlated with business performance.</p>	<p>(II) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</p>
<p>(III) Does the company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?</p>	✓		<p>(III) Employee health examinations, on-site health services, disaster prevention drills and labor safety and health education and training are all scheduled on a regular basis to help employees develop their ability to respond to emergencies and self-manage their health and safety. The Company has also established an emergency response operation process to deal with emergencies that arise as a result of operating activities, ensuring that employees work in a safe and healthy environment.</p>	<p>(III) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>(IV) Does the company establish effective training programs for employee's career development?</p>	✓		<p>(IV) The Company periodically sends staff members to technical personnel training and on-the-job training, among other training programs, in order to integrate internal and</p>	<p>(IV) Conformed to the Sustainable Development Best Practice Principles</p>

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(V) Does the company comply with relevant laws and international standards regarding customer health and safety with respect to its product and service, customer privacy, marketing and labeling; formulate relevant policies and complaint procedures for consumer or customer rights protection?	✓		external resources, strengthen career capabilities and enhance performance and quality. (V) The Company has set up a section for stakeholders on the website and dedicated personnel has been assigned to handle questions in relation to customers as a means to protection the rights of consumers. The Company continues to update and comply with relevant laws and regulations, and internal standards.	(V) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(VI) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights?		✓	(VI) The Company has not created pertinent policies, but domestic and overseas suppliers have mostly had a long-term business relationship with the Company, and all products are compliant with laws and regulations.	(VI) Formulation of applicable policies will be discussed.
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Have the reports mentioned previously obtained the assurance of third party verification?	✓		The Company already provided a most recent year complete report before August 31, 2024. The current sustainable report is the first sustainable report prepared; and the verification unit has limited capacity for verification, so the verification cannot be scheduled. Currently, the assurance report and guarantee opinion from the third-party verification unit is not obtained	The most recent year sustainability report will be provided on September 30, 2024. The verification unit has limited capacity for verification, so the verification cannot be scheduled. Because the third-party verification is not a mandatory requirement, verification commission is not currently considered.
VI. If the company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please note their implementation and differences between the two: The company's sustainable development best practice principles and related regulations were approved in 2023, which are in line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies				
VII. Other important information helpful to understand the implementation of sustainable development: List of donations by FRG for community participation, social contribution, social service, social welfare at an amount over NT\$300,000 in 2024: 1. Donation made to the academic research funding of molecular cardiology and cell medicine at Taipei Medical University Hospital NT\$600,000 2. Donation made to Taiwan Liver Research Foundation NT\$300,000				

Note 1: Regarding implementation progress checked by "Y": please note important policies, strategies, measures adopted and their implementation situation; if "No", please note reasons and status in the "deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" section along with program to execute relevant policies, strategies and measures in the future. However, regarding promotion items 1 and 2, the TWSE/TPEX listed companies shall describe the governance and supervision framework of sustainable development, including but not limited to management guidelines, strategy and goal establishment, and review measures. The Company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status shall be specified as well.

Note 2: The principle of materiality refers to environmental, social and corporate governance issues with significant impact on the company's investors and other stakeholders.

Note 3: See cases of best practices displayed on the website of Corporate Governance Center by TWSE for disclosure methods.

(VII-I) TWSE/TPEX-listed companies shall disclose information related to climate:

1. Climate-related information implementation

Item	Progress
1. State the board's supervision and governance over climate-related risks and opportunities.	The board is the most senior level of the company's risk management, and environmental risks are included in the scope of the company's risk management policy. The management should oversee and govern climate-related risks in accordance with the Company's risk management policy. In addition, greenhouse gas inventory and verification should be completed as scheduled. Progress must be reported to the board on a regular basis in accordance with regulations.
2. Describe how identified climate risks and opportunities impact businesses' business, strategies, and finances (short-term, medium-term, and long-term).	The Company's climate risks and opportunities have been published in the sustainability report and official website.
3. Describe the effects of extreme climate events and transformation activities on finance.	The impacts and responses of the Company to the extreme climate events on the Company's financial performance have been published in the Sustainability Report and the official website.
4. Describe how climate risk identification, assessment, and measurement procedures are integrated into the overall risk management system.	The Company's risk management policy has been included in environmental risks, which are the same as other risks, and the implementation status is regularly reported to the Board of Directors in accordance with the regulations.
5. If a situation analysis is used to evaluate resilience to climate change risk, describe the situations used, parameters, hypotheses, analysis factors, and the expected effects on finance.	The Company temporarily does not have scenarios analysis and assessment of the resilience to the risks of climate change.
6. If there are transformation plans in place to manage climate-related risks, explain the plan's content as well as the indicators and goals used in identifying and managing physical and transformation risks.	The Company is still evaluating and formulating the transformation plan for managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, specify the pricing basis.	The Company will make a new plan after the government announces the carbon fee standard.
8. If climate-related objectives are established, explain activities covered, as will the scope of greenhouse emissions, schedule planning, annual progress, and other information. If carbon offsets or renewable energy certifications (RECs) are used to achieve related goals, please specify the carbon offset cost and quantity, as well as the quantity of renewable energy certifications.	The Company's climate-related goals are still under assessment and formulation.
9. Greenhouse gas inventory, validation status, reduction goals, strategies, and specific action plans (completed separately for 1-1 and 1-2).	Please refer to 1-1 and 1-2 for details.

1-1 The Company's Greenhouse Gas Inventory and Validation Status in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions in the most recent two years (metric tons of CO ₂ e), density (metric tons of CO ₂ e/NT\$ thousand), and scope of information coverage.		
The company began taking inventory in 2022.		
<p>The greenhouse gas inventory mechanism was established in accordance with the Greenhouse Gas Protocol released by the World Business Council Sustainable Development (WBCSD) and World Resources Institute (WRI)/ISO14064-1 Greenhouse Gas Inventory Standards released by the International Organization for Standardization (ISO). Since 2022, the Company's greenhouse gas emissions have been regularly inventoried in order to gain a comprehensive understanding of greenhouse gas use and emission status, as well as to validate the effectiveness of reduction actions.</p> <p>Furthermore, the greenhouse gas inventory data for the two most recent years is based on the management control method, which summarizes the Company's greenhouse gas emissions and appears in the consolidated financial statements.</p>		
Scope	2023	2024
Scope 1 (Category 1)	604.8184	2,415.5993
Direct greenhouse gas emissions		
Scope 2 (Category 2)	3,141.333	2,967.9412
Indirect greenhouse gas emissions		
Total greenhouse gas emissions (unit: metric tons of CO ₂ e)	4,362.9529	6,010.1605
Turnover (Unit: NT\$ thousand)	1,359,718	1,482,720
Intensity of greenhouse gas emissions (unit: metric tons of CO ₂ e/NT\$ thousand)	0.003209	0.004053
<p>Note:</p> <ol style="list-style-type: none"> The source of the conversion coefficient is the Environmental Protection Administration's greenhouse gas emission coefficient management table (6.0.4 version). The operational control method is used to define organizational boundaries. The estimated values from the IPCC's fifth assessment report are used to calculate the global warming potential of various greenhouse gases. The carbon emission coefficient of electricity in 2021 was 0.509 kg CO₂e/kWh; in 2022, it is 0.495 kg CO₂e/kWh. The emission coefficient in 2023 has yet to be released; therefore, the 2022 emission coefficient was used in the calculation. Greenhouse gas intensity = total greenhouse gas emissions ÷ turnover Because 2022 was the first year that carbon foot verification (CFV) was implemented, it served as the baseline year for greenhouse gas emissions, which were 8,634.565 metric tons of CO₂e. 		

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions.
The Company is expected to start the assurance and external verification in 2026.

1-2 Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Describe the baseline year of greenhouse gas reduction, its data, reduction goals, strategies, and the achievement status of the specific action plans and reduction goals.
<p>Beginning in 2022, Formosan Rubber Group has been conducting greenhouse gas inventory in accordance with the ISO 14064-1 greenhouse gas inventory standard, including Scope 1 (Category 1) and Scope 2 (Category 2) greenhouse gas emissions inventory, with 2022 serving as the baseline year. The Formosan Rubber Group intends to obtain the ISO 14064-1:2018 Greenhouse Gas Inventory Declaration in accordance with regulations.</p> <p>In 2024, the Formosan Rubber Group's greenhouse gas Scope 1 emissions were 2,415.5993 metric tons of CO₂e, while its Scope 2 emissions were 2,967.9412 metric tons of CO₂e, totaling 6,010.1605 metric tons of CO₂e. Total greenhouse gas emissions decreased by 2,624.4045 metric tons of CO₂e from 2022.</p>

(VIII)The state of the company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance:

Evaluation Item	Implementation Status (Note 1)			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof
	Yes	No	Summary	
I. Ethical Management Policies and Action Plans				
(I) Has the company established an ethical management policy that has been passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods?	✓		(I) The Company's board passed the ethical management operating procedure and code of conduct on November 7, 2023. Its rules and external documents clearly specify ethical corporate management policies, as well as the Board of Directors' and senior management's commitment to rigorous and thorough implementation of such policies and methods.	(I) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis which are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		(II) The company has established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis that are at a higher risk of being involved in unethical behavior and established prevention programs that at least cover the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."	(II) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(III) Has the company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	✓		(III) On November 7, 2023, the company's board approved reporting and disciplinary guidelines for unethical behavior and ethical management, which were implemented accordingly. The preceding plans were also periodically reviewed and revised.	(III) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
II. Implementation of Ethical Management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) Prior to having a business relationship with a counterparty, the Company shall take into consideration of their legality and goodwill, and the contract is advised to include ethical terms and conditions.	(I) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?	✓		(II) 1. The Company's Department of Management promotes the Company's "ethical management unit." The unit is responsible for the planning, promotion, and implementation of relevant matters. In addition, it shall report its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year). The most recent update to the board on the implementation	(II) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status (Note 1)			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof
	Yes	No	Summary	
(III) Does the company have any policy that prevents conflict of interest, and channels that facilitate the reporting of conflicting interests?	✓		<p>status was on March 11, 2025.</p> <p>2. The Company's 2024 implementation status in meeting the requirements of its ethical management policy:</p> <p>A. The Company approved the “Ethical Management Policy,” “Ethical Corporate Management Best Practice Principles,” “Operating Procedures for Ethical Management,” “Code of Conduct,” and “Guidelines for Reporting and Penalties for Violation of Ethical Behaviors and Ethical Management” for 2023, which were announced on the website. The Company is carrying out the implementation as provisioned. In 2024, no reports of violations of ethical behavior or ethical management were received.</p> <p>B. “Employee Integrity Pledge” is expected to be completed in 2024 and signed by all employees. The signed versions will be kept by the HR department for reference. New recruits are required to sign the pledge when they report to work.</p> <p>(III) As a means to prevent conflict of interest, when a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by any of the directors, managerial officers and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussions of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as a proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.</p>	(III) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an account to carry out the review?	✓		(IV) All units shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act and other relevant laws and regulations, and audit and internal rules which specify the compliance of employees. Internal auditors shall inspect the implementation status of ethical management on an unscheduled basis in the form of a project.	(IV) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(V) Does the company organize internal or external training on a regular basis to maintain business integrity?	✓		(V) Regular promotion is carried out, so that employees understand the Company’s policy and consequences to a violation.	(V) It has met the requirements stipulated in the Ethical

Evaluation Item	Implementation Status (Note 1)			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof
	Yes	No	Summary	
				Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
III. Whistleblowing system				
(I) Has the Company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused?	✓		(I) The personnel of the Company or a third party (hereinafter referred to as a whistle-blower) may report to the department head, audit head, corporate governance head, or the management department (Legal Affairs Office) in writing or by email or by phone. The Company will dispose of or pursue legal actions against the person in accordance with relevant regulations. If the whistle-blowers' report is verified as truth, the human resources unit will reward the whistle-blowers based on the level of their contribution to the Company or the actual situation of the case.	(I) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Has the Company formulated standard operating procedures for investigation of reported cases, the follow-up measures to be taken after the investigation is completed, and a confidentiality mechanism?	✓		(II) 1. After the investigation team is established, the person concerned may be notified to come to the site to state the facts, and the investigation may be conducted depending on the facts. The whistleblower and the relevant parties have the obligation to cooperate with the Company's investigation. 2. Unless otherwise agreed, the investigation team shall complete the investigation report within three months from the date of acceptance of the report. If necessary, the period of investigation may be extended to 30 days. 3. After the investigation team has completed the investigation, it will submit an investigation report or specific disciplinary measures or other suggestions to the top executive of the management department and the top executive of the department being reported, and notify both parties in writing. 4. After the case is accepted, the whistleblower shall not report the same incident again during the investigation process. 5. If the reported incident involves a director or senior executive (e.g. appointed manager), or a material violation discovered after investigation, or a risk of significant damage to the company, the unit head of the company shall submit a written report to the Chairperson. 6. The relevant personnel of the Company handling the whistle-blowing (e.g. members of the investigation team) shall keep the identity of the whistle-blower and the content of the whistle-blowing confidential.	(II) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Evaluation Item	Implementation Status (Note 1)			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof
	Yes	No	Summary	
(III) Has the company taken appropriate measures to protect the whistle-blower from suffering any consequences of reporting an incident?	✓		(III) The Company also promises to protect the whistle-blowers from improper treatment due to their whistle-blowing.	(III) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
IV. Strengthening of Information Disclosure Does the company have the contents of ethical corporate management and its implementation disclosed on the website and MOPS?	✓		The Company shall disclose its implementation status in the annual report as required by the Regulations Governing Information to be Published in Annual Reports of Public Companies, and disclose the annual report on the Company's website: www.frg.com.tw.	It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
V. For companies who have established Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the current practice and any deviations from the code of conduct: The Company's Ethical Corporate Management Best Practice Principles and relevant rules were approved in 2023. It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.				
VI. Other material information that helps to understand the practice of ethical management of the company: (e.g., the review and revision of the best-practice principles of the Company in ethical management) The Company adheres to its philosophy of the 7 highest principles including ‘making a contribution to the society’, “being loyal and honest”, “being modest”, “being responsible”, “refinement”, “striving for success” and “being grateful”. The Company requires all employees to abide by the spirit of these 7 principles and all laws and regulations as well as measures. Various employee rules have been formulated to ensure the implementation of ethical management and law compliance.				

Note 1: Regardless of clicking “yes” or “no”, it should be explained in the summary field.

(IX) Disclose other important information helpful in enhancing the understanding of the operation of corporate governance together:

1. See Item (13) of Section III of “Risk Management Policy and Organizational Structure of Formosan Rubber Group Inc.”

2. Further education of corporate governance for managerial officers and chief internal auditor:

Title	Name	Date of Appointment	Date of the Continuing Education		Organizer	Course Name	Hours of Course	Whether the Continuing Education Meets the Requirements (Note 1)
			From	To				
President	Hsu Zhen-Ji	2022/06/14	2024/11/12	2024/11/26	Taiwan Corporate Governance Association	AI Era - Corporate Growth and Innovation Concept	3	Yes
						Analysis of unethical management and securities illegal cases	3	
Audit Officer	Ou, Chia-Bao	2021/01/01	2024/11/05	2024/11/14	Securities and Futures Institute	Audit practice of property, plant and equipment circulation and wage circulation	6	Yes
						From corporate governance to corporate risk	6	
Chief accounting officer	Shi Ming-De	2010/02/01	2024/06/20	2024/06/21	Accounting Research and Development Foundation	Advanced training course for accounting supervisors of issuers, securities firms, and stock exchanges	12	Yes
Chief corporate governance officer	Shi Ming-De	2020/02/01	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	Yes
		2021/06/30	2024/09/03	2024/09/04	Taiwan Corporate Governance Association	Workshop for Identification of Climate Risks and Net Zero Carbon Emissions Seminar	9	Yes

(Note 1) Whether continuing education hours, scope of continuing education, continuing education system, arrangement of continuing education and disclosure of information are in compliance as required in the “Regulations Governing Establishment of Internal Control Systems by Public Companies”.

3. Continuing Education for Directors:

Title	Name	Date of Appointment	Date of the Continuing Education		Organizer	Course Name	Hours of Course	Whether the Continuing Education Meets the Requirements (Note 1)
			From	To				
Chairperson	Hsu Zhen-Tsai	2022/06/08	2024/12/13	2024/12/13	Taiwan Corporate Governance Association	The introduction of the corporate governance personnel system and the role of legal personnel in corporate governance	6	Yes
			2024/12/17	2024/12/17		Remuneration to senior managers and ESG performance system design		
Director and President	Hsu Zhen-Ji	2022/06/08	2024/11/12	2024/11/12	Taiwan Corporate Governance Association	AI Era - Corporate Growth and Innovation Concept	6	Yes
			2024/11/26	2024/11/26		Analysis of unethical management and securities illegal cases		
Representative of juristic-person director	Hsu Zhen-Xin	2022/06/08	2024/08/28	2024/08/28	Greater China Financial and Economic Development Association	Digital marketing	9	Yes
			2024/11/22	2024/11/22	Taiwan Listed Companies Association	New trends in circular economy and sustainable operation		
			2024/12/17	2024/12/17	Taiwan Listed Companies Association	Trump 2.0 and Global Challenges		
Representative of juristic-person director	Hsu Wei-Zhi	2022/06/08	2024/10/08	2024/10/08	TWSE	2024 WIW Joint Forum - Digital Banking and Sustainability under the AI Trend	6	Yes
			2024/11/21	2024/11/21	Securities and Futures Institute	The Board of Directors should pay attention to the relevant laws and regulations under the ESG trend.		
Representative of juristic-person director	Lin Kun-Rong	2022/06/08	2024/07/16	2024/07/16	Taiwan Corporate Governance Association	The ESG mindset and energy practices that enterprises should have in mind when considering the deployment of zero carbon.	6	Yes
			2024/09/24	2024/09/24		Application, law and audit of AI		
Representative of juristic-person director	Chu, Lung-Tsung	2022/06/08	2024/05/17	2024/05/17	Taiwan Corporate Governance Association	Supervision strategy for the governance of information security of the Board of Directors	6	Yes
			2024/06/21	2024/06/21		Legal rules and regulations governing the preparation of sustainability reports		
Independent director	Chu, Shih-Yi	2024/06/07	2024/07/30	2024/07/31	Securities and Futures Institute	12-hour workshop for new directors, supervisors (including independent directors), and corporate governance officers	12	Yes
Independent director	Wu Chun-Lai	2022/06/08	2024/09/03	2024/09/03	Taiwan Corporate Governance Association	The overall innovation and growth of enterprises are fully initiated - the overall innovation of enterprises is conducted in five major aspects.	6	Yes
			2024/12/17	2024/12/17		Remuneration to senior managers and ESG performance system design		
Independent director	Lorraine Yao	2022/06/08	2024/10/17	2024/10/17	Securities and Futures Institute	Trend of corporate governance and sustainable development of the Company	6	Yes
			2024/11/26	2024/11/26	Taiwan Corporate Governance Association	Analysis of unethical management and securities illegal cases		

(Note 1): Whether continuing education hours, scope of continuing education, continuing education system, arrangement of continuing education and disclosure of information are in compliance as required in the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies.”

4. Procedures for Handling Material Inside Information:

Procedures for Handling Material Inside Information Formosan Rubber Group Inc.

Article 1 (Purpose of these Procedures)

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

Article 2 (Material inside information shall be handled in accordance with applicable laws and regulations and these Procedures)

The Company handles and discloses internal material information pursuant to relevant laws, orders, and regulations of the Taiwan Stock Exchange, as well as the operational procedures, or after further evaluation of the materiality, any decision or event affecting the Company's finances, business, shareholders' equity or securities prices materially, the material information shall be released as soon as possible within the timeframe required laws.

Article 3 (Scope of application)

These Procedures shall apply to all directors, managerial officers, and employees of this Corporation.

This Corporation shall ensure that any other person who acquires knowledge of this Corporation's material inside information due to their position, profession, or relationship of control shall comply with the applicable provisions of these Procedures.

Article 4 (Scope of material inside information)

For the purposes of these Procedures, the term "material inside information" refers to information that, with reference to the Securities and Exchange Act, other applicable laws and regulations, and the applicable rules and regulations of the TWSE or the TPEX, is defined as material inside information by the responsible unit in charge of handling of such information and is further approved by a resolution of the Board of Directors.

Article 5 (Responsible unit in charge of the handling of material inside information)

The Company has assigned the management division as the responsible unit with handling material inside information. The unit shall have the following functions and authorities:

- I. Responsibility for formulating the drafts of these Procedures and any amendments to them.
- II. Responsible for handling internal material information processing operations and operations of evaluation, review, approval, and release related to the operational procedures. Electronical approval is only permitted for emergencies, non-business hours, or natural disasters of force majeure, otherwise, the "approval of material information release" shall be documented in writing and reported to the president for approval of action. If the evaluation or approval is done electronically, such shall be archived in written documents afterwards. The previous evaluation records, approval documents and related materials shall be retained for at least five years.
- III. Responsibility for receiving reports on unauthorized disclosures of material inside information and formulation of corresponding measures.
- IV. Responsibility for designing a system for preserving all documents, files, electronic records, and other materials related to these Procedures.
- V. Other activities related to these Procedures.

Article 6 (Confidentiality firewall operations - Personnel)

The Company's directors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements. No director, managerial officer, or employee with knowledge of material inside information of this Corporation may divulge the information to others.

No director, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.

Article 7 (Confidentiality firewall operations - Documents and information)

Proper protection of confidentiality shall be given to files and documents containing the Company's material inside information when transmitted in written form. When transmitted by e-mail or other electronic means, such files and documents must be processed with appropriate security technology such as encryption or electronic signatures. Files and documents containing the Company's material inside information shall be backed up and stored in a secure location.

Article 8 (Operation of confidentiality firewalls)

The Company shall ensure that the firewalls specified in the preceding two articles are established, and take the following additional steps:

- I. Adopt adequate control measures for the firewalls and perform periodic testing.
- II. Enhance measures for custody and maintaining the secrecy of files and documents containing non-public material inside information of this Corporation.

Article 9 (Confidentiality obligations of outside organizations and persons)

Any organization or person outside of this Corporation that is involved in any corporate action of this Corporation relating to a merger or acquisition, major memorandum of understanding, strategic alliance, other business partnership plans, or the signing of a major contract shall be required to sign a confidentiality agreement, and may not disclose to another party any material inside information of this Corporation's thus acquired.

Article 10 (Principles of disclosure of material inside information)

The Company shall comply with the following principles when making external disclosures of material inside information:

- I. The information disclosed shall be accurate, complete, and timely.
- II. There shall be a well-founded basis for the information disclosure.
- III. The information shall be disclosed fairly.

Article 11 (Implementation of the spokesperson system)

Any disclosure of the Company's material inside information, except as otherwise provided by law or regulation, shall be made by this Corporation's spokesperson, or by a deputy spokesperson acting in such capacity in a confirmed sequential order. When necessary, the disclosure may be made directly by a responsible person of this Corporation.

The Company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company's other than those serving as the Company's responsible person, spokesperson, or deputy spokesperson may disclose any material inside information of the Company's to outside parties without authorization.

Article 12 (Record of disclosure of material inside information)

The Company shall keep records of the following in respect of any disclosure of information to outside parties:

- I. The person who discloses the information, the date, and the time.
- II. How the information is disclosed.
- III. What information is disclosed.
- IV. What written material is delivered.
- V. Any other relevant details.

Application form for public announcements: please see Table 1 and Table 2

Article 13 (Response to false media coverage)

If a media agency releases information that is in any respect inconsistent with material information disclosed by this Corporation, the Company shall promptly issue a clarification on the Market Observation Post System (MOPS) and request the media agency to correct the information.

Article 14 (Reporting of unusual events)

Any director, managerial officer, or employee of the Company that becomes aware of any unauthorized disclosure of the Company's material inside information shall report to the responsible unit and the internal audit department of the Company as soon as practicable.

Upon receipt of a report made pursuant to the preceding paragraph, the responsible unit shall formulate corresponding measures. When necessary, it may invite members from the internal audit and other departments to meet for discussion of the measures, and shall keep a record of the results of the measures for future reference. The internal auditors shall also perform such audits as their duties may require.

Article 15 (Disciplinary measures)

The Company shall take measures to discover those responsible and take appropriate legal action against any personnel under either of the following circumstances:

- I. Personnel of the Company disclose material inside information without authorization to any outside party, or otherwise violate these Procedures or any other applicable law or regulation.
- II. A spokesperson or deputy spokesperson of this Corporation communicates to any outside party any information beyond the scope authorized by the Company, or otherwise violates these Procedures or any other applicable law or regulation.

If any person outside the Company divulges any material inside information of the Company, thereby causing damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold the person divulging the information legally liable.

Article 16 (Internal controls)

These Procedures shall be incorporated into the Company's internal control system. The internal auditors shall keep themselves regularly informed of the status of compliance with these Procedures and shall prepare related audit reports, so as to ensure full implementation of the procedures for handling material inside information.

Article 17 (Awareness campaigns)

At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to these Procedures and related laws and regulations. The Company shall also provide educational campaigns to new directors, managerial officers, and employees in a timely manner.

Article 18

These Procedures, and any amendments to them, shall be implemented upon approval by the Board of Directors.

Article 19

These Operational Procedures were formulated on June 9, 2011

The Operational Procedures were amended on March 15, 2023.

- (X) The progress of the internal control system implementation of shall disclose the following matters:
1. Internal Control Statement.:

Formosan Rubber Group Inc.

Internal Control Statement

Date: 2025.03.11

The following is hereby declared based on the self-assessment results in 2024 in accordance with FRG's internal control system:

- I. FRG confirms that the establishment, implementation and maintenance of the internal control system is the responsibility of the company's board of directors and managerial officers, and the company has established such a system. It is aimed to reasonably ensure the achievement of effectiveness and efficiency of operations (including profit, performance, and asset security), reporting reliability, timeliness, transparency, and compliance with relevant norms and regulations.
- II. The internal control system has its inherent limitations. Regardless its perfectness, what is can do is nothing more than meeting the said goals in acceptable level, let alone its effectiveness will go in line with changing environment and circumstances. The internal control system of FRG comes with built-in self-monitoring; that is, any deficiencies once identified, immediate steps will be exercised to remedy them.
- III. FRG determines effectiveness of its internal control system's design and execution according to criteria set by the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). Criteria of internal control system set by the Regulations are management control process specific and come in five dimensions: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision of operations. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
- IV. FRG employs these criteria to assess effectiveness of design and performances of internal control system.
- V. Based on the aforementioned assessment results, it is deemed that the Company's internal control system on December 31, 2024 (including the supervision and management of subsidiaries), including an understanding of the level of operational effectiveness and efficiency and objective achievement level. The report's reliability, timeliness, transparency, and compliance with relevant regulations, as well as related internal control systems, are deemed effective in terms of design and implementation. Furthermore, they ensure the reasonable achievement of the aforementioned objectives.
- VI. This statement will be part of the company's annual report and prospectus, and will be made public. In case of any false, concealment or other illegal circumstances in the said public information, FRG may subject to legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the board of directors of FRG on March 11, 2025; among the 9 directors present, none of them have objections and all agree with the content of this statement, we hereby declare so.

Formosan Rubber Group Inc.

Chairman: Hsu Zhen-Tsai (Signature)

General Manager: Hsu Zhen-Ji (Signature)

2. If an accountant is entrusted to perform a special audit on the internal control system, the audit report shall be disclosed: None.

(XI) Important resolutions of the shareholders' meeting and the board of directors from the beginning of last to the publication date of the annual report,:

1. Review of the execution of the resolutions of the shareholders meeting:

The matters resolved by the previous shareholders meeting on June 7, 2024 have all been enforced according to the resolution; the review of the execution is as follows:

Important resolutions	Execution review
1. Proposal to recognize the Company's 2023 business report and financial statements.	1. The proposal was passed as proposed by the shareholders present at the meeting.
2. Proposal to recognize the Company's 2023 earning distribution.	2. The proposal was passed as proposed by the shareholders present at the meeting.
3. Ratify the proposal to amend some of the provisions of the company's "Operational Procedures for Acquisition or Disposal of Assets".	3. The proposal was passed as proposed by the shareholders present at the meeting.
4. Election of one independent director of the Company	4. The proposal was passed as proposed by the shareholders present at the meeting.

2. Important resolutions of the Board of Directors' meeting:

Date of important resolutions	Important discussions	Resolution
The 15th meeting of the 21st board of directors (2024.01.30)	1. Proposal to amend the management regulations for "Fund Utilization and Investment and Trading of Domestic Shares." 2. Proposal of project plan discussions for respective departments and projects in 2024.	1. The motion has been approved by all attending directors without any dissenting opinion. 2. The motion has been approved by all attending directors without any dissenting opinion.
The 16th meeting of the 21st board of directors (2024.03.12)	1. Annual business report and financial statements 2023. 2. Remuneration of directors and remuneration distribution of employees (2023). 3. Proposal of the 2023 cash dividends paid from earnings distribution. 4. Proposal of the Company's 2023 Earnings Distribution Table. 5. Matters related to convening the regular shareholders' meeting 2024. 6. Election of a by-election of an independent director. 7. Proposal for nominating independent director candidates. 8. Proposal of the Company's investment in Henghai Construction and Land Development in Toufen, Miaoli. 9. Dragon boat festival bonus (2024) of FRG and Banjian subsidiary. 10. Motion of performance, reward and punishment for each department and project in 2023. 11. Motion of appointed CPAs' fees. 12. 2023 internal control system statement. 13. Proposal to change endorsements/guarantees for the investment project of 950 Market Street, San Francisco 14. Proposal to amend part of the provisions of the Company's "Rules of Procedure for Board of Directors' Meetings."	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion, and was submitted for recognition at the shareholders meeting. 2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting, and reported to the shareholders' meeting. 3. After reviewed by the Audit Committee, the proposal was passed as proposed without objection from directors present at the meeting, and reported to the regular shareholders' meeting. 4. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion, and was submitted for recognition at the shareholders meeting. 5. The motion has been approved by all attending directors without any dissenting opinion. 6. The proposal was passed as proposed without objection from directors present at the meeting; submit to the shareholders' meeting for election. 7. The proposal was passed as proposed without objection from directors present at the meeting; submit to the shareholders' meeting for election. 8. The motion has been withdrawn by all attending directors without any dissenting opinion. 9. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 10. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 11. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 12. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 13. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 14. The motion has been approved by all attending directors without any dissenting opinion.
The 17th meeting of the 21st board of directors	1. Consolidated financial report of Q1 2024.	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.

Date of important resolutions	Important discussions	Resolution
(2024.05.07)	<ol style="list-style-type: none"> Proposal to re-appoint consultants of the Company's subsidiary Banjian Development Co., Ltd. Revise some provisions of the "Code of Practice on Corporate Governance". 	<ol style="list-style-type: none"> After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. The motion has been approved by all attending directors without any dissenting opinion.
The 18th meeting of the 21st board of directors (2024.06.07)	<ol style="list-style-type: none"> The Company's 2023 Sustainability Report. 	<ol style="list-style-type: none"> The motion has been approved by all attending directors without any dissenting opinion.
The 19th meeting of the 21st board of directors (2024.08.07)	<ol style="list-style-type: none"> Consolidated financial report of Q2 2024. The semi-annual settlement of the performance reward and punishment case of the Production Division and Logistics Center. Proposal of authorization for the Company's 2024 investment limit of overseas financial assets. Proposal to increase the investment limit of the subsidiary FRG US Corp. and increase its capital. Proposal where FRG US Corp. intended to increase the investment limit of Trimosa Holdings LLC. and increase the capital. 	<ol style="list-style-type: none"> After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. After deliberated by the Investment Decision-Making Committee, the proposal was passed as proposed without objection from directors present at the meeting. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
The 20th meeting of the 21st board of directors (2024.11.08)	<ol style="list-style-type: none"> Consolidated financial report of Q3 2024. Changes to endorsements/guarantees for the investment project of 950 Market Street, San Francisco Procurement for the replacement of old boilers for the production business division. Proposal of independence and competence assessment for attesting CPA. Establishment of the internal control system for the management of sustainable information. Amendment to the Company's decision-making authority and investment cycle internal control system Proposal to amend the Procedures for Asset Acquisition and Disposal 	<ol style="list-style-type: none"> After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. The motion has been approved by all attending directors without any dissenting opinion. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. The proposal was sent to the next board meeting after being consulted by the CPA firm for revision. The proposal was sent to the next board meeting after being consulted by the CPA firm for revision.
The 21st meeting of the 21st board of directors (2024.12.27)	<ol style="list-style-type: none"> Business plan 2025 (budget presented by individual units). Proposal (by each department) of project plan discussions for respective departments and projects in 2025. Proposal for year-end bonus (2024) of FRG and the subsidiary, Banjian. Proposal for remuneration of associate vice-president, manager, vice manager and assistant managerial officer level (2025). Proposal of Performance Bonus for Stock Investment Project in 2024. Proposal of 2025 audit plan. Appointment of consultants. Change in land category of the Soil and water conservation project for land lot 964, Changhua Section, Longtan District. Additional warehouse construction project in Longtan Smart Park Zone A. The de-recognition and scrap of some of the Company's assets. 	<ol style="list-style-type: none"> The motion has been approved by all attending directors without any dissenting opinion. The motion has been approved by all attending directors without any dissenting opinion. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.

Date of important resolutions	Important discussions	Resolution
	11.Proposal of the Company's 2025 credit limit with corresponding banks. 12.Proposal of the 2025 limit of investment in domestic TWSE/TPEX listed shares. 13.Proposal of authorization for the Company's 2025 investment limit of overseas financial assets. 14.Amendment to the Company's decision-making authority and investment cycle internal control system. 15.Proposal to amend the Procedures for Asset Acquisition and Disposal	11.The motion has been approved by all attending directors without any dissenting opinion. 12.The motion has been approved by all attending directors without any dissenting opinion. 13.The motion has been approved by all attending directors without any dissenting opinion. 14.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 15.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
The 22nd meeting of the 21st board of directors (2025.03.11)	1. Annual business report and financial statements 2024. 2. Remuneration of directors and remuneration distribution of employees (2024). 3. Proposal of the 2024 cash dividends paid from earning distribution. 4. Proposal of the Company's 2024 Earnings Distribution Table. 5. Matters related to convening the regular shareholders' meeting 2025. 6. Motion of the Company's 22nd board election. 7. Motion of nomination of the Company's 22nd board candidates (including independent directors). 8. Motion of lifting the restriction to engage in competitive conduct for newly elected directors and their representative. 9. Dragon boat festival bonus (2025) of FRG and Banjian subsidiary. 10.Motion of performance, reward and punishment for each department and project in 2024. 11.Performance project for new products of the production business division. 12.Longtan R&D Building renovation project 13.Motion of appointed CPAs' fees. 14.2024 internal control system statement. 15.Motion of amendments to part of the provisions of the Company's "Article of Incorporation". 16.Proposal to amend the Procedures for Asset Acquisition and Disposal 17.Formulation of the "Procedures for Loaning Funds to Others" of the subsidiary, FRG US Corp... 18.Loan to subsidiary FRG US Corp. 19.Loaning of funds to others by the subsidiary, FRG US Corp...	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 3. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 4. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 5. The motion has been approved by all attending directors without any dissenting opinion. 6. The motion has been approved by all attending directors without any dissenting opinion. 7. The motion has been approved by all attending directors without any dissenting opinion. 8. The motion has been approved by all attending directors without any dissenting opinion. 9. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 10.After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 11.After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 12.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 13.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 14.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 15.The motion has been approved by all attending directors without any dissenting opinion. 16.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 17.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 18.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 19.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.

(XII) Outline of different opinions (in writing or on record) by directors on major resolutions passed by the Board of Directors from the beginning of last year to the publication date of the annual report: None.

(XIII)Risk Management Policy and Organizational Structure of Formosan Rubber Group Inc.:

(1) Description of the Company's risk management policy

1	The risk management policy has been enacted for the Company to strengthen internal control and improve corporate risk management, Including risk detection, assessment, reporting and how to handle risks.,
2	The Company has set up a 3-level risk management organization. Specific operating method has been formulated from responsibilities of main departments→audit office→Board of Directors with a set goal of achieving risk control for all employees from all aspects.
3	The Company has set up a 3-level risk management organization (main departments→audit office→Board of Directors) and specific operating method has been formulated with a goal of achieving risk control for all employees from all aspects.
4	As a means to improve the transparency of information disclosure for “risk control”, the Company discloses information in terms of its organization and operation of risk management policy, important risk assessments and risk management on the website and in the annual report as required by the competent authority.

(2) Important risk assessments for risk management

0	Designated items for information disclosure	0-1	External factors such as exchange rate, interest rate, inflation, law and politics, causing the risk of segment loss.
1	Risk of business or service	1-1	Poor quality of business or service. Compensation risk of delivery disputes (such as incompliance of specifications) or violation of the law (such as poison or infringement)
		1-2	Compensation risk of business or service production process (such as environmental pollution or accidents)
		1-3	Risks directly or indirectly causes business or service loss due to misplacement of business or service personnel’s duties/concurrent job/ salary/ assessment
2	Risk of finance	2-1	Accounts receivable with insufficient guarantee or collection and payment
		2-2	Accumulated loss unrecognized this year
		2-3	Engaging in risk operation specified by the Securities and Exchange Bureau (such as lending funds to others, providing endorsement for others, financial operation of derivatives and related party transactions).
3	Risk of assets	3-1	Risks of disasters (such as fires or explosion) or natural disasters (such as floods, windstorms and earthquakes.
		3-2	Risks of vandalism or theft

(3) Organizational Operation of Risk Management

Organizational Risk Management	Level 1	Level 2	Level 3
Responsible department	Main departments	Audit Office	Board of Directors
Operation method	When carrying out daily control activities or self-assessments on annual important risk assessment items, departmental management risks, if occurrence estimates of management risks is moderate - high, such important risk assessment item and its measures to reduce operating risks shall be reported to the Organizational Risk Management at Level 2 and Level 3. It shall be included in the next year’s internal control system amendment.	When carrying out a risk self-assessment on the departmental operations or performing an annual audit plans, if the operating risk estimate occurrence is moderate - high of the level 1 of Organizational Risk Management, such important risk assessment item and its measures to reduce operating risks shall be included in the next year’s internal control system amendment and audit plan adjustment. It shall also be reported to the Organizational Risk Management at Level 3.	In terms of Organizational Risk Management at Level 1 and Level 2, it is submitted to the next year’s internal control system amendment and audit plan adjustment according to the risk management items listed and shall be implemented upon approval.

IV. Professional fees of the attesting CPAs:

Unit: NT\$1,000

Name of the Accounting Firm	Name of the CPAs	Audit period	Audit Fee	Non-Audit Fee	Total	Remarks
Baker Tilly Clock & Co.	Lai Chia-Yu	2024.01.01~2024.12.31	1,500	600	2,100	
	Lai Yongji	2024.01.01~2024.12.31				

- (1) Assessment over the following non-auditing services rendered by Baker Tilly Clock & Co. in 2024 suggest that they will not affect the independence of the attesting CPA:

Non-audit services	Amount
1. Taxation attestation:	NT\$400,000
2. Review of the annual shareholders' meeting handbook and shareholders' annual report	NT\$30,000
3. The consolidated financial report and parent company only financial report 2024 (English version)	NT\$160,000
4. Declaration of "information on the salary information of full-time employees not taking on supervisory duties" reporting inspection	NT\$10,000

- (2) Replace CPA firm with auditing fees of the year after replacement lower than that of the year before: None.

- (3) Audit fees down more than 10% from the year before: None

V. Change of CPA: None**VI. Any of the Company's chairperson, president, or managerial officer in charge of finance or accounting held a position in the CPA's firm or its affiliates in the most recent year: None.**

VII. Changes in shareholding and shares pledged by directors, managerial officers and shareholders with 10% shareholdings or more in most recent year and as of the publication date of the annual report:

(I) Changes in shareholding by directors and managers and major Shareholders

Title	Name	2024		2025 up to April 15	
		Number of shareholding Change in	Number of shares pledged Change in	Number of shareholding Change in	Number of shares pledged Change in
Chairperson	Hsu Zhen-Tsai	0	0	0	0
Director	Hsu Zhen-Ji	29,000	0	0	0
Director	Ruifu Construction Co., Ltd.	0	0	0	0
Director representative	Hsu Wei-Zhi	0	0	0	0
Director	Hohe Construction Co., Ltd.	1,224,000	1,000,000	486,000	0
Director representative	Lin Kun-Rong	0	0	0	0
Director	Quanxinfeng Co., Ltd.	0	0	0	(3,645,004)
Director representative	Hsu Zhen-Xin	0	0	0	0
Director	Ascend Gear International Inc.	596,000	0	413,000	0
Director representative	Chu, Lung-Tsung	0	0	0	0
Independent director	Wu Chun-Lai	0	0	0	0
Independent director	Lorraine Yao	0	0	0	0
Independent director	Chu, Shih-Yi	0	0	0	0
President	Hsu Zhen-Ji	29,000	0	0	0
Assistant managerial officer	Huang Hui Xian	0	0	0	0
Assistant managerial officer	Hsiao Zheng-Zhong	0	0	0	0
Supervisor of Management and Construction Department	Cheng Sheng Yuan	0	0	0	0
Chief financial officer	Bao Shi-Rong	0	0	0	0
Chief accounting officer	Shi Ming-De	0	0	0	0
Others	Hsu Zhen-Tsai	0	0	0	0
Major Shareholders	Ruifu Construction Co., Ltd.	0	0	0	0

(II) Information on the equity transfer's counterpart being a related party: NA.

(III) Information on the equity pledge's counterpart being a concerned party: NA.

Top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other :

Relationships among top-10 shareholders

Serial number	Name (Note 1)	Shares Held In Own Name		Shares Held by Spouse and Underage Children		Number of Shares Held Under Another Person's Name		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or Within Second-Degree of Kinship to Each Other (Note 3)		Remarks
		Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Title (or Name)	Relation	
1	Ruifu Construction Co., Ltd.	30,663,678	10.10%	0	0.00%	0	0.00%	None	Not applicable	None
	Representative: Hsu Wei-Zhi	4,137	0.00%	58,320	0.02%	0	0.00%			
2	Hohe Construction Co., Ltd.	17,324,553	5.71%	0	0.00%	0	0.00%	None	Not applicable	None
	Representative: Lin Kun-Rong	21,870	0.01%	0	0.00%	0	0.00%			
3	Ascend Gear International Inc.	16,820,342	5.54%	0	0.00%	0	0.00%	Chengxi/Quanxinfeng Co., Ltd.	Are relatives by marriage of representatives of institutional shareholders. Relatives by marriage Are spouses of representatives of institutional shareholders.	None
	Representative: Chen Hui-Jin	3,755,170	1.24%	4,690,917	1.55%	0	0.00%	Hsu Mei-Lun Hsu Zhen-Tsai		
4	Chengxi Investment Co., Ltd.	15,523,990	5.11%	0	0.00%	0	0.00%	Ascend Gear International Inc./Quanxinfeng Co., Ltd. Hsu Mei-Lun Hsu Zhen-Tsai Chen Hui-Jin	Are relatives by marriage of representatives of institutional shareholders. Relatives by marriage Relatives by marriage Relatives by marriage	None
	Representative: Yang Xun-wen	0	0%	0	0%	0	0%			
5	Hsu Mei-Lun	8,637,048	2.84%	0	0%	0	0%	Ascend Gear International Inc./Chengxi/Quanxinfeng Co., Ltd. Hsu Zhen-Tsai Chen Hui-Jin	Are relatives by marriage or relatives within second-degree of kinship of representative of institutional shareholders. Relatives within second-degree of kinship Relatives by marriage	None
6	Quanxinfeng Co., Ltd.	8,049,069	2.65%	0	0%	0	0%	Ascend Gear International Inc./Chengxi Hsu Mei-Lun Hsu Zhen-Tsai Chen Hui-Jin	Are relatives by marriage of representatives of institutional shareholders. Relatives within second-degree of kinship Relatives within second-degree of kinship Relatives by marriage	None
	Representative: Hsu Zhen-Xin	2,529,820	0.83%	0	0%	0	0%			
7	Ren-Yu Investment Limited	5,490,000	1.81%	0	0%	0	0%	None	Not applicable	None
8	Hsu Zhen-Tsai	4,690,917	1.55%	3,755,170	1.24%	0	0.00%	Ascend Gear International Inc./Chengxi/Quanxinfeng Co., Ltd. Hsu Mei-Lun Chen Hui-Jin	Are the spouses/relatives by marriage/relatives within second-degree of kinship of institutional shareholders. Relatives within second-degree of kinship Spouse	None
9	Chen Hui-Jin	3,755,170	1.24%	4,690,917	1.55%	0	0.00%	Chengxi/Quanxinfeng Co., Ltd. Hsu Mei-Lun	Are relatives by marriage of institutional shareholders. Relatives by marriage	None

Serial number	Name (Note 1)	Shares Held In Own Name		Shares Held by Spouse and Underage Children		Number of Shares Held Under Another Person's Name		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or Within Second-Degree of Kinship to Each Other (Note 3)		Remarks
		Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Title (or Name)	Relation	
								Hsu Zhen-Tsai	Spouse	
10	The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the series of funds of the Progressive Global Investment International Stock Index Fund Investment	3,507,375	1.16%	0	0.00%	0	0.00%	None	Not applicable	

Note 1: List the top 10 shareholders. List both the titles of the shareholders and the names of the representatives for institutional shareholders.

Note 2: The calculation of proportion of shareholding shall be the holding by the person, spouse, and dependents or in the name of a third party separately.

Note 3: The aforementioned shareholders for disclosure shall include institutional shareholders and natural persons, with the relations between the shareholders as required by the Criteria for the Compilation of Financial Statements by Securities Issuers.

Number of shares held and shareholding percentage of the Company, the Company's directors, supervisors, managerial officers and directly or indirectly controlled entities on the same investee:

Unit: shares; %; December 31, 2024

Reinvestment business (Note 1)	The Company's investments		Investments by the Directors, supervisors, managerial officers, and companies directly or indirectly controlled by the Company		Comprehensive investments	
	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)
Banjian Development Co., Ltd.	56,000,000	100.00	—	—	56,000,000	100.00
Ruifu Development Co., Ltd.	48,260	48.26	42,160	42.16	90,420	90.42
Fenghe Development Co., Ltd.	3,990,000	39.90	328,333	3.28	4,318,333	43.18
Hohe Construction Co., Ltd.	7,597,927	26.20	16,334,355	56.32	23,932,282	82.52
FRG US CORP.	16,237,000	100.00	—	—	16,237,000	100.00
TRIMOSA HOLDINGS LLC (Note 2)	29,530,861 (USD)	14.56	14,765,430 (USD)	7.28	44,296,291 (USD)	21.84
KINGSHALE INDUSTRIAL LIMITED	9,999	99.99	—	—	9,999	99.99
Formosan Chemical Ind. Corp.	22,516	2.25	—	—	22,516	2.25
Formosan Glass & Chemical Industrial Co.	2,510	4.56	—	—	2,510	4.56
Taiyang Co., Ltd.	111,395	1.24	—	—	111,395	1.24
Brightek Optoelectronic Co., Ltd.	267,241	0.39	—	—	267,241	0.39
Huaku Development Co., Ltd.	2,530,600	0.83	—	—	2,530,600	0.83
Sinopac Financial Holdings Company Limited.	30,436,725	0.24	35,651,052	0.28	66,087,777	0.52
Formosa Chemicals & Fibre Corporation	891,000	0.02	—	—	891,000	0.02
ShineMore Technology Materials Co., Ltd.	579,125	0.89	—	—	579,125	0.89
Formosa Plastics Corp.	1,088,000	0.02	—	—	1,088,000	0.02
Nan Ya Plastics Corporation	2,514,000	0.03	—	—	2,514,000	0.03
Grand Fortune Securities Co., Ltd.	2,984,830	0.75	—	—	2,984,830	0.75
Yuji Venture Capital Co., Ltd.	660,000	10.00	—	—	660,000	10.00
The Eslite Corporation	895,300	1.18	—	—	895,300	1.18
Far EasTone Telecommunications Co., Ltd.	2,210,000	0.06	—	—	2,210,000	0.06
Far Eastern Department Stores Ltd.	6,226,447	0.44	—	—	6,226,447	0.44
Taiwan Semiconductor Manufacturing Co., Ltd.	405,000	—	—	—	405,000	—
Far Eastern New Century	4,101,761	0.08	—	—	4,101,761	0.08

Reinvestment business (Note 1)	The Company's investments		Investments by the Directors, supervisors, managerial officers, and companies directly or indirectly controlled by the Company		Comprehensive investments	
	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)
Tashee Recreation Co., Ltd. - Preferred stock	1	—	—	—	1	—
China Motor Corporation	1,580,000	0.29	125,000	0.02	1,705,000	0.31
WPG Holding Co Ltd.	1,916,600	0.11	—	—	1,916,600	0.11
Farglory Construction Co., Ltd.	2,892,000	0.37	370,000	0.05	3,262,000	0.42
Class B preference share, Shin Kong Financial Holding Co., Ltd	666,000	0.22	—	—	666,000	0.22
Citigroup Inc.	1,000	—	—	—	1,000	—
Continental Holdings Ltd.	7,317,000	0.89	—	—	7,317,000	0.89
Formosa Petrochemical Corp.	1,198,000	0.01	—	—	1,198,000	0.01
Pegatron Corporation	1,487,000	0.06	—	—	1,487,000	0.06
Chong Hong Construction Co., Ltd.	2,593,000	0.89	904,000	0.31	3,497,000	1.20
E.SUN Financial Holding Co., Ltd.	80,000	—	—	—	80,000	—
Allianz Global Investors Preferred Securities and Income Fund	997,009	—	—	—	997,009	—
NN(L) Investment Grade Corporate Bond Fund	202	—	—	—	202	—
Ford Motor Company	1,000	—	—	—	1,000	—
Delhi International Airport Limited	480,000	—	—	—	480,000	—
Tokyo Electron Limited	11,000	—	—	—	11,000	—
Shin-Etsu Chemical Co.	9,000	—	—	—	9,000	—
Taiwan Cement Corp.	—	—	791,954	0.01	791,954	0.01
Quanta Computer Inc.	781,000	0.02	—	—	781,000	0.02
CTBC FINANCIAL HOLDING CO., LTD.	7,015,000	0.03	—	—	7,015,000	0.03
Qisda Corporation	—	—	210,000	0.01	210,000	0.01
0056 High Dividend	—	—	490,000	—	490,000	—
Yuanta Financial Holding Co., Ltd.	—	—	221,802	—	221,802	—
DARFON ELECTRONICS CORP	727,000	0.26	—	—	727,000	0.26
MediaTek Inc.	21,000	—	—	—	21,000	—
United Microelectronics Corp.	1,980,000	0.02	—	—	1,980,000	0.02

Reinvestment business (Note 1)	The Company's investments		Investments by the Directors, supervisors, managerial officers, and companies directly or indirectly controlled by the Company		Comprehensive investments	
	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)
JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	227,988	0.04	—	—	227,988	0.04
EVERGREEN MARINE CORP. (TAIWAN) LTD.	443,000	0.02	—	—	443,000	0.02
NICHIDENBO CORPORATION	836,000	0.39	—	—	836,000	0.39
LEO SYSTEMS, INC.	818,000	0.90	—	—	818,000	0.90
NAN YA PRINTED CIRCUIT BOARD CORPORATION	100,000	0.02	—	—	100,000	0.02
TOYOTA MOTOR CORP	102,000	—	—	—	102,000	—
NEXT FUNDS TOPIX	45,000	—	—	—	45,000	—
Mitsubishi Heavy Ind	288,000	—	—	—	288,000	—
Mercuries F&B	555,000	0.84	—	—	555,000	0.84
LMT Lockheed Martin	500,000	—	—	—	500,000	—
Apple Computer Inc.	1,000,000	—	—	—	1,000,000	—
EVA AIRWAYS CORPORATION	1,150,000	0.02	700,000	0.01	1,850,000	0.03
CTBC Financial Holding Co., Ltd.	—	—	1,400,000	0.01	1,400,000	0.01
Chang Hwa Bank	5,572,800	0.05	—	—	5,572,800	0.05

Note 1: Refers to the Company's long-term or short-term investment.

Note 2: The number for unissued shares is listed as their original investment amount.

Three. Funding Status

- I. Capital and Shares:
- II. Corporate Bonds
- III. Preferred Stocks:
- IV. Global Depository Receipts
- V. Employee Stock Options
- VI. New Restricted Employee Shares
- VII. New Shares Issued for Merger or Acquisition
(including mergers, acquisitions, and demergers)
- VIII. Progress on Planned Use of Capital

I. Capital and Shares:
(I) Source of Capital
Formation of Capital:

							Unit: NTD/Share	
Year/Month	Issue Price	Authorized capital		Paid-up capital		Source of Capital	Remarks	
		Number of Shares	Amount	Number of Shares	Amount		Paid in Properties Other Than Cash	Others
1963.1	10	240,000	2,400,000	240,000	2,400,000	Partnership was registered in 1952 when founded; it became a company in 1963	None	
1964.08	10	500,000	5,000,000	500,000	5,000,000	Cash Capital Increase - NT\$2,600,000	None	
1966.08	10	1,200,000	12,000,000	1,200,000	12,000,000	Cash Capital Increase - NT\$7,000,000	None	
1970.06	10	1,800,000	18,000,000	1,800,000	18,000,000	Cash Capital Increase - NT\$6,000,000	None	
1971.08	10	3,000,000	30,000,000	3,000,000	30,000,000	Cash Capital Increase - NT\$12,000,000	None	
1972.10	10	6,000,000	60,000,000	6,000,000	60,000,000	Cash Capital Increase - NT\$30,000,000	None	
1973.09	10	8,000,000	80,000,000	8,000,000	80,000,000	Cash Capital Increase - NT\$20,000,000	None	
1974.01	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash Capital Increase - NT\$20,000,000	None	
1974.12	10	11,500,000	115,000,000	11,500,000	115,000,000	Capital Reserve to Increase Capitalization - NT\$15,000,000	None	
1975.12	10	14,500,000	145,000,000	14,500,000	145,000,000	Cash Capital Increase - NT\$10,000,000, Capital Reserve to Increase Capitalization - NT\$20,000,000	None	
1978.09	10	16,000,000	160,000,000	16,000,000	160,000,000	Capitalization of Retained Earnings - NT\$15,000,000	None	
1979.10	10	19,000,000	190,000,000	19,000,000	190,000,000	Capitalization of Retained Earnings - NT\$30,000,000	None	
1980.09	10	22,500,000	225,000,000	22,500,000	225,000,000	Cash Capital Increase - NT\$15,000,000, Capitalization of Retained Earnings - NT\$20,000,000	None	
1983.12	10	36,000,000	360,000,000	36,000,000	360,000,000	Cash Capital Increase - NT\$135,000,000	None	Approved under Taiwan-Finance-Securities-(1) 2777 dated December 17, 1983 (1983)
1985.10	10	42,353,000	423,530,000	42,353,000	423,530,000	Cash Capital Increase - NT\$63,530,000	None	Approved under Taiwan-Finance-Securities-(1) 304 dated October 29, 1985
1986.11	10	66,000,000	660,000,000	60,003,000	600,030,000	Cash Capital Increase - NT\$136,500,000, Capital Reserve to Increase Capitalization - NT\$40,000,000	None	Approved under Taiwan-Finance-Securities-(1) 13053 dated September 23, 1986 (1986)
1987.09	10	66,000,000	660,000,000	66,000,000	660,000,000	Cash Capital Increase - NT\$59,970,000	None	Approved under Taiwan-Finance-Securities-(1) 3440 dated August 7, 1987
1988.11	10	76,000,000	760,000,000	76,000,000	760,000,000	Cash Capital Increase - NT\$100,000,000	None	Approved under Taiwan-Finance-Securities-(1) 08958 dated August 26, 1988 (1988)
1989.12	10	130,000,000	1,300,000,000	130,000,000	1,300,000,000	Cash Capital Increase - NT\$375,000,000, Capitalization of Retained Earnings - NT\$145,200,000, Capital Reserve to Increase Capitalization - NT\$19,800,000	None	Approved under Taiwan-Finance-Securities-(1) 02539 dated December 19, 1988 (1989)
1991.10	10	180,000,000	1,800,000,000	156,000,000	1,560,000,000	Capitalization of Retained Earnings - NT\$130,000,000, Capital Reserve to Increase Capitalization - NT\$130,000,000	None	Approved under Taiwan-Finance-Securities-(1) 02944 dated October 11, 1992 (1992)
1993.07	10	180,000,000	1,800,000,000	180,000,000	1,800,000,000	Capital Reserve to Increase Capitalization - NT\$240,000,000	None	Approved under Taiwan-Finance-Securities-(1) 30829 dated July 31, 1993 (1993)
1994.09	10	234,000,000	2,340,000,000	207,000,000	2,070,000,000	Capital Reserve to Increase Capitalization - NT\$270,000,000	None	Approved under Taiwan-Finance-Securities-(1) 32558 dated September 7, 1994 (1994)
1995.03	10	234,000,000	2,340,000,000	234,000,000	2,340,000,000	Cash Capital Increase - NT\$270,000,000	None	Approved under Taiwan-Finance-Securities-(1) 55170 dated March 16, 1995 (1995)
1995.06	10	269,100,000	2,691,000,000	269,100,000	2,691,000,000	Capitalization of Retained Earnings - NT\$135,720,000, Capital Reserve to Increase Capitalization - NT\$215,280,000	None	Approved under Taiwan-Finance-Securities-(1) 37123 dated June 23, 1995 (1995)
1996.07	10	285,246,000	2,852,460,000	285,246,000	2,852,460,000	Capital Reserve to Increase Capitalization - NT\$161,460,000	None	Approved under Taiwan-Finance-Securities-(1) 41715 dated July 10, 1996 (1996)
1997.06	10	373,770,600	3,737,706,000	313,770,600	3,137,706,000	Capital Reserve to Increase Capitalization - NT\$285,246,000	None	Approved under Taiwan-Finance-Securities-(1) 51629 dated June 27, 1997 (1997)
1998.06	10	411,423,072	4,114,230,720	351,423,072	3,514,230,720	Capital Reserve to Increase Capitalization - NT\$376,524,720	None	Approved under Taiwan-Finance-Securities-(1) 54404 dated June 22, 1998 (1998)
1999.06	10	435,319,840	4,353,198,400	375,319,840	3,753,198,400	Capital Reserve to Increase Capitalization - NT\$238,967,680	None	Approved under Taiwan-Finance-Securities-(1) 54833 dated June 11, 1999 (1999)
2000.06	10	457,088,390	4,570,883,900	397,088,390	3,970,883,900	Capital Reserve to Increase Capitalization - NT\$217,685,500	None	Approved under Taiwan-Finance-Securities-(1) 50705 dated June 13, 2000 (2000)
2003.07	10	457,088,390	4,570,883,900	389,869,390	3,898,693,900	Cancellation of Treasury Shares NT\$72,190,000	None	Approved under Taiwan-Finance-Securities-(3) 0920134406 dated July 25, 2003
2004.07	10	680,000,000	6,800,000,000	385,264,400	3,852,643,900	Cancellation of Treasury Shares NT\$46,050,000	None	Approved under Jin-Shou-Shang-Zhi No. 09301112810 dated July 9, 2004
2005.04	10	680,000,000	6,800,000,000	461,767,899	4,617,678,990	Conversion of Corporate Bonds to Common Shares - NT\$765,035,090	None	Approved under Jin-Shou-Shang-Zhi No. 09401061520 dated April 15, 2005
2005.07	10	680,000,000	6,800,000,000	469,023,521	4,690,235,210	Conversion of Corporate Bonds to Common Shares - NT\$72,556,220	None	Approved under Jin-Shou-Shang-Zhi No. 09401130940 dated July 15, 2005
2005.10	10	680,000,000	6,800,000,000	475,812,986	4,758,129,860	Conversion of Corporate Bonds to Common Shares - NT\$67,894,650	None	Approved under Jin-Shou-Shang-Zhi No. 09401210150 dated October 20, 2005
2005.12	10	680,000,000	6,800,000,000	455,812,986	4,558,129,860	Cancellation of treasury shares NT\$200,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 09401260020 dated December 16, 2005
2006.01	10	680,000,000	6,800,000,000	455,828,023	4,558,280,230	Conversion of Corporate Bonds to Common Shares - NT\$150,370	None	Approved under Jin-Shou-Shang-Zhi No. 09501016010 dated January 26, 2006
2006.03	10	680,000,000	6,800,000,000	452,980,023	4,529,800,230	Cancellation of Treasury Shares NT\$28,480,000	None	Approved under Jin-Shou-Shang-Zhi No. 09501036310 dated March 6, 2006
2006.04	10	680,000,000	6,800,000,000	467,303,329	4,673,033,290	Conversion of Corporate Bonds to Common Shares - NT\$143,233,060	None	Approved under Jin-Shou-Shang-Zhi No. 09501064670 dated April 12, 2006
2006.07	10	680,000,000	6,800,000,000	474,310,828	4,743,108,280	Conversion of Corporate Bonds to Common Shares - NT\$70,074,990	None	Approved under Jin-Shou-Shang-Zhi No. 09501141160 dated July 10, 2006
2006.10	10	680,000,000	6,800,000,000	481,431,107	4,814,311,070	Conversion of Corporate Bonds to Common Shares - NT\$71,202,790	None	Approved under Jin-Shou-Shang-Zhi No. 09501228400 dated October 12, 2006
2006.11	10	680,000,000	6,800,000,000	477,684,107	4,776,841,070	Cancellation of Treasury Shares NT\$37,470,000	None	Approved under Jin-Shou-Shang-Zhi No. 09501262890 dated November 21, 2006
2007.01	10	680,000,000	6,800,000,000	512,526,074	5,125,260,740	Conversion of Corporate Bonds to Common Shares - NT\$348,419,670	None	Approved under Jin-Shou-Shang-Zhi No. 09601003550 dated January 9, 2007
2007.04	10	680,000,000	6,800,000,000	523,962,133	5,239,621,330	Conversion of Corporate Bonds to Common Shares - NT\$114,360,590	None	Approved under Jin-Shou-Shang-Zhi No. 09601077550 dated April 14, 2007
2007.04	10	680,000,000	6,800,000,000	524,082,432	5,240,824,320	Conversion of Corporate Bonds to Common Shares - NT\$1,202,990	None	Approved under Jin-Shou-Shang-Zhi No. 09601091420 dated April 30, 2007
2008.03	10	680,000,000	6,800,000,000	523,296,432	5,232,964,320	Cancellation of Treasury Shares NT\$7,860,000	None	Approved under Jin-Shou-Shang-Zhi No. 09701071000 dated March 27, 2008
2008.12	10	680,000,000	6,800,000,000	503,652,432	5,036,524,320	Cancellation of Treasury Shares NT\$196,440,000	None	Approved under Jin-Shou-Shang-Zhi No. 09701317960 dated December 18, 2008
2011.12	10	680,000,000	6,800,000,000	501,980,432	5,019,804,320	Cancellation of Treasury Shares NT\$16,720,000	None	Approved under Jin-Shou-Shang-Zhi No. 10001273350 dated December 1, 2011

Year/Month	Issue Price	Authorized capital		Paid-up capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Paid in Properties Other Than Cash	Others
2012.03	10	680,000,000	6,800,000,000	497,689,432	4,976,894,320	Cancellation of Treasury Shares NT\$42,910,000	None	Approved under Jin-Shou-Shang-Zhi No. 10101035730 dated March 2, 2012
2012.08	10	680,000,000	6,800,000,000	497,189,432	4,971,894,320	Cancellation of Treasury Shares NT\$5,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 10101166240 dated August 13, 2012
2015.12	10	680,000,000	6,800,000,000	490,468,432	4,904,684,320	Cancellation of Treasury Shares NT\$67,210,000	None	Approved under Jin-Shou-Shang-Zhi No. 10401267800 dated December 18, 2015
2016.5	10	680,000,000	6,800,000,000	481,777,432	4,817,774,320	Cancellation of Treasury Shares NT\$86,910,000	None	Approved under Jin-Shou-Shang-Zhi No. 10501087510 dated May 5, 2016
2016.8	10	680,000,000	6,800,000,000	433,600,000	4,336,000,000	Capital Reduction - NT\$481,774,320	None	Approved under Jin-Shou-Shang-Zhi No. 10501192820 dated August 15, 2016
2017.2	10	680,000,000	6,800,000,000	425,000,000	4,250,000,000	Cancellation of Treasury Shares NT\$86,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 10601017260 dated February 13, 2017
2017.5	10	680,000,000	6,800,000,000	422,222,000	4,222,220,000	Cancellation of Treasury Shares NT\$27,780,000	None	Approved under Jin-Shou-Shang-Zhi No. 10601055000 dated May 1, 2017
2017.8	10	680,000,000	6,800,000,000	380,000,000	3,800,000,000	Capital Reduction - NT\$422,220,000	None	Approved under Jin-Shou-Shang-Zhi No. 10601111970 dated August 3, 2017
2018.3	10	680,000,000	6,800,000,000	370,000,000	3,700,000,000	Cancellation of Treasury Shares NT\$100,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 10701029640 dated March 20, 2018
2019.2	10	680,000,000	6,800,000,000	350,000,000	3,500,000,000	Cancellation of treasury shares NT\$200,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 10801013940 dated February 15, 2019
2020.6	10	680,000,000	6,800,000,000	342,326,000	3,423,260,000	Cancellation of Treasury Shares NT\$76,740,000	None	Approved under Jin-Shou-Shang-Zhi No. 10901105320 dated June 22, 2020
2022.11	10	680,000,000	6,800,000,000	337,326,000	3,373,260,000	Cancellation of Treasury Shares NT\$50,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 11101205470 dated November 17, 2022.
2023.8	10	680,000,000	6,800,000,000	303,593,400	3,035,934,000	Cash reduction NT\$337,326,000	None	Approved under Jin-Shou-Shang-Zhi No. 11230150900 dated August 8, 2023.

Note 1: Shall be filled with the data of the current year as of the publication date of the annual report.

Note 2: Effective (approval) date and letter number shall be filled in for increase of capital.

Note 3: Shares issued lower than their par value shall be marked in a clear manner.

Note 4: Offsetting shares using currency claims, technology or goodwill shall be indicated with information on type and amount of offset.

Note 5: Private placements shall be marked in a clear manner.

Stock Class	Authorized capital			Remarks
	Outstanding Shares	Unissued shares	Total	
Registered Stocks	303,593,400	376,406,600	680,000,000	None

Note 1: Capital amount of FRG: NT\$6.8 billion in 680 million shares at face value of NT\$10.

Note 2: They are shares of a public company.

General Information About the Reporting System: None.

(II) Major Shareholders:

Shareholders holding 5% or more of the shares or names, numbers of shareholding and ratio of the top 10 shareholders:

Unit: Share; April 15, 2025

Names of Major Shareholders/Shares	Number of shareholding	Shareholding Ratio
Ruifu Construction Co., Ltd.	30,663,678	10.10%
Hohe Construction Co., Ltd.	17,324,553	5.71%
Ascend Gear International Inc.	16,820,342	5.54%
Chengxi Investment Co., Ltd.	15,523,990	5.11%
Hsu Mei-Lun	8,637,048	2.84%
Quanxinfeng Co., Ltd.	8,049,069	2.65%
Ren-Yu Investment Limited	5,490,000	1.81%
Hsu Zhen-Tsai	4,690,917	1.55%
Chen Hui-Jin	3,755,170	1.24%
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the series of funds of the Progressive Global Investment International Stock Index Fund Investment	3,507,375	1.16%

(III) The Company's Dividend Policy and Implementation Status:

1. Dividend Policy:

If there is a profit within the Company in the year, no less than 1% of the profit shall be set aside for employees' remuneration and no less than 2% of the profit shall be set as remuneration for directors and supervisors. Where there is an accumulated loss, the profit shall be reserved to make up for the loss.

The employee remuneration may be determined by shares or cash and its receiving parties must include its serving employees in accordance with the requirements established by the Board of Directors. The remuneration of directors and supervisors of the preceding paragraph is determined by cash.

The preceding 2 paragraphs are enforced after the Board of Directors' resolution, and the shareholders must be reported to.

From the profit earned by the Company as shown through the final account, if any, the sum should first be used to pay taxes and make up for previous loss, the remaining should be distributed as follows:

(I) 10% should be set aside as legal reserve, except for when the legal reserve has reached the total capital;

(II) If necessary, it can be set aside according to the laws and regulations or for reversal of special reserve.

(III) The remaining earnings as well as the accumulated undistributed earnings from the previous year, when the board of directors proposes the motion of earnings distribution, the appropriation of shareholder dividends shall not be less than 5% of the accumulated distributable earnings, and motion shall be submitted to the shareholder meeting for a resolution.

The life cycle of the Company is currently classified as the "mature period". The Company strives to the pursuit of cooperate sustainable operation and corresponds with the future market needs. We take into consideration of the Company's future capital expenditure budget and the need to maintain dividend distribution, among which, cash dividends may not be less than 10% of the aggregate amount of shareholders' dividends. Whereas there are capital demands including significant investment, significant operation change, capacity expansion during the year, and other significant capital expenditures, the Board of Directors must propose a motion to change its cash dividends to all shares. The motion may be proceeded after an approval is gained by the shareholders meeting.

Pursuant to the amended Articles of Incorporation on June 8, 2022, where the Company distribute the bonus, or legal reserves or capital reserve, all or in part, if in the form of cash, it is authorized to do so by the approval of the majority of attending directors in a board meeting attended by more than one-

third directors, and reported to the shareholders' meeting.
2. Dividend Distribution Proposed for the Shareholders Meeting:

Formosan Rubber Group Inc.
Earnings Distribution Table
2024

Unit: NTD \$

Item	Amount
Undistributed earnings at the beginning of the period	5,417,656,731
Add: Current net income	573,459,697
Add: disposal of equity investment instruments measured at fair value through other comprehensive income	366,345,264
Add: Other comprehensive income (actuarial gains and losses of defined benefit plans)	336,395
The net profit after tax of the period, plus items other than The net profit after tax of the period, accounted into the undistributed earnings of the year	940,141,356
Undistributed earnings after adjustment	6,357,798,087
Less: 10% provision for legal reserve	(94,014,136)
Subtotal	(94,014,136)
Distributable net profit	6,263,783,951
1. Shareholder Dividends (303,593,400 shares x cash dividend NT\$1.4)	(425,030,760)
Subtotal	(425,030,760)
Accumulated undistributed earnings at the end of the period	5,838,753,191

Note 1: The amount of this surplus earnings distribution has preference on net income after tax 2024.

Chairperson: Hsu Zhen-Tsai

Managerial Officer: Hsu Zhen-Ji

Chief Accounting Officer: Shi Ming-De

- (IV) The effects of stock grants drafted by this shareholders' meeting on The Company's operating performance and earnings per share: There was no non-distributable shares, it is therefore not applicable.
- (V) Employees' compensation and remuneration of directors and supervisors:
1. Information Relating to Remuneration of Employees and Directors in the Company's Articles of Incorporation: Please refer to Chapter I, Item VI of this Article - "Dividend Policy".
 2. The accounting of the difference between the estimates of remuneration to employees and directors, the basis for the calculation of outstanding shares for dividend payment and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: According to the charter, the Company's remuneration to employees is recognized as expenses and not distribution of earnings. It is recognized during the accounting period when employees provide labor services according to the charter. If the estimated amount differs from the actual distribution amount passed by the shareholders meeting, it is treated according to the changes in accounting estimates which is adjusted into account on the shareholders meeting the following year.
 3. Information on the proposed remuneration to employees passed by the Board of Directors:
Approved by the board of directors on March 11, 2025
 - (1) The amount of proposed distribution to employees in cash and remuneration to director: Cash remuneration of NT\$6,571,000 to employees and NT\$6,571,000 to directors.
 - (2) i. Proposed remuneration to employees in shares: NT\$0.
ii. Amount of stock distributed as employee remuneration and as a percentage to net income of parent company only or individual financial statements and aggregate remuneration to employees: None.
 - (3) The estimated earnings per share less than the proposed allotment of employee remuneration and director remuneration is NT\$1.89.
 - (4) The proposed allotment of employee remuneration and director remuneration approved by the board of directors is consistent with the estimates in the 2024 financial statements.
 4. The actual allotment of employee remuneration and director remuneration in the previous year (including the number of shares allotted, amount and share price), differ from the estimated employee remuneration and the remuneration of directors and supervisors, note the amount, reasons, and measures taken:
The Board of Directors' approval and actual distribution on March 12, 2024:
 - (1) Actual remuneration distributed to employees: NT\$6,014,305, and NT\$6,014,305 to directors.
 - (2) i. Proposed remuneration to employees in shares: NT\$0.
ii. Amount of stock distributed as employee remuneration and as a percentage to net income of parent company only or individual financial statements and aggregate remuneration to employees: None.
 - (3) The estimated earnings per share, after deducting employee and director remuneration, amount to NT\$1.61.
 - (4) In 2023, the distribution of cash remuneration to employees and directors matched the estimated amount without any discrepancies.
- (VI) Repurchase of FRG shares: none.

II. The Company's Handling of Corporate Bonds: None.

III. The Company's Preferred Stocks: None.

IV. Global Depository Receipts: None.

V. Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

VII. New Shares Issued for Merger or Acquisition: None.

VIII. Progress on Planned Use of Capital: None.

Four. Operational Highlights

- I. Business Activities
 - (I) Scope of Business
 - (II) Industry Overview
 - (III) Technology and R&D Status and the Progress of Future Plans and Estimated Investment Expenses
 - (IV) Long-Term and Short-Term Business Development Plans
- II. Market and Production and Sales Overview
 - (I) Market Analysis
 - (II) Important Uses and Production Process of Major Products
 - (III) Supply Situation for Major Raw Materials
 - (IV) The Major Customers that Accounted for more than 10% of the Total Procurement (sales) of Goods in any of the Past 2 Years and the Amount and Proportion of the Goods Sold
- III. The Number of Employees t
- IV. Expenditure for Environmental Protection
- V. Labor Relations and Employee Rights
- VI. Information security management
- VII. Important Contracts

Four. Operational Highlights

I. Business Activities

(I) Scope of Business:

1. The main business contents:

(1) Manufacturing and selling products including: plastic raincoat material, plastic clip fabric, polyvinyl chloride rubber, plastic air bed, automotive parts, rubber boat material, rubber tape, rubber foam bag fabric, rubber air bed, rubber space bag , Polyurethane inflatable bed, and polyurethane inflatable boat fabric.

(2) In terms of diversified operation, the Company has added the following to its business items:

1. Manufacturing and selling products including: plastic space bags, plastic oil canvas, polyurethane high-performance fabrics, polyurethane high-inflatable fabrics, and rubber foam women's bags
2. Purchasing and selling of related machinery and equipment for the production, trading and raw materials of the preceding paragraph.
3. Operation of general import and export trade and agency services (except licensing business).
4. Management of cinemas, department stores and supermarkets
5. Manufacturing and trading of environmental protection equipment.
6. Manufacturing and sales of rubber and plastic products for aircraft fuel tanks and inflatable rescue ladders.
7. Manufacturing and trading of IC products.
8. Operation of leisure and sports facilities (bowling, tennis, table tennis, badminton, billiards and swimming pool).
9. Commission construction companies to build public housing, commercial buildings and general industrial plant, and warehouse rental and sales.
10. Lease and sale of the remaining plant buildings and office buildings.
11. Manufacturing and selling of silicone rubber, silicone resin, silicone oil, silicone sealant, resin materials for electronics, protective film for electronic wafers, and printed circuit boards.
12. Manufacturing and selling of various industrial synthetic resins, resin pellets, and adhesives.
13. Manufacturing and selling of color inkjet photo paper and polyolefin films.
14. D101050 Combined Heat and Power
15. G801010 Warehousing and Storage
16. All business items that are not prohibited or restricted by law, except those that are subject to special approval..

2. Business ratios:

(1) Business ratios for various products

Unit: thousand

Item	2024	%
Construction	294,753	19.90%
Rubber Sheet	534,939	36.12%
Plastic	165,760	11.19%
Eco-Friendly Synthetic Leather	162,930	11.00%
Warehouse	301,950	20.38%
Others	20,911	1.41%
Total	1,481,243	100%

(2) Business ratios for various regions:

		Unit: thousand	
Region\year		2024	%
Domestic sales		277,390	31%
Overseas sales	Asia	331,252	38%
	Europe	164,756	19%
	North America	108,246	12%
	Other regions	2,896	0%
	Total of overseas sales	607,150	69%
Total		884,540	100%

Note: Construction and warehouse revenue are not included in domestic sales.

3. Statistics on Key Performance Indicator (KPI) of Formosan Rubber Group Inc.

Explanation: The KPI of Formosan Rubber Group Inc. is the product recovery rate = Grade A ÷ input

Unit	Target Value	Division	Total of the First Half	Total of the Second Half	Annual Total
Rubber Sheet	90.0%	Input	746,838	996,622	1,743,460
		Grade A	684,357	918,383	1,602,740
		Recovery Rate	91.6%	92.1%	91.9%
Synthetic Leather	99.0%	Input	1,686,701	1,503,200	3,189,901
		Grade A	1,674,764	1,487,042	3,161,806
		Recovery Rate	99.3%	98.9%	99.1%
Green plastics	94.0%	Input	1,535,390	1,192,767	2,728,157
		Grade A	1,497,550	1,165,035	2,662,585
		Recovery Rate	97.5%	97.7%	97.6%

(II) Industry Overview:

1. Secondary Processing Industries:

Years of statistics in Germany suggest that the total global demand for rubber and plastics remain growing slowing; the segments of life-saving, medication, and environment protection are outperforming the remaining ones; FRG is leading in the first two with better technology. Since 2024, inflation has eased, and the monetary policy has no longer been tight. The pressure on the labor market has eased, and the demand for AI-related goods has been strong. The developed economies have benefited from the improvement of the supply chain and the increase in service demand, which has led to significant trade recovery. However, geopolitical risks, the Russo-Ukrainian War continues, and the intensification of the Middle East conflict and the escalation of the US-China trade war will weaken the confidence in economic optimism. The economic growth of various countries around the world is different, and the trend is offset by each other. The global economic growth is still lack of momentum. Looking ahead to 2025, though the global geopolitical tensions intensify, the single-handed and the internal-oriented industrial policy will be re-initiated, the uncertainty of demand and the possibility of financial market volatility, but the benefits of the trend of AI and the continuous innovation of the energy field, coupled with the loosened monetary tightening policy of major central banks, it is expected that the consumption and investment momentum of advanced economies will drive the steady global economic growth. Based on the above factors, FRG is targeting to outsell the 8,256 thousand yards of rubber, plastic and synthetic leather (2023) in 2024 for 2025.

2. Nankang's lease service industry actively seeks new clients and collaborates with well-known domestic and foreign logistic operators to provide tax and logistics management services to foreign businesses, with a focus on one-stop services and the use of technological management integration processes and systematized service models. This in turn improves service efficiency. The

warehouses in Longtan Smart Park Zone A, Taoyuan, were completed in Q2 of this year. They are FRG's primary targets for investment this year. As the Lungtan Smart Park's warehouse momentum grows, so will revenue from related warehouse rentals and goods handling fees. Revenue from warehousing rent and logistics may go over NT\$260 million in 2025.

3. Land Development Status of the Company:

- (1) The sales of the reserved apartments for “World Garden - Bridge Upto Zenith”, and “Modesty Home”

Reserved units apartments at “Qiao-Feng” and “Qian-Yue”. By judging the real estate market, we entrusted the sales of the residential apartments and took steps gradually, allowing steady sales, and we have now sold out all the residential apartments.

- (2) Xindian “Legend River”

The MRT Circular Line commenced the operation, and the development of the Yangbei Replanning Area, the market has gradually recovered and the selling rate has stabilized.

- (3) “55Timeless” Project in Taipei City

With the building of high specifications and the public facilities of an art gallery, it has become one of the international-grade landmarks for luxury residential apartments. Sales of units of large size and higher prices are soaring due to the following factors: preference of high end customers attracted by good construction quality and word of mouth; funds back to Taiwan to get away from Sino-US conflicts are prominent. With the Company’s flexible use of strategies, the apartments continued selling.

- (4) “La Bella Vita” Project in Taichung City

The real estate market of the 7th Phase, Taichung City is very active, and thus the selling prices are stabilized. The major selling point of “La Bella Vita” is planned to be the real model house designed for “La Bella Vita” specifically by the architecture Antonio Citterio and renowned cabinet brand, to increase the sales synergy with cross-industry alliance.

- (5) FRG Bridge Upto Zenith Business Plaza

FRG Qiao Feng Business Plaza is located on the first and second floors of No. 168-180, Section 1, Zhongshan Road, Banqiao, covering an area of 1,882 pings (6221 square meters). The business plaza has been leased to E.SUN Commercial Bank, SinoPac Securities Corporation, and infant care center, Bell’s HOUSE. FRG Qiao Feng Business Plaza has become an exquisite business center of Banqiao.

- (6) San Francisco and Hotel Development Project

Our subsidiary (FRG US Corp.) established in the US in 2017 participates in the construction investments; The subsidiary’s investment in the project is approximately 14.56% Residential sales were limited due to the significant increase in US mortgage interest rates, whereas hotel operations gradually improved, aided by sustained brand visibility.

- (7)

The construction plan for the unsafe and old buildings has been completed, and the land registration transfer was completed in December 2022. Architectural design, environmental impact assessment, and urban design review are all currently underway.

(III) Technology and R&D Status and the Progress of Future Plans and Estimated Investment Expenses:

(1) The technical level and research development of the business:

As a means to lead the transformation of the technology industry, the Company established the R&D center in the early 1990s and recruited researches with a master's degree. The Company worked vigorously to research and develop products for new uses, new materials and new process and has become a successful example in the transformation of traditional industries by establishing advanced technology research and develop capabilities. We are the only company in Taiwan to have won the National Quality Award for 5 consecutive years (1991-1995) presented by the Industrial Development Bureau. Aside maintaining the same production quality for the current products, we constant work on the further development on aspects including defense, medical, industrial, safety maintenance, special environmental airtightness, green energy environmental protection, electrical protection, and nuclear protection.

(2) R&D Personnel and Their Education and Experiences:

The Company has a total of 10 R&D personnel, among these 6 people hold a master degree, 3 people hold a bachelor degree and 1 person is an undergraduate.

(3) R&D expenses in the last five years (2020-2024):

Unit: thousand

2020	2021	2022	2023	2024
9,917	10,476	9,634	9,270	9,801

(4) Material Results:

In 2024, the Company obtained five new "invention" patents in the Republic of China:

[1]	Protective clothing fabric and manufacturing method thereof
[2]	Rubber compound fabric made from low-temperature resistant and abrasion-resistant materials and its manufacturing method

There are 4 R.O.C. patent applications pending.

(5) The process of the future R&D plans and estimated R&D investment expenses for Formosan Rubber Group Inc.

Recent annual plans	Current process	R&D expenses that should be further invested	Time to complete mass production	Major factors for the future R&D to succeed
Product development of rubber soundproofing pad products	1. Rubber soundproof isolation pad have been certified for "Green Building Label" and are now applying for "Healthy Green Building Label." 2. The production equipment is completed and put into production according to the order, and delivered to the customer.	USD \$ 5,000	June 2025	1. The actual operation of equipment production is consistent with production requirements and can improve production efficiency. 2. Effective control of product maturing time to increase yield rate.
Anti-flammability and anti-temperature resistance, electrostatic protection, and protective skin careproject	1. Use of Kevlar fabric materials, and bonding with fire-resistant and heat-resistant (<10^9) rubber materials. 2. The samples of mass production have been produced and delivered to the customer for confirmation and testing.	USD \$ 5,000	June 2025	1. Customers still have room for improvement in the appearance of the bulk goods. 2. The time for the customer to make confirmation has effected the number of the current orders.

Recent annual plans	Current process	R&D expenses that should be further invested	Time to complete mass production	Major factors for the future R&D to succeed
Product development project for rubber and TPU drop-stitch inflatable air cushion	<ol style="list-style-type: none"> 1. Various drop-Stitch rubber and TPU inflatable air cushions have been completed and delivered to aircraft jack customers for trial use. 2. Drop-stitch has two suppliers. Due to the long delivery time of materials, the Company will establish a general inventory. 	USD \$ 5,000	June 2025	<ol style="list-style-type: none"> 1. TPU Drop-Stitch is now packaged and shipped in a foldable manner to solve the problem of abnormal creases during shipping. 2. Technology is continuously being developed and new equipment added; the Company is trying to simplify the production process and improve yield.
National-level - national vehicles manufactured in Taiwan plan	<ol style="list-style-type: none"> 1. TRC Taiwan Railways Administration 2.0mm Rubber Coin Textured Paving Product. 2. Special pattern, produced with existing machines, 3Y a group in length, and will be put into production. 	USD \$ 5,000	June 2025	<ol style="list-style-type: none"> 1. Replacement of special rubber floor materials for railway carriages. 2. Close partnership with customers to increase the technology level to increase orders for rubber floor used in carriages.
Development project for diversified products such as joint seam materials used in carriages.	<ol style="list-style-type: none"> 1. Stable orders have been received by customers, and keeping on following up. 2. The molding machine area has been established, pending operator training to familiarize with the machine in order to improve the yield. 	USD \$ 5,000	December 2025	<ol style="list-style-type: none"> 1. Customers use joint materials with corners, and extended the development on the existing core expertise. 2. The corner forming and vulcanization accommodate each other.
Project for developing high-performance TPU product; featuring light, thin, and soft-touch	<ol style="list-style-type: none"> 1. Actual size samples (based on special TPU materials) are in production now; pending for durability test by customer. 2. Make sure the reliable supply of TPU materials. 	USD \$ 5,000	December 2025	<ol style="list-style-type: none"> 1. Adjust the processability of TPU materials to adapt to existing production equipment. 2. To ensure the quality of the customer's demand.
Project for developing EN & BS specification compliant and highly transmitting materials for joint seam of carriages.	<ol style="list-style-type: none"> 1. The major products have been produced, and sample cards have been made for promotion. 2. Competitors in Europe and the US already have joint seam materials used in carriages that comply with EN & BS standards. 	USD \$ 5,000	December 2025	<ol style="list-style-type: none"> 1. Make sure the EN & BS specification compliant and highly transmitting materials for joint seam of carriages meet customer requirements. 2. Close partnership with customers to increase the technology level to increase orders for joint seam materials used in carriages.

(IV) Long-Term and Short-Term Business Development Plans:

The business developments of the Company are divided into 3 sections:

I. Secondary Processing Industries:

(1) Short-term development plans:

- A. By signing annual sales contracts with major customers - ensuring stable performance of 60% or more.
- B. By improving quality - continue to establish OEM/ODM partnership with international major manufactures to ensure turnover.
- C. By making good use of equipment - develop multi-colored and specification productions, ensuring customers' brand loyalty.
- D. By the continual technical partnership with European, American and Japanese plants - create new products and introduce them to new markets.
- E. By additional new production lines - develop related products and one stop shop service, fulfilling customers' needs.

(2) Long-term development plans:

- A. By developing new products - set the goal of new product performance accounting for 30% of the overall manufacturing performance, hoping for steady growth in annual turnover.
- B. By adding energy-related industries - rubber products needed for process supply chain, constantly creating products that meet the needs of green energy.
- C. By continuing to optimize environmentally friendly products - to obtain long-term orders from advanced European and American customers who attach great importance to the environment.
- D. By promoting Formosan Dragon (Formosan popular products) - expand the products of Formosan Dragon and enhance promotion by providing customers the certification report to accelerate the recognition of Formosan products.
- E. By providing customers the opportunity for "one stop shopping" - including rubber, plastics, green plastics, PU coating, PU lamination, silicone), providing most customers multiple product choices that allows horizontal integration and development between departments.
- F. By offering a wide range of product applications - mainly applied on medical, clothing, industrial safety, nautical, inflatable, shoe materials, boxes and bags, electronic consumables fields; each manufacturing department is able to share the result of R&D as well as develop unique products horizontally so that new products and popular products complement each other.

II. Nankan Warehouse Logistics and Rental and Leasing Business:

(1) Short-term business development plans:

The Company is planning to build a new logistics warehouse in Longtan, which is a smart green building warehouse, in order to attract well-known large-scale logistics customers to move in.

(2) Long-term business development plans:

Completed the entire Smart Park in Lungtan and continue to build logistic factories that meet current trends, with the goal of attracting bonded customers as tenants. Increase the operational planning of various industries, thereby improving the park's overall development strength and opening up opportunities for diverse collaboration.

III. Real Estate Development

(1) Short-term development plans:

In a bid to continue the real estate development experience and creating the long-term stable profit for the Company, not only do we have our own real estate assets, we also focus on other suitable land or individual projects. In addition to residential properties, investments in commercial real estate will not be ruled out.

(2) Long-term development plans:

Due to the need of long-term development, other than the existing development projects, the Company will actively look for projects meeting the Company's conditions.

II. Market and Production and Sales Overview:

(I) Market Analysis:

1. Market supply and demand status and growth:

(1) Main product sales areas:

Unit: thousand

Region\year		2023	%	2024	%
Domestic sales		300,939	34.19%	277,390	31.36%
Overseas sales	Asia	335,953	38.17%	331,252	37.45%
	Europe	146,174	16.61%	164,756	18.63%
	North America	94,783	10.77%	108,246	12.24%
	Other regions	2,317	0.26%	2,896	0.32%
	Subtotal	579,227	65.81%	607,150	68.64%
Total		880,166	100.00%	884,540	100.00%

Note: Construction and warehouse revenue are not included in domestic sales.

(2) The supply and demand and growth potential of the market in the future:

Years of statistics in Germany suggest that the total global demand for rubber and plastics remain growing slowing; the segments of life-saving, medication, and environment protection are outperforming the remaining ones; FRG is leading in the first two with better technology. Looking back to 2024, despite the Fed's interest rate cut, the central banks around the world have been more cautious about adjusting the speed and magnitude of interest rate cuts, and thus the direction of monetary policies, in turn increases financial market volatility and affects long-term investment momentum. In the process of fighting inflation, the global economy remains flexible and has not experienced recession. After the U.S. presidential election came to an end, Trump returned to the White House, and the global economic outlook was still constrained by the policies of the new U.S. government. In addition to the impact of Trump's policies, climate change and geopolitical tensions are still the main risks in the world in 2025. Overall, the global economy will be a combination of opportunities and risks. Therefore, by continuously developing new products, improving quality and strictly controlling costs based on the market orientation, the sustainable development of the Company may be ensured

(3) Competitive niche:

Due to high barriers to entry in terms of production scales, technology patents, and quality assurance, currently there are only European, American and Japanese advanced manufacturers (such as the Company) who are able to produce the 3 big fields mentioned above; there are very limited competitors. Blessed by over US\$100 million capital, 71 years of technology and patents, ISO-14001 and five national quality awards, FRG will invest in the above three growth markets to widen the difference with competitors, lead the rubber plastics, plastic industry in Taiwan, and crown the eco-friendly synthetic leather manufacturing industry, as a single-stop shopping platform.

(4) Advantages of the development prospect:

Product Lines	Market Type	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Automotive Materials Market	Environmental Materials Market
Rubber Sheet	Future Favorable Factors	Rubber sheet used in the staple merchandise market - the Company is the only manufacturer in Taiwan with such technology	Rubber sheet used in the electronic materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the medical materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the automotive materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the environmental materials market - the Company is the only manufacturer in Taiwan with such technology
Synthetic Leather	Future Favorable Factors	Synthetic leather used in the staple merchandise market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the electronic materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the medical materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the automotive materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the environmental materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers
Green plastics	Future Favorable Factors	Eco-friendly synthetic leather used in the staple merchandise market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the electronic materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the medical materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the automotive materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the environmental materials market - the Company has the largest manufacturing scales among Taiwanese manufacturers

(5) Disadvantages of development prospects:

Product Lines	Market Type	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Automotive Materials Market	Environmental Materials Market
Rubber Sheet	Future Unfavorable Factors	Due to the conservative market, needs for rubber sheet used in the staple merchandise market slow down	Due to the conservative market, it is not easy to expand business for rubber sheet used in the electronic materials market	Due to the conservative market, it is not easy to expand business for rubber sheet used in the medical materials market	Due to the conservative market, it is not easy to expand business for rubber sheet used in the automotive materials market	Due to the conservative market, it is not easy to expand business for rubber sheet used in the environmental materials market
Synthetic Leather	Future Unfavorable Factors	Due to the conservative market, the competitiveness decreases in synthetic leather used in the staple merchandise market	Due to the conservative market, it is not easy to expand business for synthetic leather used in the electronic materials market	Due to the conservative market, it is not easy to expand business for synthetic leather used in the medical materials market	Due to the conservative market, it is not easy to expand business for synthetic leather used in the automotive materials market	Due to the conservative market, it is not easy to expand business for synthetic leather used in the environmental materials market
Green plastics	Future Unfavorable Factors	Due to the conservative market, the competitiveness decreases in eco-friendly synthetic leather used in the staple merchandise market	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the electronic materials market	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the medical materials market	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the automotive materials market	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the environmental materials market

(6) Countermeasures for the development vision:

Product Lines	Market Type	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Automotive Materials Market	Environmental Materials Market
Rubber Sheet	Future countermeasures	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.
Synthetic Leather	Future countermeasures	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.
Green plastics	Future countermeasures	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.

2. Analysis of the Overall Economic Environment of the Formosan and the Trends of its Industry

(1) Current Status and Development of the Industry

Industry Trends	Product Lines	Item	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Transportation Materials Market	Environmental Materials Market
(1) Current Status and Development of the Industry	Rubber Sheet	Current Status of the Industry	Rubber sheet used in the staple merchandise market - the Company is currently the only manufacturer in Taiwan with such technology	Rubber sheet used in the electronic materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the medical materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the transportation materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the environmental materials market - the Company currently is the only manufacturer in Taiwan with such technology
		Development of the Industry	Current annual growth rate is approximately 1%	Current annual growth rate is approximately 3%	Current annual growth rate is approximately 3%	Current annual growth rate is approximately 3%	Current annual growth rate is approximately 3%
	Synthetic Leather	Current Status of the Industry	Synthetic leather used in the staple merchandise market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the electronic materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the medical materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the transportation materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the environmental materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers
		Development of the Industry	Current annual growth rate is approximately 3%	Current annual growth rate is approximately 1%	Current annual growth rate is approximately 3%	Current annual growth rate is approximately 2%	Current annual growth rate is approximately 2%
	Green plastics	Current Status of the Industry	Eco-friendly synthetic leather used in the staple merchandise market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the electronic materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the medical materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the transportation materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the environmental materials market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers
		Development of the Industry	Current annual growth rate is approximately 1%	Current annual growth rate is approximately 2%	Current annual growth rate is approximately 4%	Current annual growth rate is approximately 1%	Current annual growth rate is approximately 3%

(2) Industry relevance of upstream, midstream and downstream companies

Industry Trends	Product Lines	Item	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Transportation Materials Market	Environmental Materials Market
(2) Industry relevance of upstream, midstream and downstream companies	Rubber Sheet	Upstream Companies	Manufacturer for rubber raw materials (example: Denka, Tosoh)	Manufacturer for rubber raw materials (example: Denka, Tosoh)	Manufacturer for rubber raw materials (example: Denka, Tosoh)	Manufacturer for rubber raw materials (example: Denka, Tosoh)	Manufacturer for rubber raw materials (example: Denka, Tosoh)
		Midstream Companies	Manufacturer for synthetic rubber (example: the Company)	Manufacturer for synthetic rubber (example: the Company)	Manufacturer for synthetic rubber (example: the Company)	Manufacturer for synthetic rubber (example: the Company)	Manufacturer for synthetic rubber (example: the Company)
		Downstream Companies	Process plant of rubber staple merchandise	Process plant of rubber electronic materials	Process plant of rubber medical materials	Process plant of rubber transportation materials	Process plant of rubber environmental materials
	Synthetic Leather	Upstream Companies	Manufacturer for plastic raw materials (example: Formosa Plastics Group)	Manufacturer for plastic raw materials (example: Formosa Plastics Group)	Manufacturer for plastic raw materials (example: Formosa Plastics Group)	Manufacturer for plastic raw materials (example: Formosa Plastics Group)	Manufacturer for plastic raw materials (example: Formosa Plastics Group)
		Midstream Companies	Manufacturer for PU synthetic leather (example: the Company)	Manufacturer for PU synthetic leather (example: the Company)	Manufacturer for PU synthetic leather (example: the Company)	Manufacturer for PU synthetic leather (example: the Company)	Manufacturer for PU synthetic leather (example: the Company)
		Downstream Companies	Process plant of plastic staple merchandise	Process plant of plastic electronic materials	Process plant of plastic medical materials	Process plant of plastic transportation materials	Process plant of plastic environmental materials
	Green plastics	Upstream Companies	Manufacturer for eco-friendly synthetic leather raw materials (example: Merquins)	Manufacturer for eco-friendly synthetic leather raw materials (example: Merquins)	Manufacturer for eco-friendly synthetic leather raw materials (example: Merquins)	Manufacturer for eco-friendly synthetic leather raw materials (example: Merquins)	Manufacturer for eco-friendly synthetic leather raw materials (example: Merquins)
		Midstream Companies	Manufacturer for eco-friendly synthetic leather (example: the Company)	Manufacturer for eco-friendly synthetic leather (example: the Company)	Manufacturer for eco-friendly synthetic leather (example: the Company)	Manufacturer for eco-friendly synthetic leather (example: the Company)	Manufacturer for eco-friendly synthetic leather (example: the Company)
		Downstream Companies	Process plant of eco-friendly synthetic leatherstaple merchandise	Process plant of eco-friendly synthetic leather electronic materials	Process plant of eco-friendly synthetic leather medical materials	Process plant of eco-friendly synthetic leather transportation materials	Process plant of eco-friendly synthetic leather environmental materials

(3) Various Product Development Trends and Competitiveness Status

Industry Trends	Product Lines	Item	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Transportation Materials Market	Environmental Materials Market
(3) Various Product Development Trends and Competitiveness Status	Rubber Sheet	Future Favorable Factors and Development Trends	Rubber sheet used in the staple merchandise market - the Company will be the only manufacturer in Taiwan with such technology	Rubber sheet used in the electronic materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the medical materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the transportation materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the environmental materials market - the Company will be the only manufacturer in Taiwan with such technology
		Future Unfavorable Factors and Competitiveness Status	Due to the conservative market, needs for rubber sheet used in the staple merchandise market decreases. Also, the capital expenditure of this product is large, making it more	Due to the conservative market, it is not easy to expand business for rubber sheet used in the electronic materials market. Also, the capital expenditure of this product is large, making it	Due to the conservative market, it is not easy to expand business for rubber sheet used in the medical materials market. Also, the capital expenditure of this product is large, making it	Due to the conservative market, it is not easy to expand business for rubber sheet used in the transportation materials market. Also, the capital expenditure of this product is large, making it more	Due to the environmental new materials, it is not easy to expand business for rubber sheet used in the environmental materials market. Also, the capital expenditure of this product is large, making it more

Industry Trends	Product Lines	Item	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Transportation Materials Market	Environmental Materials Market
			difficult for newcomers.	more difficult for newcomers.	more difficult for newcomers.	difficult for newcomers.	difficult for newcomers.
		Future countermeasures	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.				
	Synthetic Leather	Future Favorable Factors and Development Trends	Synthetic leather used in the staple merchandise market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the electronic materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the medical materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the transportation materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the environmental materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers
		Future Unfavorable Factors and Competitiveness Status	Due to the conservative market, the competitiveness decreases in synthetic leather used in the staple merchandise market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for synthetic leather used in the electronic materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for synthetic leather used in the medical materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for synthetic leather used in the transportation materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the environmental new materials, it is not easy for the Company to expand business for synthetic leather used in the environmental materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.
		Future countermeasures	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.				
	Green plastics	Future Favorable Factors and Development Trends	Eco-friendly synthetic leather used in the staple merchandise market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the electronic materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the medical materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the transportation materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the environmental materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers
		Future Unfavorable Factors and Competitiveness Status	Due to the conservative market, the competitiveness decreases in eco-friendly synthetic leather used in the staple merchandise market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the electronic materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the medical materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the transportation materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the environmental new materials, it is not easy for the Company to expand business for eco-friendly synthetic leather used in the environmental materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.
		Future countermeasures	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.				

(II) Important Uses and Production Process of Major Products:

1. Important Uses:

(1) Uses for Plastics and Latex:

These can be made into raincoats, windbreakers, leather bags, suitcases, furniture, wallpapers, tents, air beds, sofas, car seat cushions, canvas, ready-to-wear, life jackets, school bags, safety seats, medical materials, automotive materials, etc.

(2) Uses for Rubber Sheet:

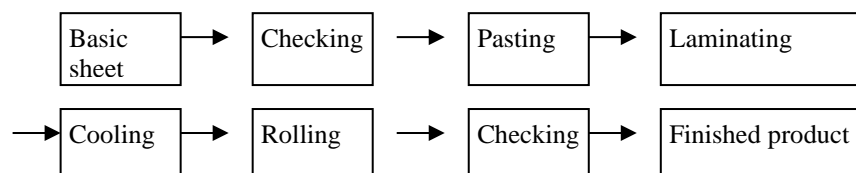
It can be made into raincoats, windbreakers, snow coats, footwear, waterproof engineering, air beds, boats, pontoons, aircraft tanks, water tanks, conveyor belts, ready-to-wear, life jackets, medical materials, automotive materials, dry diving suits, etc.

(3) Uses for Eco-Friendly Synthetic Leather:

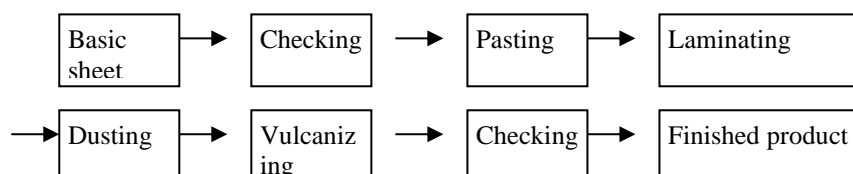
These can be made into high-end ready-to-wear, raincoat, windbreaker, ski wear, medical materials, automotive materials, etc.

2. Manufacturing Process:

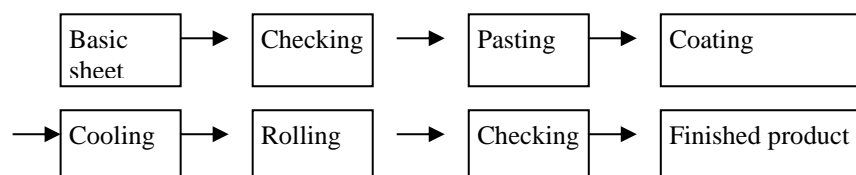
(1) Synthetic Leather:



(2) Rubber Sheet:



(3) Eco-Friendly Synthetic Leather:



(III) Supply Situation for Major Raw Materials:

1. Main raw materials:

- A. Rubber raw materials: synthetic rubber, natural rubber, nylon.
- B. Plastic raw materials: PVC dust, DPHP, nylon.
- C. Eco-friendly synthetic leather raw materials: PC paste, nylon.

2. Main source of supply:

- A. Synthetic rubber: Domestic: USI Corp and NANTEX.
Overseas: Japan and the United States.
- B. Natural rubber: Southeast Asia.
- C. DPHP: Domestic: UPC Group and C&Yung Ltd.
Overseas: Germany, Italy and Korea.
- D. PVC dust: Domestic: Formosa Plastics Group, Ocean Plastics
Overseas: the US and Japan.
- E. PU paste: Overseas: the UK and Japan.
- F. Nylon: FORMOSA TAFFETA and Far Eastern New Century.

(IV) The Names and Purchases (Sales) and Proportion of the Customers that Accounted for more than 10% of the Total Procurement (sales) of Goods in any of the Past 2 Years and the Amount and Proportion of the Goods Sold:

1. The Names of Manufacturers that Accounted for more than 10% of the Total Procurement of Goods in any of the Past Two Years and the Amount and Proportion of the Goods Sold:
Unit: thousand

Item	2023				2024				Year 2025 ended the previous quarter (Note 2)			
	Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer	Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer	Name	Amount	Ratio to net purchase in current year to the end of the previous quarter (%)	Relation to the issuer
1	Supplier A	50,636	11.15	None	Supplier A	45,600	9.69	None	Supplier A	9,113	7.65	None
2	Supplier B	38,065	8.39	None	Supplier B	43,274	9.20	None	Supplier B	12,995	10.90	None
	Others	365,226	80.46		Others	381,544	81.11		Others	97,082	81.45	
	Net purchase	453,927	100		Net purchase	470,418	100		Net purchase	119,190	100	

Note 1: A list of any suppliers and clients accounting for 10% or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement accounted for by each, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

Note 2: The financial information for Q1 2025 has been reviewed by CPAs before the publication date of the annual report.

Reasons for the increase or decrease: The same two companies contributed more than 10% of the total sales in last two years were the same two companies, they look to remain so.

2. The Names of Customers that Accounted for more than 10% of the Total Sales of Goods in any of the Past Two Years and the Amount and Proportion of the Goods Sold:
Unit: thousand

Item	2023				2024				Year 2025 ended the previous quarter (Note 2)			
	Name	Amount	Ratio to net annual sales (%)	Relation to the issuer	Name	Amount	Ratio to net annual sales (%)	Relation to the issuer	Name	Amount	Ratio to net sales in current year to the end of the previous quarter (%)	Relation to the issuer
1	Customer A	139,775	15.88	None	Customer A	126,384	14.29	None	Customer A	25,637	12.59	None
2	Customer B	105,175	11.95	None	Customer B	102,145	11.55	None	Customer B	23,122	11.35	None
	Others	635,216	72.17		Others	656,011	74.16		Others	154,893	76.06	
	Net sales	880,166	100		Net sales	884,540	100		Net sales	203,652	100	

Note 1: A list of any suppliers and clients accounting for 10% or more of the company's total procurement amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement accounted for by each, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

Note 2: The financial information for Q1 2025 has been reviewed by CPAs before the publication date of the annual report.

Reasons for the increase or decrease: The same two companies contributed more than 10% of the total sales for the two years, without material deviation.

III. Employees:

Year		2023	2024	Current year as of March 31, 2025
Number of Employees	Managers	30	31	31
	Indirect personnel	75	75	72
	Direct personnel	95	94	92
	Total	200	200	195
Average age		51.17	52.05	52.35
Average years of service		10.86	11.62	11.97
Education level distribution ratio (%)	PhD.	0.00%	0.00%	0.00%
	MBA	4.64%	4.66%	4.79%
	Bachelor's degree	28.35%	29.02%	28.72%
	Senior high school	49.48%	49.22%	50.00%
	Below senior high school	17.53%	17.10%	16.49%

Note: The Company has adopted the retirement plan in the end of 2007; re-hired employees are entitled to adopt the new system.

IV. Information on environmental protection expenditure:

As of the end of the publication of the annual report, the losses and the total amount compensation paid due to a violation that resulted in a penalty, and future countermeasures and possible expenditure:

(I) Environmental Protection:

1. Total fine for the violation of the law and regulations: NT\$1,920,000.
2. Countermeasures: As the emission standards of the air pollution control law are getting more and more stringent, the Company has planned to replace the current wooden grain-fired boilers, and apply for the establishment of liquid petroleum gas-fired boilers. The project is expected to complete in April 2025.
3. Possible expenditure in the future: within NT\$10 million

(II) Fire Prevention:

1. Total fine for the violation of the law and regulations: None.
2. Response: In response to the changes in fire regulations, the Company will plan to replace the old and defective fire alarm control and indicating equipment and automatic smoke detectors, in order to ensure protection and early warning.
3. Possible expenditure in the future: within NT\$1 million

(III) Work Safety

1. Total fine for the violation of the law and regulations: None.
2. Countermeasures: The Company follows occupational safety and health regulations and continues to strengthen the promotion of occupational safety and health to prevent occupational disasters.
3. Possible expenditure in the future: within NT\$500,000.

V. Labor Relations and Employee Rights:**(I) Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures:****1. Employee welfare measures:**

- (1) The Company has established the employee welfare committee to implement benefit measures.

The charter is as follows:

- Article 1: The Charter has been established as required in the provisions stipulated in the Organization Regulations on Employee Welfare Committee.
- Article 2: The Company is called Employee Welfare Committee of Formosan Rubber Group Inc. (the Committee).
- Article 3: The Committee is located in the Formosan Rubber Group Inc. (8th Floor, No. 82, Section 1, Hankou Street, Taipei).
- Article 4: There are 15 members in the Committee and is composed of union representatives and company representatives. Among these, there are 10 union representatives and 5 company representatives. However, members selected by the union members may not be less than two-thirds of the total number of members (the number of alternatives may not exceed one-third of the number of members). An reelection may be held before the end of the term.
- Article 5: The Committee has one chairperson who is selected by the members. Committee members serve a term of 3 years and is unpaid. Reelected members shall be no more than two-thirds of the total number of members, however, and the term of executive member is not limited. The Committee shall be notified of any resignation of the chairperson or members. Those who fail to attend the Committee meeting for three consecutive times without reason are deemed to have resigned. Members of the Committee shall not be recalled if their term of office is less than one year.
- Article 6: The Committee shall have one director-general, one cashier general manager, and one accounting officer. The chairperson shall nominate among the employees of the Company shall be appointed after an approval of the majority of the Committee (dismissal of chiefs shall be approved by half of the Committee).
- Article 7: The Committee has research teams including business and general affairs which conduct researches and improvements. The business team of the Committee submits proposals to the chairperson or members for discussion. The business team has been divided into 2 sections: business and recreation; general affairs team: education and finance; there are 7 members in these research teams, respectively.
- Article 8: The employee welfare committee shall hold a meeting every three months, and an ad hoc meeting shall be called when necessary. The committee meetings are called by the chairperson. When the chairperson cannot perform his or her duties for specific reason(s), a personal shall be selected among the director-general or members. The resolutions of the Committee shall be attended by the majority of the members, and approved by the majority of the attendance. However, the resolution of the following shall be approved upon by more than the majority of the attendance.
1. The formulation and amendments of the Charter.
 2. The disposal of the employee welfare fund.
 3. Other material matters in relation to member rights and obligations.
- Article 9: Tasks of an employee welfare committee are as follow:
- Reviewing, promoting, and supervising employee welfare business.
 - Planning, keeping, and utilizing the employee welfare fund.
 - Allocating, auditing and reporting revenues and expenses of employee welfare business expenditures.
 - Other matters related to employee welfare.
- Article 10: Employee welfare fund is allocated according to the left:
- At the time of establishment, 1~5% of the paid-in capital was allocated.
 - 0.11% of the total monthly operating revenue is allocated.
 - 0.5% of the monthly wages of employees is deducted.
 - 20% of the reject product is allocated.

- Article 11: Employee welfare fund is allocated as required by the law shall be deposited in the bank by the Committee and shall be not used unless approved by the Committee.
- Article 12: After the dissolution of the Committee, the remaining property of the employee benefits shall be handled in accordance with the following:
1. In case of dissolution and the business has been eliminated, both the employer and employees shall appoint representatives and propose measures with the employee welfare committee for the remaining property of the welfare fund and shall be distributed to their original employees. A report shall be compiled and submitted to the competent authority for reference.
 2. If the employee benefit committee is registered as a nonprofit corporation, in case of dissolution, the remaining property of the profit deposit shall be handled in accordance with Article 44 of Civil Code.
- Article 13: The Committee shall set up a plan and budget for the following year within one month before the end of a year and submit it to the competent authority for record and review after they are approved by the committee meeting. Within three months following the end of each year, the Committee shall submit a report on the execution of the plan and budget as well as the financial statement to the competent authority for record and review, and also send a copy to the business entity.
- Article 14: The meeting rules and enforcement rules are separately stipulated.
- Article 15: Matters not covered in the Committee's charter shall be approved by the Committee before making amendments.
- Article 16: The Charter has been enforced after the review of the competent authority.

- (2) Education scholarships for the children of employees and incentive for the further education of employees.
 2. Retirement System:
 - (1) To accommodate the new allocation system for labor's retirement funds, the employees who choose to apply for the pension as stipulated in the Labor Standards Act (old system), the Company has established a Labor Pension Fund Supervisory Committee and 2% of the monthly wages will be allocated as the retirement fund. The pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. The Company will make up for the insufficient amount. Employee retirement conditions shall be handled in accordance with the Labor Standards Act.
 - (2) To accommodate the new allocation system of labor retirement fund, for those who choose the carrying account (new system), 6% of the monthly wages will be allocated to their personal account opened by the Bureau of Labor Insurance, Ministry of Labor.
 3. Agreement and various employee rights protection measures between laborers and the management: As required by the Labor Unit Act, the Company's Taoyuan plant has established the Professional Union and a regular communication is engaged with the Company (employee) in the written or verbal form.
- (II) List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken:
In the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, there was no labor disputes. The Company will continue to enhance the communication between the laborers and management as to reach the goal of prospect together.
- (III) Education and Training System for Employees and its Implementation
- (1) Operational Procedures for Education and Training System for Employees of Formosan Rubber Group Inc.:
 1. Purpose:
These Operational Procedures are promulgated as a means to effectively improve the quality of personnel, implement correct quality concepts and professional skills, and carry out suitable training on employees who may produce significant impact to the environment so that they are relatively aware in order to achieve the effectiveness of the management and the goal of productive business management, ensuring that the quality management system and environmental management system are being enforced and promoted adequately.
 2. Application Scope:
These Procedures are applicable for the courses, seminars, talks, practical training, visits and inspections, and planning and implementation of competence held by relevant institutions internally or externally for all of the Company's employees.
 3. Reference: None.
 4. Definition:
 - 4.1 Internal training:
Training courses organized by the Company internally.
 - 4.2 External training:
Training outside of the Company; refers to outside training, observation or overseas training assigned by the Company.
 5. Operational procedures:
 - 5.1 Application for training requirements
 - 5.1.1 Internal training:
Training plans should be proposed by the unit requesting (organizing) with contents including course items, course hours, participants, lecturers, and other matters that should be included, and submit such proposal to the president for approval.
 - 5.1.2 External training:
Any employee participating in external training should complete the "External Training Application (Tracking) Form" with an introduction of the course and relevant information included and have it submitted to the manager then approved by the president.

5.2 Training implementation:

5.2.1 Internal training:

- (1) A notification should be sent out to the personnel participating 3 days prior to the course date by the handling personnel.
- (2) The handling personnel should be responsible of all things regarding training, such as venue arrangement, teaching material distribution and coordination of lecturers.
- (3) The lecturer should send the original handouts and teaching materials to the handling personnel for printing one week prior to the course date if any and they shall be given to the participants before lesson.
- (4) When the internal training ends, a test should be carried out according to needs and the handling personnel or lecturer should monitor the test. Tests should be sent to the handling unit prior to the class by the lecturer.
- (5) The handling personnel should compile roster when various trainings carry out and each participant should sign the “Education and Training Sign-in Form for Employees” as a certificate for the class.
- (6) Unexcused absences are not permitted during the training period; those unable to attend for any reason must request a leave of absence prior to class. Unexcused absences will be considered absenteeism.
- (7) The consequence and seriousness caused by violating the Operational Procedures when carrying out employee training.

5.2.2 External training:

- (1) Temporary loan for the expenses needed for the course must be applied from the accountant after the “External Training Application (Tracking) Form” has been approved by the manager of the employees who participate in external training and the registration procedures for the course may begin.
- (2) After the personnel participating in the external training completes the registration procedures, a form for taking a leave must be filled out, along with the course notification and the “External Training Application (Tracking) Form”; they should be submitted to the HR for subsequent tracking purpose.
- (3) Suppliers that have a significant impact on the company must request relevant training or be assisted by the Company.

5.3 Report of training reports:

5.3.1 Internal training:

- (1) The training results are archived by the HR and is treated as important reference basis for promotion or appointment.
- (2) Those who are absent, late, or leave early for no cause must be noted down in the column of the sign-in form.

5.3.2 External training:

- (1) Those who participate in an external seminar or should write a training report whereas needed for the manager to review then it shall be sent to the HR to archive.
- (2) Employees receiving external training should hand in a copy of their course completion certificate or relevant certificate to the HR to archive.
- (3) The HR may ask the personnel who participate in external training to compile a report of what they have learned if needed which can be passed down as teaching materials for relevant personnel.

5.3.3 A record of the training procedures may be kept in forms of photographs or videos if needed. Whereas there is a fire drill, a photograph record should be kept.

5.3.4 The personnel participating in the external training should provide the finance department a payment document to write off expenses within one week after the training ends.

5.3.5 The HR archives and safeguards training applications and relevant information.

5.4 Training assessment:

5.4.1 The HR should summarize the training results every 6 months and fill in the “Education and Training Analysis Form” for the president to check the effectiveness of the outcome. The form

will also be provided to each departmental manager as a reference basis for promotion.

5.5. Requirements for environmental management education and training

- 5.5.1 The representative for environmental management should identify suitable training on employees of the plant who may produce significant impact to the environment so that they have necessary skills and sufficient environmental awareness.
- 5.5.2 According to the outcome of the identification of environmental training requirements, the environmental management representative should make plans to promote environmental policies and procedures in relation to the environment as well as an explanation of various requirements, contents of training and drills in terms of emergency response plans, and training of the outcome after handling an emergency.
- 5.5.3 The environmental management representative should be responsible for or appoint the arrangement and enforcement of the training course on the approved objects for the training plan. An on-site enforcement should be performed by the internal manager acting as the training lecturer or an external professional should be hired to do so. Personnel may be appointed to receive professional training courses in relation to environmental issues when necessary outside of the Company.
- 5.5.4 Whereas there is a request regarding improvement technique of possible environmental impact arising from the material environmental considerations, the “External Training Application (Tracking) Form” should be submitted to the president. An external training may be assigned after an approval.
- 5.5.5 Requirements for the competence of environmental management personnel:
 - (1) Relevant personnel of fire response organization:
The personnel in the fire emergency response plan should be equipped with various skills. Suitable training should be provided, and the environmental promotion chairperson should especially appoint at least one member from the plant to take part in the fire fighting training organized by the fire fighting unit and a qualified certification shall be held.
 - (2) Environmental audit personnel:
It should be appointed to personnel who is qualified from receiving the internal audit training of the Company’s environmental management system and who has also received training courses of environmental procedures and explanation of material requirements.
 - (3) Material environmental impact personnel:
It should be appointed to personnel who have a degree of above junior high school and have work experience in related field for more than a year, and should have received the Company’s training courses of relevant procedures of material environmental impact and explanation of material requirements.

6. Relevant forms:

6.1 External Training Application (Tracking) Form.

6.2 Education and Training Sign-in Form for Employees.

6.3 Education and Training Analysis Form.

(2) FRG personnel training log (2024)

Item number	Item	Unit: thousand	Relevant license	Total hours (hours)	amount (NT\$)
1	Training class of fork-lift truck operator	Logistic Center (2 person)	■ Yes□ No	36	12,328
2	Accounting supervisor advance training courses	Accounting Section (1 person)	■ Yes□ No	12	8,000
3	Category A Occupational Safety and Health Business Supervisor	Technical Division (1 person)	■ Yes□ No	42	7,000
4	Internal Audit Course	Audit Office (3 people)	■ Yes□ No	36	20,200
5	Basic training for security inspectors	General Affairs Section (1 person)	■ Yes□ No	8	2,700
6	Taxation for International Diversified Management	Accounting Section (1 person)	■ Yes□ No	3	2,000

(IV) Code of Conduct or Ethics for Employees

Code of Conduct for Employees of Formosan Rubber Group Inc.

Established in August 2008

- I. I abide by the three precepts of Formosan Rubber Group Inc.: no corruption, no gambling, and filial piety.
- II. I respect personal sacred privacy and I do not discuss issues including politics, regions and races in the work place; unless approved by the manager, I do not discuss issues in relation to salary.
- III. I abide by the employees' industrial safety rules of Formosan Rubber Group Inc.:
 1. Operators working on site must wear safety shoes and work clothes.
 2. Work clothes must be tucked into the trousers to prevent them from being caught in the machine.
 3. Prior to operating the machine and equipment, the emergency braking device must be checked whether it is operating normally.
 4. A qualified certificate must be provided to operate on the stationary crane; prior to use, the rope must be checked whether it is complete and when the crane is in use, people walking underneath the load is strictly prohibited.
 5. A qualified certificate must be provided to drive a forklift, and be aware of personnel's safety when driving.
 6. Fire extinguishers in the work place should be checked whether they have expired and or if the pressure is enough.
 7. Dust masks must be worn when working in dusty places.
 8. Activated carbon masks must be worn when working in organic solvent places, and air circulation must be maintained.
 9. Heat-resistant gloves and arm bands must be worn in high-temperature places to prevent burns.
 10. Protective covers must be installed for transmission belts and chains of machinery and equipment.
 11. When using electrical equipment, plugs, socket must be carefully checked whether they are fixed, and whether the wire is broken to prevent leakage, short circuit, and electric shock.
 12. Protective gloves and goggles must be worn when using electric welding machines.
 13. Goggles must be worn when using grinders.
 14. When using a mobile ladder, it must be fixed to prevent falling
 15. Follow the smoking rules (smoking at the required time and location)
 16. Compliance of other safety rules later formulated by all managers

(V) Workplace and employees' safety protection measures:

1. Workplace and safety and health enforcement status of Formosan Rubber Group Inc.
 - (1) As required by the Ministry of Labor, an industrial safety and labor safety and health management committee has been set up. Chairperson: the director of the plant Hsiao Zheng-Zhong and all units have a responsible member.
 - (2) A safety and health month events are organized each year in March and September. Various workplace, safety and health checks and education and training will be implemented strictly and participation is compulsory for all members.
 - (3) In July every year, the audit units of ISO-9001 and ISO-14001 come to the Company to check various workplace, safety and health operations and the enforcement of education and training.
 - (4) Employees are insured with occupational accidents and group insurances; if an accident of safety and health occurs, he/she is entitled the insurance protection.
2. Safety and Health Work Rules of Formosan Rubber Group Inc.
 - (1) 10 Industrial Safety and Health Rules of Formosan Rubber Group Inc.
 - I. Safety first, health first.

- II. Follow laws and regulations in terms of safety and health.
- III. Enhance safety and health equipment.
- IV. Improve safety and health organizations.
- V. Strengthen safety and health education.
- VI. Have safety and health habits.
- VII. Build safety honor concepts.
- VIII. Increase the awareness for prevention of disasters.
- IX. Implement industrial automatic checks.
- X. Work together to ensure safety.

(2) Responsibilities of Managers

- 1. Managers (including commanding several workers, such as shift leader, team leader, and section chief) should be responsible for preventing accidents.
- 2. Be an example in following safety and health rules.
- 3. Guide and supervise the department to follow safety and health rules.
- 4. Maintain the sound environment and equipment of the management area; if poor safety and health situation is discovered, it must be corrected at any time.
- 5. Managers should remain in contact and cooperation with the safety and health management personnel to prevent accidents together.
- 6. When an accident occurs, immediately contact the Safety and Health Management Department and Safety and Health Committee to jointly seek improvement.
- 7. All managers must be aware of the safe working methods of the work they are supervising, and supervise their subordinates to follow, and they should be an example to their subordinates.
- 8. All managers must be familiar with the safety fence devices and protection equipment of human safety of the work they are in charge of and the application of maintenance.
- 9. Assignment of work should be appropriate. If there are no more than 2 foremen being in charge, one of them should be appointed as the person in charge for commanding.
- 10. The purpose of plant management is to maintain a working environment that is neat, clean and comfortable.

(3) Personal conduct

- 1. Follow the rules in terms of safety and health.
- 2. Work must be conducted according to the standard working method or manager instructions; they may not be changed without consent.
- 3. Machines may not be operated on without authorization by other personnel aside from the responsible personnel (unless authorized by the manager).
- 4. Linger or wandering in the work area of others for no reason at any time is prohibited.
- 5. Ensure that materials being used at work that are placed on the scaffold, tower or other high places do not trip others or hurt others from falling.
- 6. If objects must be thrown from the high place, the ground should be fenced up and warning should be displayed to prohibit others from entering.
- 7. When moving equipment or scaffold, unfixed objects placed on top should be removed.
- 8. Do not run, shout, play, pull pranks or other behaviors that obstruct order in the plant.
- 9. Do not use compressed air to blow dust off a body and use the compressed tube to point at others.
- 10. Do not take shortcuts and enter production operation area when walking.
- 11. It is prohibited to sit on the conveyor belt or walk on the frame.
- 12. It is strictly prohibited for people to walk on the roof of asbestos tiles.
- 13. Do not walk underneath an overhead crane or hanging heavy objects during work.

14. If an area with oil leakage, air leakage, broken and damaged ladder, platform, railing or other unsafe places are discovered, please report to the manager or safety and health management personnel at any time.
15. Do not use tools with poor performance or malfunctioning machinery.
16. It is prohibited to place sharp knives into the pocket and throw objects in the workshop.
17. It is prohibited to smoke inside the workplace or when walking; cleanness must be maintained and fruit skin and garbage must not be discarded inside the plant.
18. Do not push the door too hard when entering and exiting to prevent hitting people at the other side.
19. Take extra care when walking up and down stairs or anywhere that is slippery.
20. Injuries occur when moving objects, please take extra care.
21. Remember all entries and exits and emergency exit of the workplace by heart. Orders must be complied with and guidance must be followed when there is an emergency.
22. Each employee should be responsible for preventing accidents and encourage one another regarding following the safety rules.
23. If any unsafe situation is discovered, the manager or safety and health management committee must be reported to immediately to seek a solution for improvement.

(All enforcement rules are published in the chapters in the “Safety and Health Work Rules of Formosan Rubber Group Inc.”)

VI. Information security management:

- (I) Describe the information security and risk management framework, information security policies, specific management plans, and resources used in information security management.

The Company created a comprehensive information security management system. However, the new information security policy and information security promotion organization will be revised before the end of 2025 to address the new challenges posed to information security by constantly evolving ways to breach information security while minimizing any impact on the company. IT information security supervisors and personnel will be tasked with collaborating on information security concepts and technical training, as well as staying current on information security systems and control measures, in order to establish and sustain continuous business operations.

- (II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant information security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

In the most recent year, and the current fiscal year as of the publication date of the annual report, there was no labor disputes.

VII. Important contracts:

Nature of contract	Party	Contract Duration	Details	Restrictive terms
Sales contract	Japan Ajinomoto	January 26, 2005	Co-produced additives for electronic chemistry	None
Real Estate Development Contract	CONTINENTAL DEVELOPMENT CORP. Heng Bang Construction Co., Ltd. Heng Ju Construction Co., Ltd.	May 16, 2012	The B7 land development in Xinyi Section	None
	CONTINENTAL DEVELOPMENT CORP.	October 17, 2014	The land development in Huiguo Section of Taichung	None
	The Ambassador Hotel Co., Ltd. CONTINENTAL DEVELOPMENT CORP.	November 15, 2021	Land in Houjin Section, Qianjin District, Kaohsiung City, and the current building development case.	None

Five. A Review and Analysis of the Company's Financial Status and Financial Performance, and a Listing of Risks

- I. Financial Status
- II. Financial Performance
- III. Cash Flow
- IV. Financial Impact of Major Capital Expenditures During the Most Recent Fiscal Year
- V. Investment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year
- VI. Risk Analysis
- VII. Other Important Matters

Five. A Review and Analysis of the Company's Financial Status and Financial Performance, and a Listing of Risks

I. Financial Status Analysis:

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	9,557,927	10,127,617	569,690	5.96%
Property, Plant and Equipment	747,845	725,526	(22,319)	-2.98%
Other Assets	3,979,062	4,275,070	296,008	7.44%
Total Assets	14,284,834	15,128,213	843,379	5.90%
Current Liabilities	1,639,735	1,728,438	88,703	5.41%
None Current Liabilities	242,827	258,820	15,993	6.59%
Total Liabilities	1,882,562	1,987,258	104,696	5.56%
Shares	3,035,934	3,035,934	0	0.00%
Capital reserve	449,745	449,745	0	0.00%
Retained Earnings	7,983,184	8,528,654	545,470	6.83%
Other Equity	933,409	1,126,622	193,213	20.70%
Treasury Stock	0	0	0	0.00%
Non-Controlling Interest	0	0	0	0.00%
Total Equity	12,402,272	13,140,955	738,683	5.96%
(I) Analysis of Changes: Other equity: mainly due to the unrealized benefits of financial assets measured at fair value through other comprehensive income in the current period.				
(II) Future response plans: As the finished houses of the construction projects continue to be sold and the Longtan Smart Park, which was completed in 2025, will continue to bring cash inflow. The Company will effectively utilize and invest the received funds, repay bank loans, and liabilities, and improve the financial quality to protect the rights and interests of shareholders.				

II. Financial Performance:

(I) Comparison Analysis of Operation Results:

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase (decrease) Amount	Change %
Operating income	1,359,718	1,481,243	121,525	8.94%
Operation Cost	939,107	1,008,435	69,328	7.38%
Operating margin	420,611	472,808	52,197	12.41%
Operating Expenses	221,005	225,062	4,057	1.84%
Operating Profit	199,606	247,746	48,140	24.12%
Non-Operating Income and Expenses	392,594	405,884	13,290	3.39%
Pre-Tax Income	592,200	653,630	61,430	10.37%
Income Tax Expense	73,323	80,170	6,847	9.34%
Net Income for Continuing Operation	518,877	573,460	54,583	10.52%

Analysis of Increase and Decrease Changes:

Mainly due to the continuous sale of the Company's construction projects and the growth of warehousing and logistics, resulting in an increase in operating income in the current period.

(II) The possible impact and response plans regarding the expected sales volume and their basis:

The Company focuses on the adjustment of production structure and manufacturing process, allowing the Company's existing production system meet the needs of the market; the Company is also dedicated to the control of the production quality while improving the efficiency of operation and decreasing production impairment, so that the efficiency of reducing production cost can be achieved and the impact of the price rise of global raw materials can be eliminated. We also constantly invest in developments of new products and technologies, expand international marketing channel bases and diversify the market and products to increase the added value of the products. With the diversified management of construction business and warehouse business, we hope that the operation of the Company will continue to grow.

III. Cash Flow:

(I) Analysis of cash liquidity in recent years:

Unit: NT\$ thousand

Opening cash balance①	Net cash flow from operating activities for the entire year②	Net cash flow for the entire year③	Cash remaining ①+②+③	Remedies for cash deficits	
				Investment plans	Financial plans
648,132	826,999	(764,435)	710,696	-	-

1. Analysis of changes in cash flows this year:

- (1) Operating activities: Mainly due to the continuous sale of the Company's construction projects and the growth of warehousing and logistics.
- (2) Investment activities: Mainly due to the increase in investment in financial assets in the current period.
- (3) Financing activities: Mainly due to the increase in loans in the current period to pay for the construction of the Longtan Smart Park.

2. Expected remedies for cash deficits and liquidity analysis: Not applicable.

(II) Analysis of liquidity for the past 2 years:

Item \ Year	December 31, 2023	December 31, 2024	Increase (decrease) Ratio
Cash Flow Ratio	41.63	47.85	6.22%
Cash Flow Adequacy Ratio	206.53	145.84	-29.39%
Cash Flow Reinvestment Ratio	2.00	2.95	47.50%
Analysis of Increase and Decrease Changes: The increase in cash flow adequacy ratio and cash reinvestment ratio: The increase in net cash inflow from operating activities is mainly due to the continuous sale of the Company's construction projects and the growth of warehousing and logistics.			

(III) Cash liquidity analysis for the coming year

Unit: NT\$ thousand

Opening cash balance④	Expected net cash flow from operating activities for the entire year⑤	Expected net cash flow for the entire year⑥	Expected cash balance ④ + ⑤ + ⑥	Expected remedies for cash deficits	
				Investment plans	Financial plans
710,696	915,234	(903,301)	722,629	-	-

1. Analysis of changes in cash flow in 2025:

- (1) Operating activities: Mainly due to payments for construction premises and land that enter the account book, as do income from dividends and gain of financial asset at fair value through profit or loss.
- (2) Investment and financing activities: This is mainly due to the payment of the final payment and additional payment for the Longtan Smart Park.

2. Expected remedies for cash deficits and liquidity analysis: Not applicable.

IV. The impact of major capital expenditures on financial business in recent years:

(I) Application and source funds of major capital expenditures:

Unit: NT\$ thousand

Project	Actual or expected source of funding	Total funds required	Actual or intended use of funds	
			2023	2024
Construction of Longtan Smart Park	Own capital and bank loans	770,000 (tax included)	214,500	436,700

(II) Expected benefits

The construction was completed in 2025 and the relevant licenses were obtained in the first quarter. The target of investment is large-scale professional logistics companies, and the contribution of rental income increases the revenue.

V. Investment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year:

Item	Description	Amount	Policy	Main reason for profit or loss	Improvement plan	Other future investment plans
FRG US CORP.		Investment Cost NTD 993,446 thousand	Real estate investment, development and rental	Recognized loss in the current period NTD 2,707 thousand	None	None
Ban Chien Development Co., Ltd.		Investment Cost NTD 560,000 thousand	Investment in financial products	The gain of NT17,838 thousand was recognized for the period.	None	None

VI. Risk Analysis:

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profit and loss and future corresponding measures:

1. Interest rate

- (a) FRG is in the "mature period" of the industry's life cycle characterized by fierce competition; land and property development projects. in accordance with the principles of stable and sustainable operations, the low debt ratio is maintained. Financial expenses in 2024 totaled NT\$20,158 thousand, an decrease from 2023.
- (b) In the future, we will continue to upload the aim of business management of staying stable and sustainable management as well as maintaining a low debt ratio. However, in terms of interest trends, we will constantly keep a close eye and collect market information for reference.

2. Exchange rate:

- (a) Exports (most of them in USD and RMB) by FRG account for 69% of total sales in 2024; imports of materials are paid in USD.
- (b) The exchange gains and losses of FRG in the past two years: the exchange loss in 2023: NT\$3,566 thousand, and gain of NT\$73,494 thousand in 2024.
- (c) In the future, we will continue to observe closely on the trends of exchange rates and collect domestic and overseas market information. Use timely foreign exchange and other hedging tools to focus on exchange rate in order to reduce the impact of exchange rate changes on the Company.

3. Inflation

The unstable financial market has resulted in global price fluctuations in raw materials. The Company's main raw materials for rubber and plastic manufacturing (including PVC, DOP, natural rubber, raw fabrics, etc.) have also been affected by the price fluctuation and exchange rate. As a means to handle the manufacturing costs considering the market competitiveness, the selling price of the Company's products will be adjusted accordingly in order to ease the impact of cost fluctuation for raw materials. In the future, we will persist on observing the price changes of raw materials and make adjustments to operation strategy any time in a bid to cope with the pressure of rising costs, ensuring a reasonable profit.

(II) Main reasons and future corresponding measures of policies for engaging in highly risky and highly leveraged investments, lending funds to others, endorsements and guarantees and derivatives transactions:

(1) Engagement in highly risky and highly leveraged investments

The Company focuses on relevant investments on rubber and plastic manufacturing, construction and warehouses; therefore, is not involved in highly risky and highly leveraged investments.

(2) "Lending funds to others", "endorsements/guarantees" and "derivatives transaction":

- (a) As required by relevant measures, the Company has established the "Operational Procedures for Lending Funds to Others" and "Handling Procedures of Enforcements/Guarantees" and a dedicated unit is in charge of the risk and control assessment. At the same time, the Company's audit office conducts an assessment on a monthly basis and compiles a report in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Securities and Future Bureau.

- (b) Procedures regarding derivatives transaction have been stipulated in the Company's "Regulations Governing the Acquisition and Disposal of Assets", and the Company's audit office conducts an assessment on a monthly basis and compiles a report.
- (c) The Company's "lending funds to others" in 2024 totaled NT\$0; there were no derivatives transactions; the balance of "endorsements and guarantees" totaled NT\$712,657 thousand.
- (III) The future R&D plans and estimated R&D investment expenses:
Please refer to Chapter 4, Section 1 (III) "The process of the future R&D plans and estimated R&D investment expenses for Formosan Rubber Group Inc.".
- (IV) Impact on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None.
- (V) Technological changes (including information security management risks) and industrial change on the Company's finance business: The Company continues to monitor market trends and technological advancements in plastic and rubber product development related to the Company's Production Business Department. This will reduce the effects of technological changes. At the same time, in conjunction with the national-level national vehicle manufacturing in Taiwan plan, eco-friendly green building materials, and greenhouse gas reduction policies, the Company actively engages in new product development, equipment updates, and process improvement, while focusing on cost control and cash management to maintain competitiveness and control impacts on its financial business. Technological changes (including information and communication security risks) and industrial changes in the most recent year, as of the publication date of the annual report, have had no material impact on the Company's financial operations.
- (VI) Impact on the company's crisis management of changes in the company's corporate image, and corresponding measures to be taken in response: None.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and corresponding measures being or to be taken: None.
- (VIII) Expected benefits and possible risks associated with any plant expansion, and corresponding measures being or to be taken: None.
- (IX) Risks associated with any consolidation of sales or purchasing operations, and corresponding measures being or to be taken: None.
- (X) Impact upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and corresponding measures being or to be taken: None.
- (XI) Impact upon and risk to company associated with any change in governance personnel or top management, and corresponding measures being or to be taken: None.
- (XII) Litigious and non litigious matters; the directors, supervisors, general managers and substantial principals of the Company, the majority shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non litigation or administrative litigation results may have a significant effect on the Company's shareholders' equity or securities price as of the publication of the annual report: None
 - I. Get back lands in Nankan and Longtan, Taoyuan City, registered under name of others (the Pseudo Name):
 - 1. It was learnt during the previous inventory for the lands registered under others' names in Nankang and Longtan, Taoyuan, that some lands had be expropriated by the Taoyuan City Government, and such lands are now registered under the name of Taoyuan City Government. However, the who lent his name did not inform the Company the expropriation but received the compensations.
 - 2. The Company protects its rights by filing lawsuits, including civil lawsuits for "Claiming the land registered in the name of another person from the lender" and "Claiming the expropriation compensation from the lender", and criminal lawsuits for "Claiming the lender for offenses of breach of trust, and criminal conversion".
 - 3. The civil lawsuit for "Claiming the land registered in the name of another person from the lender" was rejected by the Supreme Court on November 4, 2024. The civil lawsuit for "Claiming the expropriation compensation from the lender" was also rejected by the Supreme Court on February 3, 2025. In the civil case, the Company has already exhausted the litigation means, but the case was still lost; in the criminal case, the Xindian District Prosecutor Office closed the case on August 6, 2024, and filed a lawsuit for the suspected offenses of breach of trust and criminal conversion. The first instance of the criminal case is still in progress, and it is under trial by the Taiwan Xindian District Court.

(XIII) Other important risks and corresponding measures:

Information security and risk control:

The Company has always been dedicated to enforcing information security and personal information protection control, and has established clear and strict internal control system to ensure that the information assets which belong to the Company are not illegally accessed or exposed, the information is not inappropriately altered or destroyed at any stage and that the user who is legally authorized can access the required information in a timely manner.

In order to strengthen information security management, aside from the strict information security requirements of network structure, the Company carries out continuous improvement or increase corresponding preventive measures on the constant changing internal or external potential and possible threats as corresponding measures.

The Company has a comprehensive backup mechanism for operation system and files and carries out regular necessary data, software backup and backup operations, to ensure that even if when an accident in relation to any information security occurs, normal operation can resume quickly to maintain the availability and completion of information and the system.

Through annual review and assessment its network safety regulations and procedures, the applicability and effectiveness can be ensured. Though the Company cannot guarantee that it will be spared by new risks and attacks in the constant changing network security threats. From the beginning of 2024 to the publication date of the annual report, FRG has not experienced any cyberattacks or incidents that may have a material adverse impact on its business and operations.

VII. Other Important Matters:

The evaluation basis and basis of the presentation method of assets and liabilities evaluation items:

1. Allowance for bad debts:

The main reason for the Company's allowance for bad debts is the evaluation on the possibility of the return of accounts receivable and overdue receivables. Based on the factors of the aging analysis and credit rating and economic condition in terms of customers' accounts receivable and overdue receivables, the Company regularly evaluates the possibility of the return of collectables and overdue receivables. The Company's basis for accounts receivable aging ratio is as following:

Days past due	Accounts receivable ratio	
	Domestic sales	Overseas sales
0 days	2%	2%
1-90 days	5%	2%
91-180 days	20%	10%
181-365 days	50%	50%
Above 365 days	100%	100%
	Notes receivable ratio	
0-365 days	1%	

2. Allowance to reduce inventory to market

Inventories include raw materials, finished products and work-in-progress. These are evaluated based on the lower of cost and market price (net realizable value); excess materials are provided for offsetting price loss. When the comparative cost is lower than the market price (net realizable value), it is based on individual items except for inventories of the same category. The cost of inventory is calculated using the monthly weighted average method.

Market price basis: raw materials refer to replacement costs, and finished products and work-in-progress are net realizable values.

Six. Special Disclosures

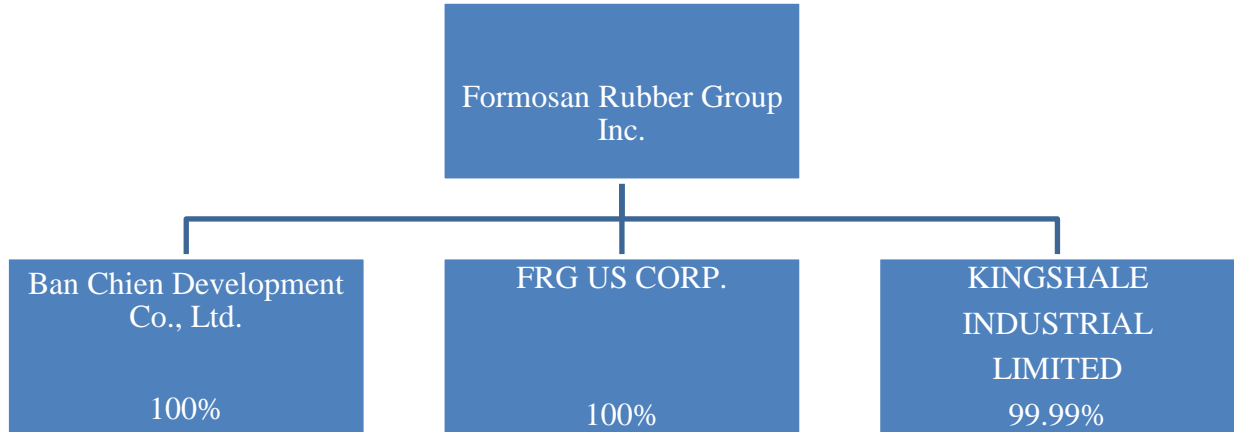
- I. Information relating to the Company's affiliates
- II. Transaction about the company's private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of the publication of the annual report
- III. If any of the situations listed in Article 36, paragraph 3 subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report
- IV. Other matters that require additional explanation

Six. Special Disclosures

I. Information relating to the Company's affiliates:

(I) Consolidated Business Reports of Affiliated Enterprises:

1. Organizational table of affiliates:



2. Basic information of affiliates:

Unit: NT\$ thousand

Company Name	Date of Establishment	Address	Paid-In Capital	Main business or Production
Ban Chien Development Co., Ltd.	November 7, 2003	7th Floor, No. 82, Section 1, Hankou Street, Taipei	560,000	1. Department stores, retails, wholesales, warehouses 2. Development of leases and sales of residential or business buildings 3. Building management consulting 4. Residential and cleaning management services 5. Agency Services
FRG US CORP.	October 20, 2017	10750 Johnson Ave, Cupertino, California 95014	993,446	Real estate investment, development and rental
KINGSHALE INDUSTRIAL LIMITED	February 14, 1989	14/F., Kam Fung Commercial Building, Nos.2-4 Tin Lok Lane, Wanchai, Hong Kong	34	General investment

3. Shareholders presumed to have control and subordinate relationship with the same information:

None

4. The overall relationship between business enterprises covered by the industry:

The businesses of the Company and its affiliates include: manufacturing and sales of rubber and synthetic leather, edge synthetic leather, special chemical products, warehouse and logistics, and construction.

5. Information on directors, supervisors and presidents of affiliates:

Unit: NT\$ thousand; share; %

Company Name	Title	Name or Rep.	Shareholding	
			Number of Shares	Shareholding Ratio
Ban Chien Development Co., Ltd.	Chairperson/President	Formosan Rubber Group Inc. Representative: Hsu Zhen-Tsai	56,000,000	100%
	Director	Formosan Rubber Group Inc. Representative: Jiang Rui-Tang and Chen Hui-Jin	56,000,000	100%
	Supervisor	Formosan Rubber Group Inc. Representative: Hsiao Zheng-Zhong	56,000,000	100%
FRG US CORP.	Director	Formosan Rubber Group Inc. Representative: Hsu Zhen-Ji	16,237,000	100%
	Director	Formosan Rubber Group Inc. Representative: Hsu Zhen-Xin	16,237,000	100%
KINGSHALE INDUSTRIAL LIMITED	Director	Formosan Rubber Group Inc. Representative: Hsu Zhen-Tsai, Hsu Zhen-Ji, Hsu Zhen-Xin	9,999	99.99%

6. Operational overview of affiliates:

Unit: NT\$ thousand

Company Name	Capital	Total Assets	Total Liabilities	Net income	Operating income	Operating Profit (loss)	Current Profit and Loss (after tax)	EPS (NT\$) (after tax)
Ban Chien Development Co., Ltd.	560,000	1,325,440	15,090	1,310,350	0	(11,704)	17,838	0.32
FRG US CORP.	993,446	745,193	243	744,950	1,849	(2,679)	(2,707)	(0.17)
KINGSHALE INDUSTRIAL LIMITED	34	0	0	0	0	0	0	0.00

(II) Consolidated financial statements of affiliated companies: Please refer to the Company's "Consolidated Financial Statements of the Parent and Subsidiaries for the most Recent Year Audited by the CPA" on the Market Observation Post System

(III) Business Reports of Affiliated Enterprises: Not applicable.

II. Transaction about the company's private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

III. If any of the situations listed in Article 36, paragraph 3 subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

IV. Other matters that require additional explanation: None.

Formosan Rubber Group Inc.

Chairperson: Hsu Zhen-Tsai