

Ticker symbol: 2107



Formosan Rubber Group Inc.

2025 Shareholders Regular Meeting

Agenda Handbook

Date: June 13, 2025

Location: No. 1, Chaofeng Road, Sanhe Village, Longtan District, Taoyuan City (3rd Floor, the Company's Office Building)

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.

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Meeting Procedure

- I. Call the Meeting to Order
- II. Chairperson Remarks
- III. Report Items
- IV. Recognitions
- V. Discussions
- VI. Election
- VII. Other Proposal
- VIII. Extempore Motion:
- IX. Adjournment

Meeting Agenda

Time: 9:30a.m, June 13, 2025 (Friday)

Location: No. 1, Chaofeng Road, Sanhe Village, Longtan District, Taoyuan City (3rd Floor, the Company's Office Building in Taoyuan Plant)

Form of Shareholders' Meeting: Physical

I. Call the Meeting to Order (Report the number of shares attending)

II. Chairperson Remarks

III. Report Items

- (I) The Company's 2024 Business Report.
- (II) The Company's 2024 Audit Committee's Review Report.
- (III) Report of 2024 Remuneration Report for the Company's Employees and Directors.
- (IV) Report on the 2024 Cash Dividends Paid from Earning Distribution.
- (V) Land Development Status of the Company.

IV. Recognitions

- (I) Annual business report and financial statements 2024.
- (II) Proposal of the Company's 2024 Earnings Distribution Table.

V. Discussions

- (I) Motion of amendments to part of the provisions of the Company's "Article of Incorporation".
- (II) Motion of amendments of part of the Company's "Operational Procedures for "Acquisition or Disposal of Assets" has been approved.

VI. Election

Motion of the Company's 22nd board election.

VII. Other Proposal

Motion of lifting the restriction to engage in competitive conduct for newly elected directors and their representative.

VIII. Extraordinary Motion

IX. Adjournment

Report Items

I. The Company's 2024 Business Report. Please review.

Description: for the 2024 Business Report, please see details in Attachment 1 (pages 10-16 of the Meeting Handbook).

II. The Company's 2024 Audit Committee's Review Report. Please review.

Description: for the Review Report of the Audit Committee, please see details in Attachment 2 (page 17 of the Meeting Handbook).

III. 2024 Remuneration Report for the Company's Employees and Directors. Please review.

Description:

- (I) According to Article 29 of the Company's Article of Incorporation: "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 higher than 2% of the profit shall be set as remuneration for directors. Where there is an accumulated loss, the profit shall be reserved to make up for the loss."
- (II) The profit before tax and remunerations of employees and directors is NT\$657,001,695 for 2024. It is resolved by the board of directors to distribute employees' remuneration for NT\$6,571,000 (\doteq 1%), and directors' remuneration for NT\$6,571,000 (\doteq 1%), both in cash.

IV. Report on the 2024 Cash Dividends Paid from Earning Distribution. Please review.

Description:

- (I) The current cash dividend is calculated according to the distribution ratio and rounded up to a dollar. The total amount of the odd share less than NT\$1.4 is adjusted, from the higher to lower decimal point and from top down of the account number sequentially, until it is equal to the total cash dividends distributed.
- (II) The cash dividend distribution proposal has been approved upon the Board's resolution; the Chairman is authorized to determine the base date of dividend distribution and payment date, among other matters.
- (III) After that, if the shares outstanding are affected due to the Company's capital decrease with treasury shares or other reasons which result in a change in shareholder's dividend rate, it is to authorize the Chairperson to fully handle the matter.

V. The Company's Land Development. Please review.

Description: based on the successful cases such as "World Garden - Bridge Up to Zenith" and "Modesty Home," the Company actively pursued development projects with potential. After being resolved by our board of directors, we have been proactively acquiring on potential development projects. In 2012, we have acquired the prime land of the Xinyi Planning District and also teamed up with DSG Technology Ltd. (now KINGLAND Property Corporation Ltd.) in introducing the project of "Legend River" located in Xindian at the end of the same year. At the end of 2013, we began letting at Qiao-Feng Business Plaza and in 2014, the land for Taichung Phase 7 was acquired. In 2016, we cooperated with the mainland China construction company and introduced the projects of "55Timeless" in Taipei Xinyi Planning District, and "La Bella Vita" in Taichung Phase 7. In 2017, we participated in the investment and construction of the residential and hotel developments in San Francisco; in 2022, we purchased part of the Ambassador Hotel in Kaohsiung and participated in the reconstruction and development. The cases in progress of the Company are as follows:

(I) Completed projects

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.

(II) 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 11.23% 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.

(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) Ambassador Project in Kaohsiung

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.

Recognitions

Proposal 1

(proposed by the board of directors)

Proposal: The Company's 2024 business report and financial statements. Please ratify.

Description: The Company's 2024 financial statements (consolidated and parent company only financial statements included) submitted by the board of directors have been audited by CPAs Yin-Lai Zhou and Yung-Ji Lai of Baker Tilly. The business report has also been reviewed by the Audit Committee and the review report has been submitted. Please refer to Attachment 1 and Attachment 3 to Attachment 4 for details (please refer to pages 10-16 and pages 18-38 of the Meeting Handbook).

Resolution:

Proposal 2

(proposed by the board of directors)

Proposal: The Company's 2024 earnings distribution, please ratify.

Description:

- (I) The 2024 Statement of Earnings Distribution has been approved upon the Board's resolution, and reviewed by the Audit Committee.
- (II) Earnings Distribution Table has been attached, please see Attachment 5 for more details (please refer to page 39 of the Meeting Handbook).

Resolution:

Discussions

Proposal 1

(proposed by the board of directors)

Proposal: Amendments to part of the provisions of the Company's "Articles of Incorporation".

Please proceed and discuss.

Description:

- (I) In accordance with Paragraph 6, Article 14 of the Securities and Exchange Act and the Order of the Financial Supervisory Commission, R.O.C. Jin-Guan-Zheng-Fa-Zi No. 1130385442 dated November 8, 2024, the Company made the revision.
- (II) After checking, Article 29 of the Company's Articles of Incorporation regulated that: "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. Where there is an accumulated loss, the profit shall be reserved to make up for the loss." Hence, the added this part to Article 29 of the Articles of Incorporation, "[... ..]; the Company shall not allocate less than 30% to junior employees for the aforementioned employee remuneration." In order to strengthen the Company's administrative efficiency, it is proposed to amend some part of the content of the Company's Procedures for Acquisition or Disposal of Assets.
- (III) For the comparison table of the Company's "Articles of Incorporation" before and after amendments, please refer to Attachment 6 (of the agenda handbook page 40 to 43 page).

Resolution:

Proposal 2

(proposed by the board of directors)

Proposal: Motion of amendments of part of the Company's "Operational Procedures for Acquisition or Disposal of Assets," please discuss.

Description:

- (I) For the comparison table of the Company's "Operational Procedures for Acquisition or Disposal of Assets" before and after the amendments, please refer to Attachment 7 (Agenda Handbook page 47 to page 48).

Resolution:

Election

Proposal: Election of the Company's 22nd board of directors.

(Proposed by the Board of Directors)

Description:

- (I) Pursuant to Article 18 of the Articles of Incorporation, the Company established five to nine directors; among them, the independent directors shall be no fewer than three, or one-fifth of all directors' seats. Nine directors (three independent directors include) are intended to be elected, by adopting the candidate nomination system, and the shareholders shall elect from the candidate list.
- (II) The term of office for the board of director of the 22nd Term is three years, from June 13, 2025 to June 12, 2028. The term of the previous directors expires at the end of the regular shareholders' meeting. Please refer to Appendix 4 for the Regulations Governing Election of Directors (please refer to page 89 of the Meeting Handbook).
- (III) The information related to the list of director candidate (independent directors included) for the 22nd term are specifies as below:

Title of candidate	Name of candidate	Number of shareholding	Major education	Major experience/current position
Director	Hsu Zhen-Tsai	4,690,917 shares	Dropped out of University of San Francisco	Chairperson, Formosan Rubber Group Chairperson, Hohe Construction Co., Ltd. Chairperson, Ban Chien Development Co., Ltd.
Director	Hsu Zhen-Ji	3,159,466 shares	Department of Chemical Engineering, Tamkang University International Business, National Taiwan University	Director and President, Formosan Rubber Group Representative of Chairperson of Ruifu Development Co., Ltd. Chairperson, Fenghe International Co., Ltd. Chairperson
Director	Representative of Quanxinfeng Co., Ltd.: Hsu Zhen-Xin	8,049,069 shares	School of Law, Fu Jen Catholic University	Representative of juristic-person director, Formosan Rubber Group Chairperson, Hallmark Int'l Co., Ltd. Chairperson of Ruifu Investment Co., Ltd.
Director	Representative of	30,663,678 shares	Master, Architecture in	Representative of juristic-person

Title of candidate	Name of candidate	Number of shareholding	Major education	Major experience/current position
	Ruifu Construction Co., Ltd.: Hsu Wei-Zhi		Urban Design, Harvard University, USA Master, Architecture, University of California, Berkeley	director, Formosan Rubber Group Inc. Representative Architect, Hsu Wei-Zhi Law Firm Adjunct Professor, Department of Architecture, Tamkang University
Director	Representative of Hohe Construction Co., Ltd.: Lin Kun-Rong	17,324,553 shares	Master of Business Administration, NTPU	Representative of juristic-person director, Formosan Rubber Group Inc. Representative Chairperson, Engtown Construction Corporation
Director	Representative of Ascend Gear International Inc. Chu, Lung-Tsung	16,820,342 shares	EMBA, National Chengchi University	Position: Representative of juristic-person director, Formosan Rubber Group Inc. Representative Experiences: President, Wan-Sheng Securities President, Chien-Hung Futures Section Chief, Farmers Bank of China Director, Taiwan Securities Association
Independent director	Lorraine Yao	4,500 shares	Bachelor in Accounting, Chaoyang University of Technology	Position: Independent director, Formosan Rubber Group Inc. Partner CPA of ShineWing International Experiences: Audit Manager of KPMG Taiwan
Independent director	Chu, Shih-Yi	0 shares	Master of Business, National Taiwan University, bachelor's degree in Psychology, National Taiwan University	Position: Independent director Formosan Rubber Group Inc. Experiences: Assistant Vice President of Bond Department and Assistant Vice President of Underwriting Department of MasterLink

Title of candidate	Name of candidate	Number of shareholding	Major education	Major experience/current position
				Securities Co., Ltd. Part-time Lecturer, Department of, Lunghwa University of Science and Technology
Independent director	Huang Ming-Fa	3,000 shares	Department of Chemistry, National Chung Hsing University	Position: Director, TAH KONG CHEMICAL INDUSTRIAL CORP. Experiences: Director and President, TAH KONG CHEMICAL INDUSTRIAL CORP.

Election results:

Other Proposal

Proposal 1

(proposed by the board of directors)

Proposal: Motion of the lifting the restriction to engage in competitive conduct for newly elected directors and their representative. Please discuss.

Description:

- (I) Pursuant to Article 209 of the Company Act specifies 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 the meeting of shareholders the essential contents of such an act and secure its approval.”
- (II) As a means to make the most of the expertise and related experiences of the Company’s directors to complete various businesses, it was purposed to the shareholders’ meeting to lift the restriction to engage in competitive conduct for newly elected directors and their representatives of 2025’s General Meeting of Shareholders.
- (III) It is intended to lift the restriction to engage in competitive conduct for newly elected directors and their representatives as following:

Title	Name	Current Concurrent Positions in Other Companies
Director	Hsu Zhen-Tsai	Chairperson, Hohe Construction Co., Ltd. Chairperson, Shanghai Ruifu Property Development Ltd Chairperson of Chengyang Development Co., Ltd. Director, Ascent International Rope Access Service Ltd. Director, Jinan Acetate Chemical Co., Ltd. (in short: Material-KY)
Director	Hsu Zhen-Ji	Representative of Chairperson of Ruifu Development Co., Ltd. Chairperson, Fenghe International Co., Ltd. Chairperson Director, TSEC Corporation Director, Sunshine Enterprise
Director	Representative of Quanxinfeng Co.,	Chairperson of Quanxinfeng Co., Ltd.

	Ltd.: Hsu Zhen-Xin	Chairperson of Quanjufeng Co., Ltd. Chairperson of Hallmark Int'l Co., Ltd. Vice Chairperson, Hohe Construction Co., Ltd. Director, Fenghe Development Co. Ltd.
Director	Representative of Ruifu Construction Co., Ltd.: Hsu Wei-Zhi	Architect, Hsu Wei-Zhi Law Firm
Director	Representative of Hohe Construction Co., Ltd.: Lin Kun-Rong	Chairperson of Yingcheng Construction Co., Ltd. Club 21 Retail (Taiwan) Pte. Ltd.
Independent director	Huang Ming-Fa	Director, TAH KONG CHEMICAL INDUSTRIAL CORP.

Resolution:

Extraordinary Motions

Adjournment

Attachment 1

Formosan Rubber Group Inc. The 2024 Business Report

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 income before tax:

Unit: 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 implement: 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, we have successfully acquired 2 patents:

[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 4 R.O.C. patent applications pending.

Two. 2025 Business Plan Overview

I. 2025 Management Policy

1. The three management policies for manufacturing industry are: “Innovation”, “international” 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. The sales of the remaining reserved apartments: - The available completed apartments of “55Timeless and “La Bella Vita” are gradually being sold. Pending units of projects World Garden, Modesty Home, Legend River: keep on marketing them.
4. FRG Bridge Up to 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 operation 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 cover 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 well and stay healthy

Chairperson: Hsu Zhen-Tsai

President: Hsu Zhen-Ji

Chief accounting officer: Shi Ming-De

Attachment 2

Audit Committee's Review Report

The board of directors has prepared the business report, financial statements (including parent company only financial report and consolidated financial statements), and profit distribution proposals of year 2024; the financial statements have been audited by CPA Lai Chia-Ku and Lai Yung-Chi of the Baker Tilly Clock and Co.; the latter issued audit report as well.

The business report, financial statements and the motion for earnings distribution stated above have been reviewed by the Audit Committee and no discrepancy has been found. We have presented you the reports based on the provisions stipulated in Article 14-4 in Securities and Exchange Act and Article 219 in the Company Act.

To

Annual Shareholders' Meeting of FRG, 2025

Formosan Rubber Group Inc.

Convener of Audit Committee: Lorraine Yao

March 11, 2025

Attachment 3

CPAs Audit Report

NO.00111060A

INDEPENDENT AUDITORS' REPORT

NO.00111130EA

The Board of Directors and Shareholders

Formosan Rubber Group Inc.

Opinion

We have audited the accompanying parent company only financial statements of Formosan Rubber Group Inc., which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of Formosan Rubber Group Inc. as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most

significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Formosan Rubber Group Inc.' parent company only financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of Net Realizable Value of Real Estate For Sale

Summary of key issues for auditing

As of December 31, 2024, the value of real estate for sale on the parent company only balance sheet was NT\$2,580,665 thousand primarily reflective of the completed properties and land held for sale. These items accounted for approximately 17% of the parent company only total assets. Please refer to Notes 4, 5 and 10 of the parent company only financial statements for detailed information. Formosan Rubber Group Inc. uses the lower of the cost or net realizable value for the valuation of real estate for sale. As the valuation of real estate for sale is subject to the effects of the cycle in the real estate market and the changes of the government policy and the determination of net realizable values for real estate for sale requires major judgment and estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of lower of the costs and net realizable value;
2. Random inspection of the ownership documents for the properties held for sale, in order to validate the integrity of the assessment;
3. Random inspection of the data concerning the estimated selling price and the sale records of the most recent period, so as to determine the basis and reasonability of the management's estimate of net realizable value.

Impairment of Property Investments

Summary of key issues for auditing

As of December 31, 2024, the value of property investments on the parent company only balance sheet was NT\$3,135,611 thousand accounting for approximately 21% of the parent company only total assets. Please refer to Notes 4, 5 and 15 of the parent company only financial

statements for detailed information. Management complies with IAS 36 “Impairment of Assets” by evaluating whether there are any signs indicating the investment properties may be impaired on each balance sheet date. Given the numerous assumptions involved, and the high uncertainty of accounting estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company’s assessment of asset impairments according to cash generating units;
2. Assessment of the reasonability of the management’s identification of impairment signs, assumptions and estimates used, such as the division of cash generating units, forecasting of cash flows, the appropriateness of the discount rate.

Other Matter – Reference to the Audit Report from Other Independent Auditor

The financial statements of Formosan Construction Corp., an investee with investments accounted for using equity method for the year 2024, were audited by another independent auditor. Hereby our opinion on the parent company only financial statements, insofar as it relates to the investments accounted for using equity method and their share of other comprehensive income, is based solely on the audit report of the other auditor.

As of December 31, 2024, the carrying amount of the investments accounted for using equity method in the aforementioned investee was NT\$91,332 thousand, constituting 0.6% of the parent company only total assets. The share of other comprehensive income recognized as of December 31, 2024, was NT\$13,436 thousand, constituting 1.19% of the total parent company only other comprehensive income.

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

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

In preparing the parent company only financial statements, management is responsible for assessing Formosan Rubber Group Inc.’ ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Formosan Rubber Group Inc. or to cease operations, or has

no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Formosan Rubber Group Inc.' financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Formosan Rubber Group Inc. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BAKER TILLY CLOCK & CO.

March 11, 2025

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China. The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

Formosan Rubber Group Inc.
Parent Company Only Balance Sheet
Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Assets	Note	Dec. 31, 2024		Dec. 31, 2023	
Accounting item		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6	\$ 456,908	3	\$ 563,696	4
Financial assets at fair value through profit or loss-current	7	19,427	—	36,959	—
Financial assets at fair value through other comprehensive income - current	8	4,603,872	31	3,940,521	28
Notes receivable, net	9	23,825	—	38,804	—
Accounts receivable, net	9	119,295	1	100,376	1
Other receivables		38,534	—	47,969	—
Inventories	10	174,732	1	181,618	1
Inventories-Construction Industry	10	2,580,665	17	2,771,492	20
Prepayments		37,443	—	54,544	—
Other financial assets-current	11	743,135	5	711,296	5
Other current assets-other		1,005	—	973	—
Total current assets		8,798,841	58	8,448,248	59
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	8	67,329	—	117,356	1
Investments accounted for using equity method	12	2,204,021	15	1,996,300	14
Property, plant and equipment	13	725,446	5	747,716	5
Right-of-use assets	14	23,387	—	30,989	—
Investment property, net	15	3,135,611	21	2,784,666	20
Deferred tax assets	27	79,985	1	55,178	—
Prepayments for equipment		6,078	—	18,017	—
Refundable deposits		51,970	—	57,050	1
Other financial assets - non-current	11	20,000	—	20,000	—
Other non-current assets, others		211	—	633	—
Total non-current assets		6,314,038	42	5,827,905	41
Total assets		\$ 15,112,879	100	\$ 14,276,153	100

(The attached notes constitute a part of the parent company only financial statements.)

Formosan Rubber Group Inc.

Parent Company Only Balance Sheet (Continued)

Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Liabilities & equity	Note	Dec. 31, 2024		Dec. 31, 2023	
Accounting item		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	16	\$ 1,075,000	8	\$ 1,140,000	8
Short-term notes and bills payable	18	149,807	1	189,881	2
Contract liabilities	10、21	6,049	—	—	—
Notes payable		75,506	1	81,599	1
Accounts payable		29,704	—	34,185	—
Other payables		121,996	1	127,396	1
Current tax liabilities		31,319	—	32,407	—
Lease liabilities-current	14	7,415	—	7,648	—
Long-term borrowings, current portion	17	198,000	1	—	—
Other current liabilities		18,537	—	18,073	—
Total current liabilities		1,713,333	12	1,631,189	12
Non-current liabilities					
Deferred tax liabilities	27	191,905	1	170,946	1
Non-current lease liabilities	14	16,650	—	24,065	—
Net defined benefit liability	19	1,598	—	2,131	—
Guarantee deposits received		48,438	—	45,550	—
Total non-current liabilities		258,591	1	242,692	1
Total liabilities		1,971,924	13	1,873,881	13
Share capital	20	3,035,934	20	3,035,934	21
Capital surplus	20	449,745	3	449,745	3
Retained earnings	20				
Legal reserve		1,874,381	13	1,812,711	13
Special reserve		296,475	2	296,475	2
Unappropriated retained earnings		6,357,798	42	5,873,998	41
Other equity interest	20				
Exchange differences on translation of foreign financial statements		54,444	—	4,539	—
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		1,072,178	7	928,870	7
Total equity		13,140,955	87	12,402,272	87
Total liabilities & equity		\$ 15,112,879	100	\$ 14,276,153	100

(The attached notes constitute a part of the parent company only financial statements.)

Formosan Rubber Group Inc.

Parent Company Only Comprehensive Income Statement

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Accounting item	Note	2024		2023	
		Amount	%	Amount	%
Operating revenue	21	\$ 1,480,474	100	\$ 1,357,421	100
Operating costs	22	(1,004,787)	(68)	(935,647)	(69)
Gross profit		475,687	32	421,774	31
Operating expenses					
Selling expenses		(56,477)	(4)	(47,577)	(3)
General and administrative expenses		(147,280)	(10)	(151,524)	(11)
Research and development expenses		(9,801)	—	(9,270)	(1)
Total operating expense		(213,558)	(14)	(208,371)	(15)
Operating profit		262,129	18	213,403	16
Non-operating income and expenses					
Interest income		49,064	3	53,560	4
Other income	23	166,719	11	282,461	21
Other gains and losses	24	155,832	11	22,872	2
Finance costs	25	(20,156)	(1)	(26,326)	(2)
Expected credit impairment (loss) gain		(1)	—	284	—
Shares of profit of subsidiaries and associates		30,273	2	43,147	3
Total non-operating income and expenses		381,731	26	375,998	28
Income before income tax		643,860	44	589,401	44
Income tax expense	27	(70,400)	(5)	(70,524)	(6)
Net income		573,460	39	518,877	38
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	19	420	—	341	—
Unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income		428,467	29	658,077	48
Shares of other comprehensive income of subsidiaries and associates		60,576	4	81,566	6
Income tax benefit related to items that will not be reclassified subsequently	27	22,686	2	18,799	1
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		62,381	4	6,970	1
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(2,699)	—	(1,793)	—
Income tax related to items that may be reclassified subsequently	27	(11,936)	(1)	(1,033)	—
Other comprehensive income		559,895	38	762,927	56
Total comprehensive income for the year		\$ 1,133,355	77	\$ 1,281,804	94
Earnings per share (NT dollars)	28				
Basic earnings per share		1.89 (NT dollars)		1.61 (NT dollars)	
Diluted earnings per share		1.89 (NT dollars)		1.60 (NT dollars)	

(The attached notes constitute a part of the parent company only financial statements.)

Formosan Rubber Group Inc.

Parent Company Only Statement of Changes in Equity

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	Share capital	Capital surplus	Retained earnings			Other equity interest		Total equity
			Legal reserve	Special reserve	Clnappropriated undistributed retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance of Jan. 1, 2023	\$ 3,373,260	\$ 449,745	\$ 1,745,695	\$ 296,475	\$ 5,729,100	\$ (1,037)	\$ 269,347	\$ 11,862,585
Legal reserve appropriated	—	—	67,016	—	(67,016)	—	—	—
Cash dividend	—	—	—	—	(404,791)	—	—	(404,791)
Net income in 2023	—	—	—	—	518,877	—	—	518,877
Other comprehensive income for 2023, net of income tax	—	—	—	—	273	5,576	757,078	762,927
Total comprehensive income (loss) in 2023	—	—	—	—	519,150	5,576	757,078	1,281,804
Capital Reduction	(337,326)	—	—	—	—	—	—	(337,326)
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	97,555	—	(97,555)	—
Balance of Dec. 31, 2023	3,035,934	449,745	1,812,711	296,475	5,873,998	4,539	928,870	12,402,272
Legal reserve appropriated	—	—	61,670	—	(61,670)	—	—	—
Cash dividend	—	—	—	—	(394,672)	—	—	(394,672)
Net income in 2024	—	—	—	—	573,460	—	—	573,460
Other comprehensive income for 2024, net of income tax	—	—	—	—	336	49,905	509,654	559,895
Total comprehensive income (loss) in 2024	—	—	—	—	573,796	49,905	509,654	1,133,355
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	366,346	—	(366,346)	—
Balance of Dec. 31, 2024	\$ 3,035,934	\$ 449,745	\$ 1,874,381	\$ 296,475	\$ 6,357,798	\$ 54,444	\$ 1,072,178	\$ 13,140,955

Note: For the years ended December 31, 2024 and 2023, the Company recognized the employees compensation of \$6,571 thousand and \$6,014 thousand respectively, and the directors remuneration of \$6,571 thousand and \$6,014 thousand respectively, amounts recognised The amounts loss in the statement of comprehensive income .

(The attached notes constitute a part of the parent company only financial statements.)

Formosan Rubber Group Inc.
Parent Company Only Statement of Cash Flows
From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	2024	2023
	Amount	Amount
Cash flows from operating activities:		
Income before income tax	\$ 643,860	\$ 589,401
Adjustments for:		
Depreciation expense	103,330	101,316
Expected credit impairment loss (gain)	429	(284)
Net gain on financial assets at fair value through profit or loss	(103,903)	(20,635)
Finance costs	20,156	26,326
Interest income	(49,064)	(53,560)
Dividend income	(160,311)	(277,070)
Share of profit of subsidiaries and associates	(30,273)	(43,147)
Loss on disposal of property, plant and equipment	20,572	—
Other losses	17,631	—
Impairment loss on non-financial assets	7,654	—
Unrealized foreign exchange gain	(4,111)	(98)
Changes in operating assets and liabilities		
Notes receivable	15,130	36,298
Accounts receivable	(19,498)	(19,999)
Other receivables	9,182	(9,374)
Inventories	6,886	29,056
Inventories-Construction Industry	190,827	137,859
Prepayments	17,101	(2,212)
Other current assets	(32)	114
Contract liabilities	6,049	—
Notes payable	(6,093)	(10,533)
Accounts payable	(4,481)	275
Other payables	(5,400)	(8,949)
Other current liabilities	464	(307)
Net defined benefit liability	(113)	(103)
Cash generated from operations	675,992	474,374

(Continued)

Formosan Rubber Group Inc.

Parent Company Only Statement of Cash Flows (Continued)

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	2024	2023
	Amount	Amount
Interest received	49,574	54,147
Dividends received	160,054	277,064
Interest paid	(20,156)	(26,326)
Income tax paid	(64,586)	(116,910)
Net cash generated from operating activities	800,878	662,349
Cash flows from investing activities:		
Cash paid for acquisition of financial assets at fair value through other comprehensive income	(1,383,300)	(567,769)
Proceeds from financial assets at fair value through other comprehensive income	1,198,954	749,077
Return of capital from financial assets at fair value through other comprehensive income	900	4,000
Cash paid for acquisition of financial assets at fair value through profit or loss	(846,549)	(38,042)
Proceeds from financial assets at fair value through profit or loss	967,984	38,681
Acquisition of investments accounted for using equity method	(54,491)	(378,022)
Acquisition of property, plant and equipment	(40,940)	(19,207)
Decrease (increase) in refundable deposits	5,080	(16,674)
Acquisition of Investment property	(429,320)	(215,354)
Increase in other financial assets	(31,839)	(711,296)
Decrease in other non-current assets	422	671
Decrease (increase) prepayments for equipment	11,939	(18,017)
Net cash used in investing activities	(601,160)	(1,171,952)
Cash flows from financing activities:		
Decrease in short-term borrowings	(65,000)	(100,000)
(Decrease) increase in short-term notes and bills payable	(40,074)	149,987
Increase in long-term borrowings	198,000	—
Increase (decrease) in guarantee deposits received	2,888	(2,983)
Payments of lease liabilities	(7,648)	(6,992)
Cash dividends paid	(394,672)	(404,791)
Capital Reduction	—	(337,326)
Net cash used in financing activities	(306,506)	(702,105)
Net Decrease in cash and cash equivalents	(106,788)	(1,211,708)
Cash and cash equivalents at beginning of year	563,696	1,775,404
Cash and cash equivalents at end of year	\$ 456,908	\$ 563,696

(The attached notes constitute a part of the parent company only financial statements.)

Attachment 4

INDEPENDENT AUDITORS' REPORT

NO.00111130ECA

The Board of Directors and Shareholders

Formosan Rubber Group Inc.

Opinion

We have audited the accompanying consolidated financial statements of Formosan Rubber Group Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Formosan Rubber Group Inc. and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial

statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Formosan Rubber Group Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of Net Realizable Value of Real Estate For Sale

Summary of key issues for auditing

As of December 31, 2024, the value of real estate for sale on the consolidated balance sheet was NT\$ 2,580,665 thousand primarily reflective of the cost with completed properties and land held for sale. These items accounted for approximately 17% of the consolidated total assets. Please refer to Notes 4, 5 and 10 of the consolidated financial statements for detailed information. Formosan Rubber Group Inc. uses the lower of the cost or net realizable value for the valuation of real estate for sale. As the valuation of real estate for sale is subject to the effects of the cycle in the real estate market and the changes of the government policy and the determination of net realizable values for real estate for sale requires major judgment and estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of lower of the costs and net realizable value;
2. Random inspection of the ownership documents for the properties held for sale, in order to validate the integrity of the assessment;
3. Random inspection of the data concerning the estimated selling price and the sale records of the most recent period, so as to determine the basis and reasonability of the management's estimate of net realizable value.

Impairment of Property Investments

Summary of key issues for auditing

As of December 31, 2024, the value of property investments on the consolidated balance sheet was NT\$ 3,201,214 thousand accounting for approximately 21% of the consolidated total assets. Please refer to Notes 4, 5 and 15 of the consolidated financial statements for detailed information. Management complies with IAS 36 "Impairment of Assets" by evaluating whether there are any signs indicating the investment properties may be impaired on each balance sheet date. Given the numerous assumptions involved, and the high uncertainty of accounting estimates, it was listed as one of the audit priorities this year.

Audit procedures

The audit procedures were carried out by CPAs as follows:

1. Acquisition of the data concerning the company's assessment of asset impairments according to cash generating units;
2. Assessment of the reasonability of the management's identification of impairment signs, assumptions and estimates used, such as the division of cash generating units, forecasting of cash flows, the appropriateness of the discount rate.

Other Matter – Reference to the Audit Report from Other Independent Auditor

The financial statements of Formosan Construction Corp., an investee with investments accounted for using equity method for the year 2024, were audited by another independent auditor. Hereby our opinion on the consolidated financial statements, insofar as it relates to the investments accounted for using equity method and their share of other comprehensive income, is based solely on the audit report of the other auditor.

As of December 31, 2024, the carrying amount of the investments accounted for using equity method in the aforementioned investee was NT\$91,332 thousand, constituting 0.6% of the consolidated total assets. The share of other comprehensive income recognized as of December 31, 2024, was NT\$13,436 thousand, constituting 1.19% of the total consolidated other comprehensive income.

Other Matters –Issuance of Audit Report of Parent Company's Financial Statements

We have also audited the parent company only financial statements of Formosan Rubber Group Inc. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing Formosan Rubber Group Inc. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

BAKER TILLY CLOCK & CO.

March 11, 2025

Notes to Readers

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

The auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and consolidated financial statements, the Chinese version shall prevail.

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Balance Sheet

Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Assets	Note	Dec. 31, 2024		Dec. 31, 2023	
Accounting item		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6	\$ 710,696	5	\$ 648,132	5
Financial assets at fair value through profit or loss-current	7	37,400	—	64,635	1
Financial assets at fair value through other comprehensive income - current	8	5,660,690	38	4,934,692	35
Notes receivable, net	9	23,825	—	38,804	—
Accounts receivable, net	9	119,295	1	100,762	1
Other receivables		38,603	—	50,961	—
Inventories	10	174,732	1	181,618	1
Inventories-Construction Industry	10	2,580,665	17	2,771,492	19
Prepayments		37,521	—	54,562	—
Other financial assets-current	11	743,135	5	711,296	5
Other current assets-other		1,055	—	973	—
Total current assets		10,127,617	67	9,557,927	67
Non-current assets					
Financial assets at fair value through other comprehensive income - non-current	8	743,504	5	821,967	6
Investments accounted for using equity method	12	148,721	1	127,642	1
Property, plant and equipment	13	725,526	5	747,845	6
Right-of-use assets	14	23,387	—	30,989	—
Investment property, net	15	3,201,214	21	2,847,586	20
Deferred tax assets	27	79,985	1	55,178	—
Prepayments for equipment		6,078	—	18,017	—
Refundable deposits		51,970	—	57,050	—
Other financial assets - non-current	11	20,000	—	20,000	—
Other non-current assets, others		211	—	633	—
Total non-current assets		5,000,596	33	4,726,907	33
Total assets		\$ 15,128,213	100	\$ 14,284,834	100

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Balance Sheet (Continued)

Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Liabilities & equity	Note	Dec. 31, 2024		Dec. 31, 2023	
Accounting item		Amount	%	Amount	%
Current liabilities					
Short-term borrowings	16	\$ 1,075,000	7	\$ 1,140,000	7
Short-term notes and bills payable	18	149,807	1	189,881	2
Contract liabilities	10、21	6,049	—	—	—
Notes payable		75,506	1	81,599	1
Accounts payable		29,704	—	34,185	—
Other payables		127,348	1	133,006	1
Current tax liabilities		40,981	—	35,261	—
Lease liabilities-current	14	7,415	—	7,648	—
Long-term borrowings, current portion	17	198,000	2	—	—
Other current liabilities		18,628	—	18,155	—
Total current liabilities		1,728,438	12	1,639,735	11
Non-current liabilities					
Deferred tax liabilities	27	191,905	1	170,946	2
Non-current lease liabilities	14	16,650	—	24,065	—
Net defined benefit liability	19	1,598	—	2,131	—
Guarantee deposits received		48,667	—	45,685	—
Total non-current liabilities		258,820	1	242,827	2
Total liabilities		1,987,258	13	1,882,562	13
Equity attributable to owners of parent	20				
Share capital		3,035,934	20	3,035,934	21
Capital surplus		449,745	3	449,745	3
Retained earnings					
Legal reserve		1,874,381	12	1,812,711	13
Special reserve		296,475	3	296,475	2
Unappropriated retained earnings		6,357,798	42	5,873,998	41
Other equity interest					
Exchange differences on translation of foreign financial statements		54,444	—	4,539	—
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		1,072,178	7	928,870	7
Total equity		13,140,955	87	12,402,272	87
Total liabilities & equity		\$ 15,128,213	100	\$ 14,284,834	100

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Comprehensive Income Statement

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Accounting item	Note	2024		2023	
		Amount	%	Amount	%
Operating revenue	21	\$ 1,481,243	100	\$ 1,359,718	100
Operating costs	22	(1,008,435)	(68)	(939,107)	(69)
Gross profit		472,808	32	420,611	31
Operating expenses					
Selling expenses		(56,477)	(4)	(47,577)	(3)
General and administrative expenses		(158,784)	(10)	(164,158)	(12)
Research and development expenses		(9,801)	(1)	(9,270)	(1)
Total operating expense		(225,062)	(15)	(221,005)	(16)
Operating profit		247,746	17	199,606	15
Non-operating income and expenses					
Interest income		51,141	3	53,710	4
Other income	23	202,221	13	318,279	23
Other gains and losses	24	157,539	11	26,992	2
Finance costs	25	(20,158)	(1)	(26,326)	(2)
Expected credit impairment (loss) gain		(1)	—	284	—
Shares of profit of associate		15,142	1	19,655	2
Total non-operating income and expenses		405,884	27	392,594	29
Income before income tax		653,630	44	592,200	44
Income tax expense	27	(80,170)	(5)	(73,323)	(6)
Net income		573,460	39	518,877	38
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	19	420	—	341	—
Unrealized gains on valuation of investments in equity instruments measured at fair value through other comprehensive income		483,106	33	735,027	54
Shares of other comprehensive income of associates		5,937	—	4,616	—
Income tax benefit related to items that will not be reclassified subsequently	27	22,686	2	18,799	1
Items that may be reclassified subsequently to profit or loss					
Exchange differences arising on translation of foreign operations		62,381	4	6,970	1
Unrealized loss on valuation of investments in debt instruments measured at fair value through other comprehensive income		(2,699)	—	(1,793)	—
Income tax related to items that may be reclassified subsequently	27	(11,936)	(1)	(1,033)	—
Other comprehensive income		559,895	38	762,927	56
Total comprehensive income for the year		\$ 1,133,355	77	\$ 1,281,804	94
Net income attributable to:					
Shareholders of the parent		\$ 573,460	39	\$ 518,877	38
Total comprehensive income attributable to:					
Shareholders of the parent		\$ 1,133,355	77	\$ 1,281,804	94
Earnings per share (NT dollars)	28				
Basic earnings per share		1.89 (NT dollars)		1.61 (NT dollars)	
Diluted earnings per share		1.89 (NT dollars)		1.60 (NT dollars)	

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Statement of Changes in Equity

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	Equity attributable to owners of the parent							Total equity
	Share capital	Capital surplus	Retained earnings			Other equity interest		
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance of Jan. 1, 2023	\$ 3,373,260	\$ 449,745	\$ 1,745,695	\$ 296,475	\$ 5,729,100	\$ (1,037)	\$ 269,347	\$ 11,862,585
Legal reserve appropriated	—	—	67,016	—	(67,016)	—	—	—
Cash dividend	—	—	—	—	(404,791)	—	—	(404,791)
Net income in 2023	—	—	—	—	518,877	—	—	518,877
Other comprehensive income for 2023, net of income tax	—	—	—	—	273	5,576	757,078	762,927
Total comprehensive income (loss) in 2023	—	—	—	—	519,150	5,576	757,078	1,281,804
Capital Reduction	(337,326)	—	—	—	—	—	—	(337,326)
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	97,555	—	(97,555)	—
Balance of Dec. 31, 2023	3,035,934	449,745	1,812,711	296,475	5,873,998	4,539	928,870	12,402,272
Legal reserve appropriated	—	—	61,670	—	(61,670)	—	—	—
Cash dividend	—	—	—	—	(394,672)	—	—	(394,672)
Net income in 2024	—	—	—	—	573,460	—	—	573,460
Other comprehensive income for 2024, net of income tax	—	—	—	—	336	49,905	509,654	559,895
Total comprehensive income (loss) in 2024	—	—	—	—	573,796	49,905	509,654	1,133,355
Disposal of financial assets at fair value through other comprehensive income - equity instruments	—	—	—	—	366,346	—	(366,346)	—
Balance of Dec. 31, 2024	\$ 3,035,934	\$ 449,745	\$ 1,874,381	\$ 296,475	\$ 6,357,798	\$ 54,444	\$ 1,072,178	\$ 13,140,955

(The attached notes constitute a part of the consolidated financial statements.)

Formosan Rubber Group Inc. and Its Subsidiaries

Consolidated Statement of Cash Flows

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	2024	2023
	Amount	Amount
Cash flows from operating activities:		
Income before income tax	\$ 653,630	\$ 592,200
Adjustments for:		
Depreciation expense	104,919	102,855
Expected credit impairment loss (gain)	429	(284)
Net gain on financial assets at fair value through profit	(104,260)	(24,649)
Finance costs	20,158	26,326
Interest income	(51,141)	(53,710)
Dividend income	(195,806)	(312,827)
Share of profit of associates	(15,142)	(19,655)
Loss on disposal of property, plant and equipment	20,572	—
Other losses	17,631	—
Impairment loss on non-financial assets	7,654	—
Unrealized foreign exchange gain	(4,111)	(98)
Changes in operating assets and liabilities		
Notes receivable	15,130	36,298
Accounts receivable	(19,112)	(19,924)
Other receivables	12,105	(12,366)
Inventories	6,886	29,056
Inventories-Construction Industry	190,827	137,859
Prepayments	17,041	(2,216)
Other current assets	(82)	114
Contract liabilities	6,049	—
Notes payable	(6,093)	(10,533)
Accounts payable	(4,481)	275
Other payables	(5,658)	(7,989)
Other current liabilities	473	(298)
Net defined benefit liability	(113)	(103)
Cash generated from operations	667,505	460,331

Formosan Rubber Group Inc. and Its Subsidiaries
Consolidated Statement of Cash Flows (Continued)

From Jan. 1 to Dec. 31, 2024 and 2023

Unit: In Thousands of NTD

Item	2024	2023
	Amount	Amount
Interest received	51,651	54,297
Dividends received	195,549	312,821
Interest paid	(20,158)	(26,326)
Income tax paid	(67,548)	(118,431)
Net cash generated from operating activities	826,999	682,692
Cash flows from investing activities:		
Cash paid for acquisition of financial assets at fair value through other comprehensive income	(1,527,855)	(989,541)
Proceeds from financial assets at fair value through other comprehensive income	1,421,811	805,909
Return of capital from financial assets at fair value through other comprehensive income	900	4,000
Cash paid for financial assets at fair value through profit or loss	(846,549)	(38,042)
Proceeds from acquisition of financial assets at fair value through profit or loss	978,044	38,957
Acquisition of property, plant and equipment	(40,940)	(19,207)
Decrease (increase) in refundable deposits	5,080	(16,674)
Acquisition of Investment property	(429,320)	(215,354)
Increase in other financial assets	(31,839)	(711,296)
Decrease in other non-current assets	422	672
Decrease (increase) prepayments for equipment	11,939	(18,017)
Net cash used in investing activities	(458,307)	(1,158,593)
Cash flows from financing activities:		
Decrease in short-term borrowings	(65,000)	(100,000)
(Decrease) increase in short-term notes and bills payable	(40,074)	149,987
Increase in long-term borrowings	198,000	—
Increase (decrease) in guarantee deposits received	2,982	(2,956)
Payments of lease liabilities	(7,648)	(6,992)
Cash dividends paid	(394,672)	(404,791)
Capital Reduction	—	(337,326)
Net cash used in financing activities	(306,412)	(702,078)
Effect of exchange rate changes on cash and cash equivalents	284	6,926
Net Increase (Decrease) in cash and cash equivalents	62,564	(1,171,053)
Cash and cash equivalents at beginning of year	648,132	1,819,185
Cash and cash equivalents at end of year	\$ 710,696	\$ 648,132

(The attached notes constitute a part of the consolidated financial statements.)

Attachment 5

Formosan Rubber Group Inc.

Earnings Distribution

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
Distributable items:	
1. Shareholder dividends -cash (303,593,400 shares × cash dividends of NT\$1.4)	(425,030,760)
Subtotal	(425,030,760)
Accumulated undistributed earnings at the end of the period	5,838,753,191

Note: The amount of earnings are distributed with priority of 2024 net profit after tax.

Attachment 6

Formosan Rubber Group Inc.

Articles of Incorporation

Comparison table of amendments to the provisions

Current Provision	Amended Provision	Description
<p>Article 29</p> <p>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.</p> <p>Where there is an accumulated loss, the profit shall be reserved to make up for the loss.</p> <p>(Omitted)</p>	<p>Article 29</p> <p>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; <u>For the aforementioned allocation of employees' remuneration, the Company shall allocate no less than 30% of the profit as remuneration to the junior employees.</u> However, if the Company has accumulated losses, the Company shall first reserve the amount to offset the losses.</p> <p>(Omitted)</p>	<p>In accordance with Paragraph 6, Article 14 of the Securities and Exchange Act and the Order of the Financial Supervisory Commission, R.O.C. Jin-Guan-Zheng-Fa-Zi No. 1130385442 dated November 8, 2024, the Company made the revision.</p>
<p>Article 33</p> <p>The Articles of Incorporation were established on September 15, 1962; the first amendment was made on December 20, 1962...(omitteed), the 55th amendment was made on June 8, 2022.</p>	<p>Article 33</p> <p>The Articles of Incorporation were established on September 15, 1962; the first amendment was made on December 20, 1962...(omitteed), the 55th amendment was made on June 8, 2022.</p> <p><u>The 56th amendment was made on June 13, 2025</u></p>	<p>The number and date have been added to this amendment.</p>

Attachment 7

Formosan Rubber Group Inc.

Operational Procedures for the Acquisition and Disposal of Assets

Comparison table of amendments to the provisions

Current Provision	Amended Provision	Description
<p>Asset 3: Applicable Assets</p> <p>I.Negotiable securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</p> <p>II.Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</p> <p>III.Memberships.</p> <p>IV.Intangible asset: Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p>	<p>Asset 3: Applicable Assets</p> <p>I.Negotiable securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.</p> <p>II.Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.</p> <p>III.Memberships.</p> <p>IV.Intangible asset: Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p>	<p>Deleted the "intangible assets" wording in Paragraph 4.</p>
<p>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I.May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence,</p>	<p>Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>I.May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence,</p>	<p>The operating procedures of the professionals at the end of the section are not related to the Company, so they are deleted.</p>

<p>or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p>	<p>or since a pardon was received.</p> <p>II. May not be a related party or de facto related party of any party to the transaction.</p> <p>III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p>	
<p>Article 7: Procedures for the acquisition or disposal of real properties, equipment, and their right-of-use assets</p> <p>I. Evaluation and operational procedures</p> <p>For the acquisition or disposal of real properties, equipment, and their right-of-use assets, the Company's fixed asset circulation procedures under the internal control system shall be complied with.</p> <p>II. Determining procedures for transaction conditions and authorized limits.</p> <p>(I) For the acquisition or disposal of real properties, equipment, and their right-of-use assets, the announced current value, appraised value, actual transaction prices of properties in the neighborhood, negotiated transaction conditions and transaction prices shall be referred to, and either price inquiry, price comparison, price negotiation, or tender shall be adopted. For the amount of Three Hundred Million New Taiwan Dollars or under, the approval of the chairperson is required, and</p>	<p>Article 7: Procedures for the acquisition or disposal of real properties, equipment, and their right-of-use assets</p> <p>I. Evaluation and operational procedures</p> <p>For the acquisition or disposal of real properties, equipment, and their right-of-use assets, the Company's fixed asset circulation procedures under the internal control system shall be complied with.</p> <p>II. Determining procedures for transaction conditions and authorized limits.</p> <p>(I) For the acquisition or disposal of real properties, equipment, and their right-of-use assets, the announced current value, appraised value, actual transaction prices of properties in the neighborhood, negotiated transaction conditions and transaction prices shall be referred to, and either price inquiry, price comparison, price negotiation, or tender shall be adopted.</p> <p><u>(II) Acquisition or disposal of real estate or right-of-use assets thereof:</u></p> <p><u>For the amount of Three Hundred Million New Taiwan Dollars or under, the approval of the chairperson is required, and shall be submitted to the soonest board meeting for reporting. For over Three</u></p>	<p>1. The acquisition of "real property" and "equipment and right-of-use assets" is <u>separately</u> regulated.</p> <p>2. In addition to the approval of the Chairperson, it is still necessary to "present to the Board of Directors for ratification"; now it is changed to "present to the Board of Directors for reporting". This is to enhance the Company's administrative efficiency.</p>

<p>shall be submitted to the soonest board meeting for ratification; For over Three Hundred Million New Taiwan Dollars, the approval of the chairperson is required, and shall be submitted to the board of directors for approval before engagement Or, the Board of Directors may first approve a designated area or within a certain amount, authorize the chairman of the board to deal with it at full power, and then report to the Board of Directors for ratification. The above-mentioned certain amount should not exceed 50% of the net worth of the most recent financial statements.</p> <p>(II)With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee.</p> <p>When proposal transactions of acquiring or disposing assets to the Board of Directors per this Article, the opinions of each independent directors shall be fully considered. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of board of directors' meeting.</p> <p>The Company's major assets transactions shall be approved by a majority of the Audit</p>	<p><u>Hundred Million New Taiwan Dollars, the approval of the chairperson is required, and shall be submitted to the board of directors for approval before engagement Or, the Board of Directors may first approve a designated area or within a certain amount, authorize the chairman of the board to deal with it at full power, and then report to the Board of Directors for ratification. The above-mentioned certain amount should not exceed 50% of the net worth of the most recent financial statements.</u></p> <p><u>(III)Acquisition or disposal of equipment or right-of-use assets thereof:</u></p> <p><u>If the amount is less than NT\$300 million, it shall be approved by the authority; if the amount exceeds NT\$300 million, it shall be submitted to the Chairperson for approval and the Board of Directors for approval before execution.</u></p> <p><u>(IV)With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When proposal transactions of acquiring or disposing assets to the Board of Directors per this Article, the opinions of each independent directors shall be fully considered. When an</u></p>	
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<p>Committee members, resolved by the board of directors, and subject to the provisions of Paragraph 4 and 5 of Article 17.</p> <p>III.Execution unit</p> <p>When the Company acquires or disposes of real property, equipment or its right-of-use assets, it shall be executed by the department using the asset, and the management department upon the approval in accordance with the preceding paragraph.</p> <p>IV.Appraisal reports of real property, equipment, or right-of-use assets</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be</p>	<p>independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of board of directors' meeting.</p> <p>III.Execution unit</p> <p>When the Company acquires or disposes of real property, equipment or its right-of-use assets, it shall be executed by the department using the asset, and the management department upon the approval in accordance with the preceding paragraph.</p> <p>IV.Appraisal reports of real property, equipment, or right-of-use assets</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(I)Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same</p>	
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<p>followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>The CPAs providing opinion are not limited to the Company's certifying CPAs.</p> <p>(IV)The date of the report</p>	<p>procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</p> <p>(II)Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.</p> <p>(III)Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <ol style="list-style-type: none"> 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. <p>The CPAs providing opinion are not limited to the Company's certifying CPAs.</p>	
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<p>issued by the professional appraiser and the date of contract establishment shall not exceed three months. However, if the announced current value in the same period is applicable, within six months, the original professional appraiser may issue an opinion.</p> <p>(V)Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	<p>(IV)The date of the report issued by the professional appraiser and the date of contract establishment shall not exceed three months. However, if the announced current value in the same period is applicable, within six months, the original professional appraiser may issue an opinion.</p> <p>(V)Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.</p>	
<p>Article 8</p> <p>II.Determining procedures for transaction conditions and authorized limits.</p> <p>(I) For the acquisition or disposal of marketable securities that are listed at home and abroad or on the business premises of securities firms, the responsible unit shall make a decision based on the market conditions. Regarding the trading of securities, for these transaction with amount under NT\$ One hundred million (inclusive) , they shall be approved by the chairman and submitted to the next meeting of the board of directors as reference, while providing an analysis report on the unrealized benefits or losses of financial assets; if the amount exceeds NT\$ One hundred million, the responsible department must present the total projected investment amount annually for authorization by the board of directors before proceeding. The authorized limit may be utilized in a revolving manner within the fiscal</p>	<p>Article 8</p> <p>II.Determining procedures for transaction conditions and authorized limits.</p> <p>(I) <u>If the investment amount of the domestic or foreign listed securities or securities dealers' business premises exceeds NT\$100 million, the responsible unit shall propose the estimated total investment amount to the Investment Decision Committee for review and then to the Board of Directors for approval before execution. The same shall apply to any changes in the total investment amount expected for each year. The authorized limit may be utilized in a revolving manner within the fiscal year. That is to say, the responsible unit may acquire or dispose of any securities within the authorized limit. However, the total cumulative cost of securities acquired daily should not exceed the authorized limit approved by the Board of Directors. For the</u></p>	<p>1. The Company amended the relevant regulations governing the withdrawal of domestic and foreign securities in accordance with the letter of the Taiwan Stock Exchange.</p> <p>2. Executing Unit: The finance and accounting unit is changed to the relevant responsible unit.</p>

<p>year. That is to say, the responsible unit may acquire or dispose of any securities within the authorized limit. However, the total cumulative cost of securities acquired daily should not exceed the authorized limit approved by the Board of Directors.</p> <p>III.Execution unit When the Company acquires or disposes of negotiable securities, the financial and accounting unit shall be responsible for the execution after the approval in accordance with the approval set forth of the preceding paragraph.</p>	<p><u>acquisition or disposal of marketable securities that are listed at home and abroad or on the business premises of securities firms, the responsible unit shall make a decision based on the market conditions. If the acquisition or disposal amount is less than NT\$100 million (inclusive), it may be approved by the Chairperson and reported to the next Board of Directors, and the analysis report on the unrealized gain or loss of the financial asset securities may be submitted at the same time.</u></p> <p>III.Execution unit When the Company acquires or disposes of negotiable securities, the <u>related responsible</u> unit shall be responsible for the execution after the approval in accordance with the approval set forth of the preceding paragraph.</p>	
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Appendix 1

Formosan Rubber Group Inc. Articles of Incorporation

Chapter 1 General Principles

- Article 1: The Company adheres to its philosophy of ‘making a contribution to the society’ and the corporate spirit of ‘research makes the difference’, we follow the 7 principles of Formosan Rubber’s and aim to achieve the target of providing the society with supplies and services needed accordingly. The Company has been established in accordance with the requirements stipulated in the Company Act and it has been named as “Formosan Rubber Group Inc.”
- Article 2: The Company’s business consists of:
- (1) C801100 Synthetic Resin and Plastic Manufacturing
 - (2) C804020 Industrial Rubber Products Manufacturing
 - (3) C805010 Manufacture of Plastic Sheets, Pipes and Tubes
 - (4) C802120 Industrial and Additive Manufacturing
 - (5) C804990 Other Rubber Products Manufacturing
 - (6) C805070 Reinforced Plastic Products Manufacturing
 - (7) C805990 Other Plastic Products Manufacturing
 - (8) CB01010 Mechanical Equipment Manufacturing
 - (9) CC01080 Electronics Components Manufacturing
 - (10) CD01060 Aircraft and Parts Manufacturing
 - (11) CF01011 Medical Devices Manufacturing
 - (12) D101050 Combined Heat and Power
 - (13) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 - (14) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 - (15) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
 - (16) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
 - (17) F301010 Department Stores
 - (18) F301020 Supermarkets
 - (19) F401010 International Trade
 - (20) G801010 Warehousing
 - (21) H701040 Specific Area Development
 - (22) H701060 New Towns, New Community Development
 - (23) H703100 Real Estate Leasing
 - (24) IZ06010 Tally Packaging
 - (25) J701010 Electronic Game Arcades
 - (26) J701040 Recreational Activities Venue
 - (27) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 2-1: Due to business needs, the Company makes guarantees externally.
- Article 2-2: Due to business needs, the Company makes investments in other industries, and is not limited to the restrictions in Article 13 of the Company Act.
- Article 3: The Company’s headquarters are located in Taipei City. When necessary, after being resolved by the board of directors, the Company may establish branches or plants domestically or overseas.

Article 4: The Company's method for making public announcements is in accordance with the requirements stipulated in Article 28 of the Company Act.

Chapter 2 Shares

Article 5: The Company's total capital is amounted to NT\$6.8 billion which is divided into NT\$680 million shares with a par value of NT\$10 per share. Among these, the unissued shares are distributed by the board of directors as needed.

Article 6: The company issuing stocks may be exempted from printing, but shall register the issued stocks with a centralized securities depository enterprise and follow the regulations of that enterprise.

Article 7: (the article has been deleted)

Article 8: The Company handles stocks in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies", the Company Act and relevant laws and regulations prescribed by the competent authority.

Article 9: A handling fee will be charged by the Company when shareholders apply for a change or replacement of shares.

Article 10: The share transfer is suspended within 60 days prior to each shareholders' meeting, 30 days prior to shareholders special shareholders' meeting or 5 days prior to Company's decision to distribute shares and dividends, or the base date of other interest or benefit.

Chapter 3 Shareholders Meeting

Article 11: The Company's shareholders meetings are classified as follows:

I. Regular shareholders meetings shall be convened within six months after the end of the accounting year; except for when there is a legitimate reason and a prior approval is gained by the competent authority.

II. Special shareholders meetings: Convened when necessary.

The convening of shareholders meeting as stated in the preceding paragraph, unless it is otherwise prescribed, they shall be called for by the board of directors. A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given to each shareholder no later than 10 days prior to the scheduled meeting date. The cause or subject of a meeting of shareholders to be convened shall be indicated. The notice may be given by means of electronic transmission, after obtaining a prior consent from the recipient(s) thereof. The notice of the shareholders meeting stated in the preceding paragraph is given by an issuer to shareholders who own less than 1,000 shares of nominal stocks may be given in the form of a public announcement.

Article 11-1: The Company may convene a shareholders' meeting by video conference or in other methods as announced by the Ministry of Economic Affairs.

Article 12: A shareholder shall attend a shareholders' meeting in person. When the chairperson is on leave or unable to exercise his/her function for some reason, he/she may appoint a proxy to attend a shareholders' meeting in his/her behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

Article 13: Shareholders' meetings shall be chaired by the chairperson of the board of directors. When the chairperson is on leave or unable to exercise his/her function for some reason, the chairperson shall assign a standing director to act on his/her behalf. If the chairperson does not assign a someone to act as his/her behalf, they shall choose one person by and from among themselves to chair the meeting.

Article 14: Each shareholder has one voting right per share, except for those who are restricted or have no voting rights according to paragraph 2 of Article 179 stipulated in the

Company Act.

- Article 15: When the government or a juristic person is a shareholder, its proxy shall not be limited to one person, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds.
- Article 16: Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 17: The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting, and shall be handled in accordance with Article 183 of the Company Act.

Chapter 4 Directors and Audit Committee

- Article 18: The Company has 5 to 9 directors. The candidates of the by-election are nominated. Shareholders shall elect from the candidates.
Among the number of directors mentioned above, the independent directors may not be less than 3 people and no less than one fifth of the number of directors.
Both independent directors and non-independent directors shall be elected at the same time and the number of elected dependent directors shall be separated from the number of elected non-independent directors for purpose of election.
- Article 18-1: The Company has established the Audit Committee to replace the duties of the supervisor and is composed of by all of the independent directors who are responsible for duties such as the execution of the Company Act, Securities and Exchange Act and other laws and regulations in relation to supervisors.
Audit Committee members, exercise of powers and other matters for compliance shall be handled according to laws and regulations; its organizational procedures are prescribed by the board of directors. According to laws and regulations, the Company is required to establish Remuneration and Compensation Committee or other functional committees.
- Article 18-2: When the Company's board of directors calls for a meeting, the cause or subject of a meeting shall be indicated and each director must be notified 7 days prior to the meeting. In the case of emergency, a meeting of the board of directors may be convened at any time. When the Company's board of directors calls for a meeting, each director may be notified by ways of written, E-mail or fax.
- Article 19: The term of office of a director is three years; and he/she may be eligible for re-election.
The aggregate amount of shares held by all directors shall be handled in accordance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" prescribed by the competent authority.
- Article 20: When the number of vacancies in the board of directors of a company equals to one third of the total number of directors and the independent directors are dismissed, the board of directors shall call, within 60 days, a special meeting of shareholders to elect succeeding directors to fill the vacancies.
- Article 21: When the directors organize a board of directors' meeting, it shall be attended by two-third of the total number of directors of a company, and with an approval by a majority of directors, they shall select from among themselves one person to serve as the chairperson.
The chairperson represents the Company externally and executes all affairs relating to the Company by following these Articles and resolutions approved by the shareholders and board of directors. The duties of the board of the board of directors are as follows:
I. Calling for shareholders' meetings and executing their resolutions.

- II. Reviewing the Company's organizational articles and the enforcement rules.
- III. Proposing to amend the Articles of Incorporation.
- IV. Preparing and reviewing investments of other businesses, establishment of branches and abolitions.
- V. Appointment/dismissal remuneration of managerial officers.
- VI. Approving the Company's employee establishment, salary standards.
- VII. Reviewing important contracts.
- VIII. Reviewing business plans and supervising their executions.
- IX. Reviewing budgets and settlements.
- X. Proposing for earnings distribution.
- XI. Proposing for capital increase/decrease.
- XII. Reviewing the issuance of special shares.
- XIII. Approving of the Company's property pledge, rights setting and matters relating to dispositions.
- XIV. Approving of significant capital expenditure.
- XV. Approving the matters when the Company applies for financing, guarantee, acceptance from a financial institution, or makes advances, loans and debts from the third party.
- XVI. Approving endorsements/guarantees and acceptance in the name of the Company.
- XVII. Approving of major transactions by the company and related parties.
- XVIII. Appointment of CPAs and legal consultants. /Other relevant business shall be carried out except for matters decided by the shareholders' meeting in accordance with laws and regulations or the company's articles of association.
- XIX. Except for provisions stipulated in laws and regulations or in the Company's Articles of Incorporation, other related business shall be resolved by the shareholders' meeting.

Article 22: The Company's business policies and other important matters are determined by the board of directors. A board of directors' meeting is called for by the chairperson and served as the chair. When the chairperson is unable to exercise the power of the chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.

Article 23: When the chairperson is on leave for some reason, he/she may appoint a proxy to attend a shareholders' meeting in his/her behalf by executing a power of attorney stating therein the scope of power authorized to the proxy; he/she may only appoint one proxy at a time. Unless otherwise stipulated in the Company Act, the resolutions of the board of directors shall be executed with an approval by a majority of directors. The resolutions reached in the shareholders' meeting must be documented in the minutes of meeting signed or sealed by the chair and kept permanently.

Article 24: (omitted)

Article 25: Directors receive transportation allowances according to the actual attendance, and the amount shall be determined by the board of directors.
The remuneration of the directors is authorized to the board of directors to determine based on the degree of involvement and value of contribution in the Company's operations. The Company also takes references from peers.

Chapter 5 Managerial Officer

Article 26: The Company has several managerial officers, their appointment, dismissal and remuneration are handled in accordance with Article 29 of the Company Act. The

Company may set up an executive vice president in accordance with the resolution of the board of directors.

Article 27: (the article has been deleted)

Chapter 6 Final Earnings Distribution

Article 28: The accounting year for the Company is January 1 to December 31 each year. At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to a general meeting of shareholders:

I. Business report

II. Financial statements

III. Earnings distribution or loss off-setting proposals.

Article 29: 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. 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 directors' remuneration 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.

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.

Article 30: (the article has been deleted)

Chapter 7 Additional Provisions

- Article 31: Any matters not specified in these Articles shall be handled in accordance with the provisions stipulated in the Company Act.
- Article 32: The Company's Organizational Rules and Enforcement Rules are determined by the board of directors.
- Article 33: These Articles were established on September 15, 1962.
The 1st amendment was made on December 20, 1962.
The 2nd amendment was made on August 28, 1964.
The 3rd amendment was made on August 20, 1966.
The 4th amendment was made on October 15, 1968.
The 5th amendment was made on January 12, 1969.
The 6th amendment was made on June 25, 1970.
The 7th amendment was made on August 7, 1971.
The 8th amendment was made on October 15, 1972.
The 9th amendment was made on August 17, 1973.
The 10th amendment was made on January 1, 1974.
The 11th amendment was made on December 17, 1974.
The 12th amendment was made on September 28, 1975.
The 13th amendment was made on December 19, 1975.
The 14th amendment was made on August 4, 1977.
The 15th amendment was made on September 16, 1978.
The 16th amendment was made on October 9, 1979.
The 17th amendment was made on October 1, 1980.
The 18th amendment was made on September 8, 1983.
The 19th amendment was made on December 19, 1983.
The 20th amendment was made on January 30, 1984.
The 21st amendment was made on March 9, 1984.
The 22nd amendment was made on March 5, 1985.
The 23th amendment was made on March 11, 1985.
The 24th amendment was made on November 20, 1985.
The 25th amendment was made on May 23, 1986.
The 26th amendment was made on October 3, 1986.
The 27th amendment was made on June 26, 1987.
The 28th amendment was made on June 3, 1988.
The 29th amendment was made on June 12, 1989.
The 30th amendment was made on December 14, 1989.
The 31th amendment was made on April 11, 1990.
The 32th amendment was made on March 9, 1991.
The 33th amendment was made on June 3, 1991.
The 34th amendment was made on April 30, 1992.
The 35th amendment was made on May 25, 1993.
The 36th amendment was made on April 29, 1994.
The 37th amendment was made on May 4, 1995.
The 38th amendment was made on September 19, 1995.
The 39th amendment was made on May 29, 1996.
The 40th amendment was made on May 28, 1997.
The 41th amendment was made on April 28, 1998.
The 42th amendment was made on April 30, 1999.
The 43th amendment was made on May 18, 2000.
The 44th amendment was made on June 20, 2001.
The 45th amendment was made on June 21, 2002.

The 46th amendment was made on June 11, 2004.
The 47th amendment was made on June 17, 2005.
The 48th amendment was made on June 14, 2006.
The 49th amendment was made on June 17, 2010.
The 50th amendment was made on June 18, 2012.
The 51th amendment was made on June 12, 2015.
The 52th amendment was made on June 7, 2015.
The 53th amendment was made on June 5, 2019.
The 54th amendment was made on June 12, 2020.
The 55th amendment was made on June 8, 2022

Chairperson Hsu Zhen-Tsai

Appendix 2

Formosan Rubber Group Inc. **Operational Procedures for the Acquisition and Disposal of Assets**

Amended on June 7, 2024

Article 1: Purpose

To secure assets and implement the information disclosure, the Procedures are established.

Article 2: Basis of Laws

The Procedures are established pursuant to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies,” (the “Regulations”) which are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act ("the Act").

Asset 3: Applicable Assets

- I. Negotiable securities: Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
- II. Real property (including land, houses and buildings, investment property, and construction enterprise inventory) and equipment.
- III. Memberships.
- IV. Intangible asset: Patents, copyrights, trademarks, franchise rights, and other intangible assets.
- V. Right-of-use assets.
- VI. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
- VII. Derivatives.
- VIII. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
- IX. Other major assets.

Article 4: Definition

- I. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
- II. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
- III. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.

- V. The term of “Date of occurrence” described in these Procedures:refers to the date of contract signing, date of payment, date of commissioned transaction concluding, date of transfer, dates of boards of directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier. However, the investment requiring approvals from competent authorities, the earlier date between the aforesaid dates, or the dates receiving approvals from competent authorities prevails.
- VI. Mainland China area investment:Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 5: Total amounts of real property and right-of-use assets thereof or securities acquired by the company and each subsidiary for business use, and limits on individual securities, set forth as following:

- (I) Total amount of the Company’s real properties not for operation, and their right-of-use assets, shall not exceed 15% of the net worth. Total amount of each subsidiary of the Company’s real properties not for operation, and their right-of-use assets, shall not exceed 15% of the net worth.
- (II) Total amount of the Company’s investments in negotiable securities, shall not exceed 100% of the net worth. Total amount of each subsidiary of the Company’s investments in negotiable securities, shall not exceed 150% of the net worth.
- (III) Total amount of the Company’s investments in single negotiable security, shall not exceed 25% of the net worth. Total amount of each subsidiary of the Company’s investments in single negotiable security, shall not exceed 100% of the net worth.

Article 6: Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide public companies with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- I. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- II. May not be a related party or de facto related party of any party to the transaction.
- III. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

Article 7: Procedures for the acquisition or disposal of real properties, equipment, and their right-of-use assets

- I. Evaluation and operational procedures
For the acquisition or disposal of real properties, equipment, and their right-of-use

assets, the Company's fixed asset circulation procedures under the internal control system shall be complied with.

II. Determining procedures for transaction conditions and authorized limits.

- (I) For the acquisition or disposal of real properties, equipment, and their right-of-use assets, the announced current value, appraised value, actual transaction prices of properties in the neighborhood, negotiated transaction conditions and transaction prices shall be referred to, and either price inquiry, price comparison, price negotiation, or tender shall be adopted. For the amount of Three Hundred Million New Taiwan Dollars or under, the approval of the chairperson is required, and shall be submitted to the soonest board meeting for ratification; For over Three Hundred Million New Taiwan Dollars, the approval of the chairperson is required, and shall be submitted to the board of directors for approval before engagement. Or, the Board of Directors may first approve a designated area or within a certain amount, authorize the chairman of the board to deal with it at full power, and then report to the Board of Directors for ratification. The above-mentioned certain amount should not exceed 50% of the net worth of the most recent financial statements.

- (II) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee.

When proposal transactions of acquiring or disposing assets to the Board of Directors per this Article, the opinions of each independent directors shall be fully considered. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of board of directors' meeting.

The Company's major assets transactions shall be approved by a majority of the Audit Committee members, resolved by the board of directors, and subject to the provisions of Paragraph 4 and 5 of Article 17.

III. Execution unit

When the Company acquires or disposes of real property, equipment or its right-of-use assets, it shall be executed by the department using the asset, and the management department upon the approval in accordance with the preceding paragraph.

IV. Appraisal reports of real property, equipment, or right-of-use assets

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

- (I) Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.

- (II) Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
- (III) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - 1. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - 2. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

The CPAs providing opinion are not limited to the Company's certifying CPAs.
- (IV) The date of the report issued by the professional appraiser and the date of contract establishment shall not exceed three months. However, if the announced current value in the same period is applicable, within six months, the original professional appraiser may issue an opinion.
- (V) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 7-1: For the calculation of 10 percent of total assets under these Regulations, the total assets stated in the most recent parent company only financial report or individual financial report prepared by the Company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.

Article 8: Procedure of Acquiring or Disposing Negotiable Securities

I. Evaluation and operational procedures

For the acquisition or disposal of negotiable securities, the Company's investment circulation procedures under the internal control system shall be complied with.

II. Determining procedures for transaction conditions and authorized limits.

- (I) For the acquisition or disposal of marketable securities that are listed at home and abroad or on the business premises of securities firms, the responsible unit shall make a decision based on the market conditions. Regarding the trading of securities, for these transaction with amount under NT\$ One hundred million (inclusive) , they shall be approved by the chairman and submitted to the next meeting of the board of directors as reference, while providing an analysis report on the unrealized benefits or losses of financial assets; if the amount exceeds NT\$ One hundred million, the responsible department must present the total projected investment amount annually for authorization by the board of directors before proceeding. The authorized limit may be utilized in a revolving manner within the fiscal year. That is to say, the responsible unit may acquire or dispose of any securities within the authorized limit. However, the total cumulative cost of securities acquired daily should not exceed the authorized limit approved by the Board of Directors.

- (II) For the acquisition or disposal of securities not listed on domestic or foreign stock exchanges or securities firms' business premises, the latest financial statements of the target company that have been certified or reviewed by CPAs shall be taken as a reference for evaluating the transaction price, and the net value per share, profitability and future potential of the target company shall be taken into consideration. For these transaction with amount under NT\$ ten million (inclusive), they shall be approved by the chairman and submitted to the next meeting of the board of directors as reference, while providing an analysis report on the unrealized benefits or losses of financial assets; if the amount exceeds NT\$ ten million, the transaction must be submitted to the board of directors for approval before conducting.
 - (III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.
- III. Execution unit

When the Company acquires or disposes of negotiable securities, the financial and accounting unit shall be responsible for the execution after the approval in accordance with the approval set forth of the preceding paragraph.
- IV. Obtaining experts' opinions
 - (I) The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.
 - (II) Pursuant to the proviso to Article 10 of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, a public company acquiring or disposing of securities may be exempted from the requirement of obtaining the financial statements of the issuing company for the most recent period, audited or reviewed by a certified public accountant (CPA) and the requirement of additionally engaging a CPA to provide an opinion regarding the reasonableness of the transaction price when the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million

or more, prior to the date of occurrence of the transaction, if it fulfills any of the conditions listed below:

1. Securities acquired through cash contribution in an incorporation by promotion or by public offering in accordance with the Company Act, with the further requirement that the rights represented by the acquired securities be commensurate with the proportion of capital contributed.
2. Participation in subscription to an issue of securities issued at face value by an issuing company
3. Participation in subscription to securities issued by a 100 percent owned subsidiary that is carrying out a cash capital increase.
4. Securities listed and traded on the Taiwan Stock Exchange or the Taipei Exchange or emerging stocks.
5. Government bonds, or bonds under repurchase or reverse purchase agreements.
6. Onshore or offshore publicly offered funds.
7. TWSE or TPEx listed stocks acquired or disposed of in accordance with the TWSE or TPEx rules governing the purchase of listed securities by reverse auction or rules governing the auction of listed securities.
8. Participation in subscription to shares issued by a public company for a cash capital increase or domestic subscription to corporate bonds (including financial debentures), with the further requirement that the securities acquired are not privately placed securities.
9. Subscription to a domestic privately placed fund before the establishment of the fund in accordance with Article 11, paragraph 1 of the Securities Investment Trust and Consulting Act, or subscription to or redemption of a domestic privately placed fund, provided that the trust agreement for the fund specifies an investment strategy in which, aside from securities margin transactions and open positions held in securities-related products, the investment scope of the remaining portion is the same as that of a publicly offered fund.

(III) Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Article 9: Procedures for the acquisition or disposal of membership certificates, intangible assets, and their right-of-use assets

I. Evaluation and operational procedures

For the acquisition or disposal of real membership certificates, intangible assets, and their right-of-use assets, the Company's fixed asset circulation procedures

under the internal control system shall be complied with.

II. Determining procedures for transaction conditions and authorized limits.

- (I) To acquire or dispose of a membership certificate, the fair market price shall be referred to, to determine the transaction conditions and transaction prices, and prepare an analysis report and submit it to the president. If the amount is less than NT\$three million, approval from the president is required, and the transaction shall be submitted to the next board meeting for reference; if it exceeds NT\$three million, it must be submitted to the board of directors for approval before conducting.
- (II) To acquire or dispose intangible assets or their right-of-use assets, the expert evaluation reports or market fair market prices shall be referred to, to determine transaction conditions and transaction prices, prepare an analysis report and submit it to the chairperson. If the amount of which is less than NT\$ then million, the approval of the chairperson is required, and the transaction shall be submitted to the next board meeting for reference; if it exceeds NT\$ten million, it must be submitted to the board of directors for approval before conducting.
- (III) With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When proposal transactions of acquiring or disposing assets to the Board of Directors per this Article, the opinions of each independent directors shall be fully considered. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of board of directors' meeting.

III. Execution unit

When the Company acquires or disposes of membership certificates, intangible assets, and their right-of-use assets, it shall be executed by the department using the asset, and the management department upon the approval in accordance with the preceding paragraph.

IV. Appraisal report of experts for membership certificates, intangible assets, and their right-of-use assets

- (I) If the Company acquires or disposes of a membership certificate with a transaction amount of more than NT\$three million or more, an appraisal report by an expert is required.
- (II) If the Company acquires or disposes of intangible assets or their right-of-sue assets, for the transaction with amount of NT\$ten million or more, an appraisal report by an expert is required.
- (III) Where a public company acquires or disposes of membership certificates, intangible assets or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 9-1: The calculation of the transaction amounts referred to in Articles 7, 8 and 9 shall be done in accordance with Article 14, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10: Procedures of Handling Transactions with Related Parties

I. When the Company engages in any acquisition or disposal of assets from or to a related party, other than ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, pursuant to Article 7, the Procedures for the acquisition or disposal of real properties, equipment, and their right-of-use assets, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the preceding Section and this Section.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9-1 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

II. Evaluation and operational procedures

For the acquisition and disposal of property or use-of-right assets with the related party, or the acquisition and disposal of assets other than the property or right-of-right assets for an amount exceeding 20% of the company's paid-in capital, 10% of the total assets, or NT\$300 million, except for the trade of domestic bonds, R/P and R/S bonds, subscription, or R/P of monetary fund issued by domestic securities investment trusts industry, the following information submitted to the Audit Committee for the approval of a majority of the members and the board of directors for approval before having the trade contract signed and payment made.

- (I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (II) The reason for choosing the related party as a transaction counterparty.
- (III) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Item 3, Paragraph (I) and (IV) of this Article.
- (IV) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
- (V) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (VI) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the first item.
- (VII) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amount referred to in the preceding paragraph shall be conducted in accordance with Article 14, Paragraph 2, and the phrase "within the preceding year" as used therein means the year preceding the date of

occurrence of the current transaction.

The amounts that have been submitted to the Board of Directors in accordance with the provisions of these procedures and that have obtained board approval do not need to be included in this calculation.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

- (I) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
- (II) Acquisition or disposal of real property right-of-use assets held for business use.

III. Assessment of reasonableness of the transaction costs.

- (I) The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
 - 1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.
- (II) Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.
- (III) The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.
- (IV) When the Company acquires real properties or their right-of-use assets, if the results of the Company's appraisal conducted in accordance with paragraph (1) and paragraph (2), Item 3 of the Article are uniformly lower than the transaction price, the matter shall be handled in compliance with paragraph (5), Item 3 of the Article. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser

and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - (2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.
- (V) When the Company acquires real properties or their right-of-use assets, if the results of the Company's appraisal conducted in accordance with paragraph (1) and paragraph (2), Item 3 of the Article are uniformly lower than the transaction price, the matter shall be handled in compliance with the following: The appropriated special reserve cannot be used until the assets purchased or leased at a high price is with the loss in valuation recognized, disposed, or properly compensated or resumed to its original form, or concluded as reasonable with proof, and with the approval of the Financial Supervisory Commission, Executive Yuan.
1. For the difference between the transaction price and assessed cost of the property and its use-of-right assets, a special reserve shall be appropriated in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act, and it shall not be distributed or capitalized with stock shares distributed. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41,

paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

2. Independent directors shall comply with Article 218 of the Company Act.

3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

(VI) Where a public company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the Paragraph 2 of this Article, and the (1), (2), and (3) of Paragraph 3 of this Article do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.

2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.

3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.

4. The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

(VII) When a public company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the (5), Paragraph 3 of this Article, if there is other evidence indicating that the acquisition was not an arms length transaction.

Article 11: Procedure of acquiring or disposing claims of financial institutions

In principle, the Company does not engage in the acquisition or disposal of the claims of financial institutions. If it wishes to engage in the acquisition or disposition of the claims of financial institutions in the future, it will be handled in accordance with relevant regulations.

Article 12: Procedure of acquiring or disposing derivatives

I. Principles and guidelines of transactions

(I) Transaction types

1. Derivatives undertaken by the Company: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.

2. Matters related to bond's margin trading shall be handled in accordance with the relevant provisions of these Procedures. The transaction of bonds under repurchase agreement may be waived from the Procedures.

(II) Operation (hedging) strategy

The Company's trading of derivative financial products should be for the

purpose of hedging risks. The trading products should mainly choose to avoid risks arising from the Company's business operations. The currency held must be consistent with the Company's actual foreign currency demands for import and export transactions. The Company's overall internal positions (only foreign currency income and expenditures) shall be squared off among them as a principle, to reduce the Company's overall foreign exchange risk and save foreign exchange operating costs. Approval of the Board of Directors is required for other transactions with particular purpose with cautious assessment.

(III) Authority and duty division

1. Finance Department

(1) Traders

- A. Responsible for the formulation of the whole Company's financial product trading strategy.
- B. Traders should regularly calculate positions every two weeks, collect market information, conduct trend judgments and risk assessments, and formulate operating strategies, which will be used as the basis for trading after being approved by the one with authority.
- C. Execute transactions in accordance with authorized authority and established strategies.
- D. When there are major changes in the financial market and the traders determine that the established strategy is no longer applicable, an evaluation report shall be submitted at any time, and the strategy shall be re-drawn. After approval by the president, it shall be used as the basis for trading.

(2) Accounting personnel

- A. Confirm transaction.
- B. Review whether the transaction is conducted in accordance with the authorized authority and the established strategy.
- C. Perform monthly evaluations and submit the evaluation report to the president for his review.
- D. Handle accounting and accounts
- E. Filing and announcement in accordance with the regulations of the Securities and Futures Commission

(3) Delivery personnel: perform delivery tasks.

(4) Approval authorities for derivatives

A. Approval authorities for hedging transactions

Person with approval authorities	Daily transaction limit	Net accumulated position transaction limit
Head of Accounting and Finance	under US\$0.5M	under US\$1.5M (inclusive)
President	under US\$0.5M-2M (inclusive)	under US\$5M (inclusive)

Chairperson	Over US\$2M	under US\$10M (inclusive)
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- B. Approval of the Board of Directors is required for other transactions with particular purpose.
- C. With respect to the Company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the Audit Committee. When proposal transactions of acquiring or disposing assets to the Board of Directors per this Article, the opinions of each independent directors shall be fully considered. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of board of directors' meeting.
- D. The Company's major derivative transactions shall be approved by a majority of the Audit Committee members, resolved by the board of directors, and subject to the provisions of Paragraph 4 and 5 of Article 17.

2. Audit Department

Responsible for understanding the adequacy of the internal control of derivative transactions and checking the compliance of the trading department with the operating procedures, analyzing the transaction circulation, preparing an audit report, and reporting to the Board of Directors when there are major deficiencies. The Board of Directors should have independent directors attend and express their opinions .

3. Performance Evaluation

(1) Hedging transactions

- A. The performance evaluation is based on the exchange rate cost on the Company's book and the profit and loss arising from engaging in derivative transactions.
- B. In order to fully grasp and express the evaluation risk of the transaction, the Company adopts the monthly settlement evaluation method to evaluate the profit and loss.
- C. The Finance Department should provide the president with the evaluation of foreign exchange positions and foreign exchange market movement, and market analysis as reference for management and instructions.

(2) Transactions with particular purpose

The performance evaluation is based on the actual profit and loss, and the accounting personnel must prepare reports on a regular basis to provide management as reference.

4. Establishment of total amount of contract and maximum loss

(1) Total amount of contract

A. Limits for hedging transactions

The Finance Department should control the Company's overall position to avoid transaction risks. The amount of hedging

transactions should not exceed two-thirds of the Company's overall net position. If it exceeds two-thirds, it should be reported to the president for approval.

B. Transactions with particular purpose

Based on the forecast of market changes, the Finance Department may formulate a strategy as needed, and submit it to the president and chairperson for approval before proceeding. The total contract amount of the Company's transactions with particular purpose in the Company's net cumulative position is limited to US\$5 million. If the amount exceeds the above amount, the board of directors must approve it and follow the policy instructions.

(2) Establishment of maximum loss

A. As the hedging transaction is to avoid risks, so there is no need to set a loss limit.

B. If it is a transaction contract for a particular purpose, after the position is established, a stop loss point should be set to prevent excess loss. The stop loss point is set at the maximum not exceeding 10% of the transaction amount. If the loss exceeds 10% of the transaction amount, it must be reported to the president immediately and reported to the board of directors to discuss necessary countermeasures.

C. The maximum loss amount of individual contract is the is less one of under US\$ 20,000 or 5% of the transaction contract amount.

D. The maximum annual loss limit of the Company's operations for transaction with particular purposes is US\$300,000.

II. Risk management measures

(I) Credit risk management

As the market is subject to changes in various factors, it is easy to cause operational risks of derivatives. Therefore, market risk management is conducted in accordance with the following principles:

Transaction counterparts: Mainly famous domestic and overseas financial institutions.

Trading products: Limited to offerings provided by famous domestic and overseas financial institutions.

Transaction amount: The un-offset amount with the same counterpart is limited to maximum as 10% of the total authorized amount, but not for those approved by the president

(II) Market risk management

Mainly the public foreign exchange market provided by banks, and the futures market will not be considered for the time being.

(III) Liquidity risk management

In order to ensure market liquidity, the choice of financial products is based on high liquidity (that is, they can be squared off in the market any time).

Financial institutions entrusted with transactions must have sufficient information and the ability to trade in any market at any time.

(IV) Cash flow risk management

In order to ensure the stability of the Company's working capital turnover, the

Company's source of funds for derivative transactions is limited to its own funds, and its operating amount should take into account the capital needs of the cash income and expenditure forecast in the next three months.

(V) Operational risk management

1. The Company's authorized limit, operating procedures and internal audits should be strictly followed to avoid operating risks
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility for trading or position decision-making.
4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

(VI) Product risk management

Internal traders should have complete and correct professional knowledge of financial products, and banks are required to fully disclose risks to avoid the risk of misuse of financial products.

(VII) Legal risk management

Documents signed with financial institutions should be reviewed by specialists from foreign exchange and legal affairs or legal advisors before they can be formally signed to avoid legal risks.

III. Internal audit system.

- (I) The internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading and analyze the transaction circulation by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, all supervisors shall be notified in writing.
- (II) The internal auditors shall report the audit report and the annual internal audit status to the competent authority before the end of February of the following year, and report the improvement of abnormal matters to the competent authority for reference by the end of May of the following year.

IV. Regular valuation method

- (I) The Board of Directors should authorize senior executives to regularly supervise and evaluate whether derivative commodity transactions are indeed handled in accordance with the company's trading procedures, and whether the risks assumed are within the tolerance, and when there are abnormalities in the market price evaluation report (if the held position has exceeded the loss limit), it should be reported to the board of directors immediately, and appropriate measures should be taken.
- (II) Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.

V. When engaging in derivative transactions, the supervisory and management principles of the board of directors

- (I) Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.

The management principles are as following:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; independent directors shall be present at the meeting and express an opinion.

- (II) Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

- (III) The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for engaging in derivatives trading.

- (IV) The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph 4, subparagraph (2), paragraph 5, subparagraph (1) 1. and (2) of this Article shall be recorded in detail in the log book.

Article 13: Procedures for Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

I. Evaluation and operational procedures

- (I) The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

- (II) The Company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1, subparagraph (1) of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or

acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply. In addition, where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

II. Other matters to be paid attention to

(I) Date of board meeting: A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the competent authority is notified in advance of extraordinary circumstances and grants consent. When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so

listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

- (II) Prior NDA: Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
- (III) Principles of altering the share exchange ratio or acquisition price: The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the shareholders' meeting for deliberation and passage. The share exchange ratio or acquisition price shall not be altered as a principle, but if there are terms/conditions that the contract stipulates may be altered and that have been publicly disclosed, this restriction is not applicable. Circumstances where the share exchange ratio or acquisition price may be altered are as following:
 - 1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - 2. An action, such as a disposal of major assets, that affects the company's financial operations.
 - 3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
 - 4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - 5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - 6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
- (IV) Terms to be specified in contents: for the contracts of merger, demerger, acquisition, or transfer of shares, other than the requirements set forth in Article 317-1 of the Company Act and Article 22 of Business Mergers And Acquisitions Act, the followings shall be specified.
 - 1. Handling of breach of contract.
 - 2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - 3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.

4. The manner of handling changes in the number of participating entities or companies.
 5. Preliminary progress schedule for plan execution, and anticipated completion date.
 6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.
- (V) When the numbers of companies participating the merger, demerger, acquisition, or share transfer changes: After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.
- (VI) Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraph 2 (1) date of convening board meeting; (2) Prior NDA, and (5) numbers of companies participating the merger, demerger, acquisition, or share transfer changes for the latter to comply with.

Article 14: Procedure of Information Disclosure

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

- I. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.
- II. Merger, demerger, acquisition, or transfer of shares.
- III. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
- IV. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria: NTD 500 million or more.
- V. Acquisition or disposal in the construction business of real property or right-of-use assets thereof for construction use, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million

- VI. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
- VII. Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
1. Trading of domestic government bonds.
 2. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission. The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Article 15: The Company's Subsidiaries Shall Comply with the Followings:

- I. A subsidiary shall establish its "Operational Procedures for Acquisition or Disposal of Assets" pursuant to these Regulations. After the procedures have been approved by the board of directors, they shall be submitted to a shareholders' meeting for approval; the same applies when the procedures are amended.
- II. When acquiring or disposing assets, subsidiaries shall follow the established procedures.
- III. Information required to be publicly announced and reported in accordance with the provisions of the Regulations on acquisitions and disposals of assets by the Company's subsidiary that is not itself a public company in Taiwan shall be reported by the Company.
- IV. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 14, paragraph 1.
- V. If the subsidiary acquires or disposes of assets, at least the quarterly audit for the acquisition or disposition of assets and its implementation shall be conducted and documented. If a material violation is found, the Company's audit unit should be notified in writing immediately; the Company's audit unit should also submit written information to the audit committee.
- VI. When the Company's audit unit conducts an audit on a subsidiary based on the annual audit plan, the implementation of the subsidiary's operating procedures for acquiring or disposing of assets shall be understood altogether. If any deficiency is found, the improvement should be tracked continuously, and a report should be prepared and submitted to the Audit Committee.

Article 16: Penalties

In case the Company's employees who undertake acquisition and disposal of assets violates these Procedures, shall be regularly assessed pursuant to the Company's personnel management procedures and employee manuals, and the punishment is based on the severity.

Article 17: Enforcement and Amendment

The amendments to the "Operational Procedures for Acquisition or Disposal of Assets" shall be approved by a majority of the Audit Committee members, resolved by the board of directors, and approved by the shareholders meeting. If a director expresses an objection with a record or written statement on file, the information of the director's objection shall be sent to the Audit Committee.

When the "Operational Procedures for Acquisition or Disposal of Assets" is submitted for discussion by the Board of Directors pursuant to the paragraph, the Board of Directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If the approval of one-half or more of all Audit Committee members as required in the

first paragraph is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

Any acquisition or disposal of asset that shall be approved by the Audit Committee pursuant to these Procedures or other legislative requirement, shall be approved by one-half or more of all Audit Committee members. If the approval of one-half or more of all Audit Committee members as required is not obtained, the Operational Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting. The terms "all Audit Committee members" in the Procedures and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article 18: By-laws

Anything not mentioned in these Procedures, shall be handled pursuant to the related laws and regulations.

Appendix 3

Formosan Rubber Group Inc. Rules of Procedure for Shareholders Meetings

Amended on June 8, 2022

- Article 1. To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2. The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
- Article 3. The Company's shareholders meetings shall, unless otherwise provided for in this Act, be convened by the Board of Directors.
The method of convening shareholders' meetings, if changes, shall be resolved by the board of directors, and not later than sending the shareholders' meeting notice.
The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting agenda handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook shall be displayed at the Company and its professional shareholder service agency.

The Company shall provide the handbook and supplementary materials mentioned in the preceding paragraph to the shareholders on the day of the shareholders' meeting in the following methods:

- I. For physical shareholders meetings, to be distributed on-site at the meeting.
- II. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
- III. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice and announcement to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after

obtaining a prior consent from the recipient(s) thereof.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors and supervisors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to this Corporation a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

The company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting to be convened.

Article 4. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given

shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

Once a proxy form is received by the Company, if a shareholder wishes to attend the shareholders' meeting in person or to exercise their voting rights in writing or by electronic means, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Once the proxy form is received by the Company, in the case that the shareholder intends to attend the shareholders' meeting by video conference, a written proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting; otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

When the Company convenes a shareholders' meeting by video conference, it is not subject to the restriction on the venue of the meeting under the preceding paragraph.

Article 6. The Company shall state, in the meeting notice, the sign-in time and place for shareholders, solicitors, and proxies (hereinafter referred to as "shareholders"), and other matters that shall be noted.

The time at which shareholders' sign-in begins, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The sign-in place shall be clearly marked and staffed with a sufficient number of suitable personnel.

When the shareholders' meeting is convened by video conference, the sign-in process shall begin on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed the sign-in shall be deemed to have attended the shareholders' meeting in person.

Shareholders shall attend the shareholders' meetings with their attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attendance presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juridical person is appointed to attend as a proxy, it may designate

only one person to represent it in the meeting.

If the shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is convened by video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.

Article 6-1

When the Company convenes the shareholders' meeting by video conference, the information below shall be stated in the meeting notice:

- I. Methods of shareholders participating in the video conference and exercising their rights.
- II. The handling method when the video conference platform or participation in the manner of video conference fails due to force majeure, such as natural disasters or incidents, and the follows shall be at least included:
 - (I) Time and date for the postponement or re-convention when the aforesaid continual failure that cannot be eliminated and thus a postponement or re-convention is required.
 - (II) The shareholders have not registered to attend the first shareholders' meeting must not attend the postponed or re-convened meeting.
 - (III) When a physical shareholders' meeting is convened, along with a video conference, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.
 - (IV) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
- III. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.

Article 7. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. When a managing director or a director serves as chair, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the

company. The same shall be true for a representative of a juristic person director that serves as chair.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons to attend the meeting in a non-voting capacity.

- Article 8. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the meeting and the voting and vote counting procedures. The recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, as well as voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.
- The above-mentioned materials and audio and video recordings shall be properly kept by the Company during the period of its existence, and the audio and video recordings shall be provided to those who are entrusted to handle the video conference affairs for storage.
- If a shareholders' meeting is convened by video conference, the Company is advised to make an audio and video recording of the back-end interface of the video conference platform.

- Article 9. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the sign-in book or the sign-in cards handed in and the sign-in record on the video conference platform plus the number of shares whose voting rights are exercised in writing or by electronic means.
- The chair shall call the meeting to order at the scheduled meeting time. Also, the information of the shares with voting rights and without rights should be announced at the same time.
- However, the chair may have the meeting postponed if the attending shareholders do not represent more than half of the total shares issued. The meeting postponement is limited to 2 times for a total of less than 1 hour. If attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.
- If there are not enough shareholders representing at least one third of issued shares attending the meeting after two postponements, tentative resolutions may be passed in

accordance with Article 175, paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10. If a shareholders' meeting is convened for by the Board of Directors, the meeting agenda is to be set by the Board of Directors. Relevant motions (including extraordinary motions and amendments to original motions) should be decided by voting on each separate proposal, and the meeting shall be held according to the agenda; without a decision made through a shareholders' meeting, it may not be changed.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

A shareholder may not speak more than twice on the same proposal, except with the chair's consent, and a single speech may not exceed 5 minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

If a shareholders' meeting is convened by video conference, shareholders who participate by video conference may ask questions in text on the video conference platform after the chair calls the meeting to order and before the chair declares the meeting adjourned. The number of questions raised by each shareholder for each motion shall not exceed two, each question shall be limited to 200 words, and the provisions of paragraphs 1 to 5 shall not apply.

If such questions in the preceding paragraph are not in violation of the regulations or not outside the scope of the motions, it is advisable to disclose such questions on the video conference platform.

- Article 12. Votes at shareholders meetings shall be calculated based on numbers of shares. The shares held by shareholders having no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders. A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

- Article 13. Each shareholder has one voting right per share, except for those who are restricted or have no voting rights according to paragraph 2 of Article 179 stipulated in the Company Act. Voting rights may be exercised in writing or by using the electronic method when the Company's shareholders meeting is being held. Instructions for exercising voting rights, whether in writing or using the electronic form, and it must be clearly stated on the shareholders' meeting advice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company shall avoid the submission of extraordinary motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Unless an explicit statement to revoke the previous declaration is made in the declaration which comes later. After a shareholder exercises voting rights by correspondence or electronically, if the shareholder intends to attend the meeting via video conference in person, a written notice of proxy cancellation in the same manner of exercising the voting right shall be

submitted to the Company before two business days prior to the meeting date. If the cancellation notice is submitted after that time, the voting rights exercised by correspondence or electronically prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When a shareholders' meeting is convened by video conference, shareholders participating by video conference shall vote on various motions and election(s) on the video conference platform after the chair calls the meeting to order. They shall complete the voting before the chair declares the voting closed, otherwise they shall be deemed to have waived their voting rights.

When a shareholders' meeting is convened by video conference, after the chair declares the voting closed, the votes shall be counted at one go, and the voting and election results shall be announced.

If a shareholders' meeting is convened, along with a video conference held at the same time, shareholders who have registered to attend the shareholders' meeting by video conference in accordance with Article 6, intend to attend the physical shareholders' meeting in person, shall rescind the registration in the same manner as the registration two days before the shareholders' meeting, otherwise they can only attend the shareholders' meeting by video conference.

Those who exercise their voting rights in writing or by electronic means without retracting their declaration of intention and participate in the shareholders' meeting by video conference shall not exercise their voting rights on the same motions, propose amendment to the same motions, or exercise their voting rights for revised motions, except for extempore motions.

Article 14. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as

directors and the numbers of votes with which they were elected, and these who are not elected and their votes.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty (20) days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting as required in the preceding Paragraph may be effected by means of electronic transmission.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors or supervisors. The minutes shall be retained for the duration of the existence of the Company.

When a shareholders' meeting is convened by video conference, the minutes of the shareholders' meeting shall contain the start and end time of the shareholders' meeting, the method of convening the meeting, the names of the chair and the meeting taker, as well as the response method and the response situation when any natural disasters, accidents, or other force majeure events have obstructed the video conference platform or the participation in the video conference in addition to the matters that shall be recorded in accordance with the preceding paragraph.

When a shareholders' meeting is convened by video conference, the Company shall proceed as per the preceding paragraph and shall specify the alternative measures provided to shareholders who have difficulty participating in the video conference in the minutes of the shareholders' meeting.

Article 16. The Company shall, on the day of the shareholders' meeting, compile a statistical statement in the prescribed format and disclose the number of shares solicited by the solicitor, the number of shares represented by the proxies, and the number of shares in attendance in writing or by electronic means clearly on site at the shareholders' meeting. When a shareholders' meeting is convened by video conference, the Company shall upload the aforementioned information to the video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.

When a shareholders' meeting is convened by video conference, when the chair calls the meeting to order, the total number of shares in attendance shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights in attendance are counted during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or GreTai Securities Market) regulations, this Corporation shall upload the content of such

resolution to the MOPS within the prescribed time period.

Article 17. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19. When a shareholders' meeting is convened by video conference, the Company shall immediately disclose the voting results and election results of various motions on the video conference platform in accordance with the regulations and shall continue to disclose for at least 15 minutes after the chair declares the meeting adjourned.

Article 20. When a shareholders' meeting is convened by video conference, the chair and the minute taker shall be at the same location in Taiwan, and the chair shall disclose the address of the place when calling the meeting to order.

Article 21. When a shareholders' meeting is convened by video conference, the Company may allow shareholders to perform a simple test of the connection before the meeting commences and provide relevant services immediately before and during the meeting to assist with any technical communication problems.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

In the event of any incident in the preceding paragraph that caused the meeting to be postponed or resumed, shareholders who have not registered to participate in the original shareholders' meeting by video conference shall not participate in the meeting postponed or resumed.

For the meeting to be postponed or resumed under paragraph 2, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders' meeting is postponed or resumed in accordance with paragraph 2, the motions for which the voting and counting of votes have been completed and the voting results or the list of elected directors or supervisors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under paragraph 2, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with paragraph 2.

When the meeting shall continue as in the preceding paragraph, for shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance; however, they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

- Article 22. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be provided.
- Article 23. The handling matters not disclosed in these Rules, other than the laws and regulations stipulated in the Company Act and the Company's Articles of Incorporation, they are handled under the chair's instructions.
- Article 24. These Rules, and any amendments hereto, shall be implemented from the date it is adopted by the Shareholders' Meeting.

Appendix 4

Formosan Rubber Group Inc. Regulations Governing Election of Directors

Amended on June 11th, 2021

- Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Article 21 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and Article 21 of the Company's Article 21 of the Corporate Governance Best-Practice Principles.
- Article 2 Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Procedures.
- Article 3 More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director. In case some among the elected directors who do not meet the aforesaid conditions, the election of the director receiving the lowest number of votes among those not meeting the conditions shall be deemed invalid. The board of directors of the Company shall consider adjusting its composition based on the results of performance evaluation.
- Article 4 The qualifications for the independent directors of the Company shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted pursuant to Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and Article 21 of the Company's Article 24 of the Corporate Governance Best-Practice Principles.
- Article 5 Elections of directors at this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election. When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the fact occurred.
- Article 6 The cumulative voting method shall be used for the election of the directors at this Corporation. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors or supervisors to be elected. The number of voting rights

associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

- Article 8 The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of votes will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.
- Article 9 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- Article 10 A ballot is invalid under any of the following circumstances:
- I. The ballot was not prepared by a person with the right to convene.
 - II. A blank ballot is placed in the ballot box.
 - III. The writing is unclear and indecipherable or has been altered.
 - IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
 - V. Other words or marks are entered in addition to the number of voting rights allotted.
- Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.
- The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 12 The board of directors of the Company shall issue notifications to the persons elected as directors. The elected directors shall provide the Consent to Act as Director
- Article 13 Matters not specified in the "Regulations" shall be handled in accordance with the provisions of the Company Act, and relevant law and regulations.
- Article 14 These Regulations, and any amendments hereto, shall be implemented from the date it is adopted by the Shareholders' Meeting.

Appendix 5

Formosan Rubber Group Inc. Numbers of Shares Held by All Shareholders and the Minimum Number of shares Required to be held

As of the day of the suspension of share transfer (April 15, 2025), the Company's paid-in capital amounted to NT\$3,035,934,000 with issued shares of 303,593,400 shares.

All of the directors held the minimum percentage of stock totaling 12,143,736 shares (must not be less than 5% of the total issued shares)

According to Article 2 stipulated in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" - if a public company has elected two or more independent directors, the ratio of all shareholders other than the independent directors and shall be decreased by 80 percent.

Title	Name	Juristic person	Shareholding at the time of suspension of share transfer (April 15, 2025)	
			Shares	%
Chairperson	Hsu Zhen-Tsai		4,690,917 shares	1.55
Director	Hsu Zhen-Ji		3,159,466 shares	1.04
Director	Hsu Zhen-Xin	Quanxinfeng Co., Ltd.	8,049,069 shares	2.65
Director	Hsu Wei-Zhi	Ruifu Construction Co., Ltd.	30,663,678 shares	10.1
Director	Lin Kun-Rong	Hohe Construction Co., Ltd.	17,324,553 shares	5.71
Director	Chu, Lung-Tsung	Ascend Gear International Inc.	16,820,342 shares	5.54
Independent director	Wu Chun-Lai		0 shares	0
Independent director	Lorraine Yao		4,500 shares	0
Independent director	Chu, Shih-Yi		0 shares	0
Total shareholding of all directors			80,712,525 shares	26.59

Appendix 6.

Other Matters

Description of the acceptance of motions of this shareholders regular meeting:

Description:

1. According to the provisions stipulated in Article 172-1 of the Company Act, Shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a regular shareholders' meeting in writing, provided that only one matter shall be allowed in each single proposal with a maximum of 300 words per proposal. The Company has set the duration of March 17, 2025 to March 26, 2025 as the acceptance period for the shareholders proposals.
2. The Company has made public announcements on MOPS.
3. The Company has not received any shareholders' proposals.