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Formosan Rubber Group Inc.

2025 Annual Report

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

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

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

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

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One. Letter to Shareholders

Letter to Shareholders

Dear Shareholders,

In 2025, the global economy was supported by factors such as the continuous advancement of AI-related investments and the relatively stable economic performance of the United States; however, growth performance among major economies diverged. Simultaneously, adjustments in tariff policies in some countries, China's overproduction issues, and weakening economic momentum in regions such as Europe and Japan led to a polarized trend in global trade and industrial development. The overall market environment operated amidst a mix of opportunities and pressures, with demand in technology-related industries remaining relatively stable, serving as a vital driver for global industrial activity. By virtue of its diversified operations, the revenue, margin, and pre-tax incomes of the Company remained stable in 2025. In addition, to cope with the relocation of the industrial chain led by the investments of major domestic and foreign companies building plants in Taiwan, and as manufacturers' warehouses have been shifting to Taiwan and Southeast Asian countries. The Company's construction project of logistics warehouse planned in Longtan Smart Park, Taoyuan, was completed in 2025 and is expected to bring positive impact to the Company's operating revenue.

Looking ahead to 2026, global economic momentum is expected to level off relative to the previous year. This is primarily influenced by the subsequent development of national trade policies, the progress of converting AI applications into substantive economic benefits, and factors such as weak domestic demand and capacity adjustments in China. Coupled with the Company's continuous refinement and expansion of logistics services and enhancement of product performance in 2026, the Company maintains a cautiously stable outlook on its business prospects for 2026.

Meanwhile, the Company will continue to pursue its expanding business scope 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 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.

In summary, although the operating revenue for 2025 declined compared to the previous year, the gross profit increased. This was mainly due to the continuous sale of the Company's construction projects and the growth of the warehousing and logistics business, which bolstered gross margin performance. However, net profit before tax declined compared to the previous year, primarily due to the impact of exchange rate fluctuations. It is to report the consolidated business results of FRG in 2025 and the summary of the business plan for 2026 to all shareholders as follows:

One. 2025 Consolidated Business Performances

I. Performance of business plan implementation

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

Unit: NT\$ thousand

Item	2025	2024	Increase and decrease amount	Increase and decrease %
Operating income	1,443,584	1,481,243	-37,659	-2.54%
Operating margin	492,984	472,808	20,176	4.27%
Pre-Tax Income	588,633	653,630	-64,997	-9.94%

(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

The FRG Bridge Upto Zenith Business Plaza is located at No. 168 to 180, Section 1, Zhongshan Road, Banqiao District, New Taipei City. It features a complete commercial space on the first and second floors, with a total area of approximately 1,882 ping. Situated in the core living circle of Banqiao, it enjoys a superior geographical location. The mall has successfully attracted premium brands such as E.SUN Bank, SinoPac Securities, and the childcare center "Belle's House". Combining financial services, investment management, and childcare functions, it meets the needs of diverse groups. The FRG Bridge Upto Zenith Business Plaza has become a refined commercial center in the Banqiao area with quality and functionality.

(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 at approximately 14.56% Residential sales remain stable, and the hotel has joined the Hilton hotel chain. The hotel operations gradually improved, aided by sustained brand visibility.

II. Budget Execution: No financial projection for year 2026 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	2025	2024
Net cash inflow (outflow) from operating activities	692,123	826,999
Net cash inflow (outflow) from investments	649,799	(458,307)
Net cash inflow (outflow) from financing activities	(583,227)	(306,412)

Analysis Table of Consolidated Profitability

Item \ Year	2025	2024
Return on Asset (%)	3.45	4.01
Return on Equity (%)	3.81	4.49
Pre-Tax Income to Paid-In Capital (%)	19.39	21.53
Profit Margin (%)	35.18	38.71
EPS after tax	NT\$1.67	NT\$1.89

IV. Research & Development (R&D)

- FRG has been investing in R&D and pursuing innovation based on the vision of “Beauty in Creation” made 74 years ago. What the Company has achieved in 2025 are:

- (1) In 2025, the Company obtained three new "invention" patents in the Republic of China:

[1]	Composite leather material of natural rubber and fiber cloth and its manufacturing method.
[2]	Multi-layer treated blackout cloth and its manufacturing method.
[3]	Soundproof canvas and its manufacturing method.

- (2) There are additional three R.O.C. patent applications pending.

Two. 2026 Business Plan Overview

I. 2026 Business Guideline:

1. The three management policies for the manufacturing industry are: “Innovation”, “Globalization” and “Service”.
 - "Innovation": Applying the characteristics of equipment and materials to strengthen process capabilities, expand product breadth, open up new markets, and enhance overall competitiveness.
 - "Internationalization": Cultivating international talent and expanding export markets, actively participating in international exhibitions, strengthening brand building, and enhancing the reputation of the enterprise in the international market.
 - “Service”: Providing diversified high-quality services to quickly respond to and solve customer problems, improve brand image, and realize corporate sustainability.
2. The leasing business in Nankan has reached full occupancy, as the warehouse rental area in the park has reached its capacity. This year, the Company will continue to maintain good interaction with existing customers and provide services related to software and hardware construction to strengthen park operation support, continue promoting refined services, and enhance customer satisfaction and partnership cohesion. With the Nankan Logistics Park and Zone A of the Longtan Smart Park reaching near-full occupancy, the Company will continue to deepen its strategic presence in these parks in 2026. Building on the stable operational foundation of the existing full-occupancy parks, the Company has medium-to-long-term plans to advance the development of Zone B (Phase II) of the Longtan Intelligent Park to strengthen leasing momentum and industry cluster benefits. Simultaneously, the Company will utilize strategies such as customized dedicated warehouse cooperation models, green building materials, and warehouse license applications to enhance the overall competitiveness and service value of the parks, expand diverse cooperation opportunities, and continue to drive steady growth in revenue and profit toward the goal of long-term sustainable operation.
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 remain stable, and the hotel has joined the Hilton hotel chain. The hotel operations gradually improved, aided by enhanced 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 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. In 2025, the “tariff storm” triggered by U.S. President Donald Trump disrupted global trade rules, but did not lead to a contraction in global trade volumes. As various countries reached trade agreements with the United States and the AI boom spread, inflation in most countries slowed down, leaving the impact of tariffs limited. This allowed central banks, including the U.S. Federal Reserve (Fed), to trend toward a loose policy environment. The sales volume of the rubber and plastics manufacturing industry is moving toward a "new normal" of stable volume and increased quality, showing an overall optimistic trend and maintaining steady growth. According to IMF data, the global economy in 2026 exhibits considerable resilience, with the main drivers of growth coming from China, India, and the United States. The United States is investing heavily in the R&D of AI, driving the development of related industrial chains. However, the IMF also warned that global trade tensions could escalate at any time, and uncertainty risks remain high. Looking ahead, by actively participating in international business opportunities and demonstrating "precise, pragmatic, and environmentally friendly" competitiveness, bolstered by smart manufacturing and green materials, sales performance is expected to remain stable. Based on the above factors, FRG is targeting to surpass the 7,824 thousand yards of rubber, plastic, and synthetic leather sold in 2025 for 2026.
2. With over 20 years of specialized expertise in the warehousing and logistics industry, FRG Logistics has established a logistics park in Nankan exceeding 40,000 ping. The park consists of six buildings, primarily providing warehouse leasing and logistics center operation services. The park's customers are mostly well-known enterprises, covering electronic distribution, luxury goods, apparel, and e-commerce, forming a stable and diverse industrial mix. To meet high customer requirements for building and cargo safety, FRG Logistics places long-term importance on fire safety and maintenance management. Each building passes annual fire and building safety inspections, with regular maintenance implemented to provide a safe and stable operating environment. In terms of logistics center services, FRG Logistics provides professional software and hardware construction for contract customers. The Company offers tailored hardware configurations based on customer needs while continuously optimizing operational processes to help customers improve shipping efficiency and overall operational performance. Moving forward, the Company will expand its logistics leasing presence to the second and third phases of the Longtan Smart Park to enhance overall operational performance. With higher standards of management services and customized solutions, the Company aims to become a benchmark enterprise in the logistics leasing industry. The Company estimates that warehousing rent and logistics revenue in 2026 will grow slightly by approximately 2% or more compared to 2025.
3. Pending units: sell those of projects "55Timeless" and "La Bella Vita" held by share-of-rights owners. Pending units of projects World Garden, Modesty Home, Legend River: keep on marketing them.
4. FRG Bridge Upto Zenith Business Plaza: The first and second floors (1,882 Ping combined) were 100% leased; FRG will keep on improving customer service and mall management to build up the image of leading commercial center in Xinban Special Economic Zone.

III. Important Production and Sales Policy:

1. The three major guidelines for the production and sales of the manufacturing industry are "precision investment", "full production", and "order delivery".
 - “Precision investment”: accurately target market demand, grasp technology trends, and leverage our advantages to invest limited resources in the most effective projects and improve resource efficiency.
 - “Full production”: Optimize the production plan, improve equipment efficiency, implement lean production, and reduce idle time and waste of resources as much as possible to achieve the maximum cost-effectiveness.
 - “Order delivery”: Meeting market demand, improving customer satisfaction, reducing inventory costs, and strengthening the overall competitiveness of the company through effective strategies and measures.
2. With the overall industry landscape gradually showing signs of recovery, semiconductor manufacturers continue to increase investments in advanced processes. Simultaneously, the government is accelerating public infrastructure projects, which is expected to maintain domestic investment momentum. In response to industry trends and market changes, the Company’s leasing strategy this year will focus on new park development. As the storage capacity of the Nankan Logistics Center has reached its limit, the future focus will gradually shift to the Longtan area of Taoyuan. Plans are underway to build a Smart Logistics Park, with the overall development expected to be implemented in three phases. Among them, the Phase I logistics warehouse obtained the relevant usage permit in 2025, and tenants have progressively moved in, providing a stable contribution to rental income and driving revenue growth. Regarding the medium-to-long-term plan, the Phase II and Phase III developments will be tailored toward different industries to create exclusive zones, providing customized services that meet the specific needs of resident manufacturers while continuing to deepen cooperative relationships with international clients. In terms of hardware and management upgrades, the park will continue to optimize buildings and peripheral facilities, including the adoption of license plate recognition systems for trucks, the installation of charging piles, and the strengthening of security monitoring equipment, to improve operational efficiency and safety standards, thus comprehensively enhancing the intensity of the overall development. The Company hopes that through meticulous planning and high-quality service, it will become a trustworthy premium partner in the eyes of its customers and create a representative, benchmark logistics park.
3. Based on lands in Xinyi District acquired in 2012, FRG entered into a 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 it is currently undergoing architectural and urban design reviews. 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 enhancing quality - continue to establish OEM/ODM partnership with international major manufacturers 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:

In the leasing services business, the Company actively continues to develop new customers. The scope of service has gradually extended from a simple leasing relationship to providing professional software/hardware construction and integration services to deepen cooperative ties and establish a long-term, stable partnership model. In the future, the Company will further utilize technology management to integrate operational processes and service modes, helping customers improve overall efficiency and creating higher service value. This year, the Company also optimized operational models through the connection of logistics systems and equipment, improved workflows, and enhanced operational efficiency. At the same time, the Company ensures stable human resource utilization and talent succession, laying a solid foundation for long-term operational development. As upstream and downstream semiconductor industry manufacturers continue to expand their manufacturing presence in Taiwan, the Longtan Smart Park will become a key growth driver for the Company's next stage. The Zone A warehouse in the Longtan Park was completed in 2025, and tenants have already moved in, providing customers with more diverse, cross-regional site options and further strengthening service flexibility. The Company expects that through comprehensive leasing and logistics integration services, it will continue to enhance market competitiveness and establish FRG as the premier representative of professional leasing and logistics integration services.

III. Real Estate Development

In a bid to build on the real estate development experience and create long-term stable profits for the Company, not only does the Company have its own real estate assets but also seeks out individual projects that meet its development criteria.

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

I. Secondary Processing Industries:

Looking back at 2025, the rapid development of AI became a strategic domain dominating national economic, military, and geopolitical advantages. The US-China trade war intensified; the US views China's AI rise as a military threat (dual-use technology), while China views US controls as a means to suppress development. The competition between the two entities has evolved from a trade war into a "Tech Cold War". While global trade was affected by U.S. tariffs, economic growth remained moderate rather than entering a recession. Global inflationary pressures showed signs of easing but remained stubborn. The aggressive interest rate hike cycle drew to a close, but the timing and magnitude of rate cuts remained full of uncertainty. The macroeconomic variables for 2026—inflation and interest rate policies, geopolitical risks, and the growth prospects of major economies—will drive steady global economic growth. This is particularly true for the recovery of international terminal demand, business opportunities brought by intelligent and green transformations, and the increased demand for vaccines and medical supplies. AI is no longer a distant concept. The environment is shifting with AI-driven supply chain restructuring, higher ESG regulatory standards, and a recovery in domestic demand. Enterprises are enhancing competitiveness through automated smart manufacturing and adapting to the impacts of net-zero emission regulations and tariff agreements. The Company will continue to refine process capabilities, implement environmental regulations, and enhance supply chain resilience to maintain a competitive advantage in a changing environment and pursue sustainable corporate development.

II. Nankan Warehouse Logistics and Rental and Leasing Business:

As geopolitical risks continue to rise and the issue of U.S. tariffs on Taiwan develops, the restructuring of global supply chains is accelerating, and the trend of "New Globalization" has taken shape. As the global footprint of the technology industry continues to deepen, several major multinational corporations have decided, following strategic evaluations, to establish R&D or logistics centers in Taiwan. This trend is expected to further drive related industries to relocate their warehousing hubs to Taiwan, boosting domestic demand for warehousing and logistics services. To actively seize the growth opportunities brought by this industry shift, the Company will continue to develop customized, dedicated warehouses. Simultaneously, the Company will launch strategic cooperation plans with property management and related industries. Through diverse cooperation models, the Company will comprehensively enhance the overall development intensity and service capacity of our parks, unlocking deeper and more multifaceted cooperation opportunities with its tenants.

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.

It is a great honor today to report the 2025 business overview and 2026 operational outlook to all shareholders. On behalf of all employees, I would like to thank each shareholder for their support. We will do our best and continue to contribute better business results in the future.

I wish you

Best wishes and good health to you.

Chairperson: Hsu Zhen-Tsai

President: Hsu Zhen-Ji

Two. Corporate Governance Report

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

Two. Corporate Governance Report

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

(I) Information of Directors

Book closure: April 14, 2026

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected	Term of office	Date of first election (Note 3)	Shareholding When Elected		Current Shareholding		Shares Currently Being Held by Spouse and Underage Children		Shares Held by Proxy		Major experiences and educations (Note 4)	Current Concurrent Positions in the Company and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks (Note 5)
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Chairperson	Republic of China	Hsu Zhen-Tsai	Male 60~70 years old	2025.06.13	3 years	1981.11.05	4,690,917	1.55%	4,690,917	1.55%	3,886,170	1.28%	0	0%	Attended University of San Francisco without completing a degree Chairperson of Formosan Rubber Group Inc.	CSO of Formosan Rubber Group Inc., Chairperson of Banjian Development Co., Ltd., and Chairman, Hohe Construction Co., Ltd. Chairperson of Shanghai Ruifu Property Development Co., Ltd.	Director and President Representative of juristic-person director	Hsu Zhen-Ji Hsu Zhen- Xin	Brother Brother	None
Director and President	Republic of China	Hsu Zhen-Ji	Male 60~70 years old	2025.06.13	3 years	1989.06.12	3,159,466	1.04%	3,159,466	1.04%	0	0%	0	0%	Department of Chemical Engineering, Tamkang University International Business, National Taiwan University Director and President, Formosan Rubber Group	Chairperson, Fenghe International Co., Ltd., CEO, FRG US CORP.	Chairperson Representative of juristic-person director	Hsu Zhen- Tsai Hsu Zhen- Xin	Brother Brother	None
Director	Republic of China	Quanxinfeng Co., Ltd.	Not applicable	2025.06.13	3 years	2022.06.08	8,049,069	2.65%	8,049,069	2.65%	0	0%	0	0%	None	None	None	None	None	None
Juristic- person representat ive of director	Republic of China	Representative of Quanxinfeng Co., Ltd.: Hsu Zhen-Xin	Male 60~70 years old	2025.06.13	3 years	1989.06.12	0	0.00%	2,529,820	0.83%	0	0%	0	0%	Department of Law, Fu Jen Catholic University Representative of juristic- person director, Formosan Rubber Group Inc. Representative	Chairperson of Ruifu Investment Co., Ltd., Hallmark Int'l Co., Ltd., Quanxinfeng Co., Ltd., FRG US CORP. CFO	Chairperson Director and President	Hsu Zhen- Tsai Hsu Zhen-Ji	Brother Brother	None
Director	Republic of China	Ruifu Construction Co., Ltd.	Not applicable	2025.06.13	3 years	2016.06.07	30,663,678	10.10%	30,663,678	10.10%	0	0%	0	0%	None	None	None	None	None	None
Juristic- person representat ive of director	Republic of China	Representative of Ruifu Construction Co., Ltd.: Hsu Wei-Zhi	Male 60~70 years old	2025.06.13	3 years	2007.06.15	0	0.00%	4,137	0.00%	58,320	0.02%	0	0%	Master, Architecture in Urban Design, Harvard University, USA Master, Architecture, University of California, Berkeley Architect, Hsu Wei-Zhi Law Firm	Architect, Hsu Wei-Zhi Law Firm Adjunct Professor, Department of Architecture, Tamkang University	None	None	None	None
Director	Republic of China	Hohe Construction Co., Ltd.	Not applicable	2025.06.13	3 years	2016.06.07	17,324,553	5.71%	17,324,553	5.71%	0	0%	0	0%	None	None	None	None	None	None
Juristic- person representat ive of director	Republic of China	Representative of Hohe Construction Co., Ltd.: Lin Kun-Rong	Male 70~80 years old	2025.06.13	3 years	2007.06.15	0	0.00%	21,870	0.01%	0	0%	0	0%	Master of Business Administration, NTPU Chairperson of ENG TOWN CONSTRUCTION CORPORATION	Chairperson of ENG TOWN CONSTRUCTION CORPORATION	None	None	None	None
Director	Republic of China	Ascend Gear International Inc.	Not applicable	2025.06.13	3 years	2022.06.08	16,820,342	5.54%	16,820,342	5.54%	0	0%	0	0%	None	None	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date Elected	Term of office	Date of first election (Note 3)	Shareholding When Elected		Current Shareholding		Shares Currently Being Held by Spouse and Underage Children		Shares Held by Proxy		Major experiences and educations (Note 4)	Current Concurrent Positions in the Company and Other Companies	Other Managers, Directors or Supervisors Who are Spouses or within Second-Degree of Kinship to Each Other			Remarks (Note 5)
							Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
Juristic- person representat ive of director	Republic of China	Representative of Ascend Gear International Inc.: Chu Lung-Tsung	Male 70~80 years old	2025.06.13	3 years	2022.06.08	0	0.00%	0	0.00%	0	0%	0	0%	EMBA, National Chengchi University President, Wan-Sheng Securities President, Chien-Hung Futures Director, Taiwan Securities Association	None	None	None	None	None
Independe nt director	Republic of China	Wu Chun-Lai (Dismissal date: June 13, 2025)	Male 60~70 years old	2022.06.08	3 years	2019.06.05	0	0.00%	0	0.00%	Not applicable	0%	Not applicable	0%	Doctor, Management, Shanghai Jiao Tong University Master, Department of Public Administration, National Chengchi University	General Consultant, Jet-Go Consulting Group Executive Director, Active Aging Association Taiwan	None	None	None	None
Independe nt director	Republic of China	Lorraine Yao	Female 40~50 years old	2025.06.13	3 years	2022.06.08	4,500	0.00%	4,500	0.00%	0	0%	0	0%	Bachelor in Accounting, Chaoyang University of Technology Partner CPA of ShineWing International	Partner CPA of ShineWing International	None	None	None	None
Independe nt director	Republic of China	Chu Shih-Yi	Male 50~60 years old	2025.06.13	3 years	2024.06.07	0	0.00%	0	0.00%	0	0%	0	0%	Master of Business Administration, National Taiwan University Assistant Vice President of Bond Department of MasterLink Securities Co. Ltd. Assistant Vice President of Underwriting Department of MasterLink Securities Co. Ltd.	General Manager of OceanLance Maritime Co., Ltd.	None	None	None	None
Independe nt director	Republic of China	Huang Ming-Fa (Newly elected: June 13, 2025)	Male 70~80 years old	2025.06.13	3 years	2025.06.13	3,000	0.00%	3,000	0.00%	2,000	0%	0	0%	Department of Chemistry, National Chung Hsing University Director and President, TAH KONG CHEMICAL INDUSTRIAL CORP.	Director, TAH KONG CHEMICAL INDUSTRIAL CORP.	None	None	None	None

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

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

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

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

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

Table 1: Major shareholders of juristic-person shareholders:

Book closure date: April 14, 2026

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

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

Note 2: Please fill in the name of the major shareholder of the juristic-person shareholder (top 10 in shareholding) and the shareholding ratio. If the major shareholder is a juristic-person shareholder, please also fill in Table 2.

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

Juristic person (Note 1)	Major shareholders of the juristic-person shareholder (Note 2)
Formosan Rubber Group Inc.	Ruifu Construction Co., Ltd. (10.10%), Hohe Construction Co. Ltd. (5.71%), Ascend Gear International Co., Ltd. (5.54%), Chengxi Investment Co., Ltd. (5.11%), Hsu Mei-Lun (2.84%), Quanxinfeng Co., Ltd. (2.65%), Ren-Yu Investment Limited (1.81%), Hsu Zhen-Tsai (1.55%), Chen Hui-Jin (1.28%), Hsu Zhen-Chun (1.14%).
Ruifu Construction Co., Ltd.	Hsu Zhen-Tsai (81.99%), Ascend Gear International Inc. (18%)
Chengxi Investment Co., Ltd.	Yang Hsun-Wen (49.85%), Hsu Cheng-Chi (49.85%), Hsu Ju-I (0.15%), Hsu Cheng-Hs (0.15%)
Kuan Cheng International Inc.	Xu Zhengtai (88.257%), Xu Linqingrong (11.728%), Lin Qinghua (0.007%), Lin Cai Suai (0.007%)
Ascend Gear International Inc.	Hsu Zhen-Tsai (64%), Chen Hui-Jin (36%)
Hallmark Int'l Co., Ltd.	Hsu Zhen-Xin (84.12%), Li Yueling (12.53%), Xu Qiwen (1.67%), Xu Xiumin (1.68%)

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

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

Information of Directors (II)

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

April 14, 2026

Conditions Name		Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairperson Hsu Zhen-Tsai		· Chairman, FRG (now) · Chairman of Hohe Construction Co., Ltd., Banjian Development Co., Ltd., and Shanghai Ruifu Business Development Co., Ltd. (in the past) · Not under any circumstances set in Article 30 of the Company Act	Not applicable	0
Director Hsu Zhen-Ji		· Director and general manager, FRG (now) · Ruifu Development Co., Ltd. (in the past) · Not under any circumstances set in Article 30 of the Company Act	Not applicable	0
Representative of Quanxinfeng Co., Ltd. Hsu Zhen-Xin		· Juristic-person director, FRG (now) · Chairman, Hallmark Int'l Co., Ltd. and Ruifu Investment Co., Ltd. (in the past) · Not under any circumstances set in Article 30 of the Company Act	Not applicable	0
Representative, Ruifu Construction Co., Ltd. Hsu Wei-Zhi		· Juristic-person director, FRG (now) · Architect, Xu Weizhi Architect Associate · Adjunct Professor, Department of Architecture, Tamkang University. · Not under any circumstances set in Article 30 of the Company Act	Not applicable	0
Representative, Hohe Construction Co., Ltd., Lin Kun-Rong		· Juristic-person director, FRG (now) · Chairman, Yingcheng Construction Co., Ltd. (in the past) · Not under any circumstances set in Article 30 of the Company Act	Not applicable	0

Name \ Conditions	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Representative of Ascend Gear International Inc. Chu Lung-Tsung	· Juristic-person director, FRG (now) · Not under any circumstances set in Article 30 of the Company Act	Not applicable	0
Independent director Wu Chun-Lai (Dismissal date: June 13, 2025)	· Independent director, FRG (now) · General Counsel, Jet-Go Consulting Group. · Executive Director, Active Aging Association Taiwan (now) · Manager and spokesman of the chairman's office, Farglory Group (in the past). · He used to be the Executive Vice President of Heding Technology (in the past). · Deputy General Manager, Hung Kuo Real Estate Development Corp. (in the past). · Chair Professor, National Academy of Civil Service (in the past). · Not under any circumstances set in Article 30 of the Company Act	Independence compliance 1. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 2. In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. 3. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. 4. He/She has not received any compensation from FRG or its affiliated companies for providing business, legal, financial, accounting, or other professional services in the past two years.	0

Conditions Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent director Lorraine Yao	- Independent director, FRG (now) - Partner CPA of ShineWing International - Former Audit Manager of KPMG Taiwan - Not under any circumstances set in Article 30 of the Company Act	Independence compliance - Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. - The independent director only holds 4,500 shares, and his/her spouse or blood relatives (or in the name of others) hold shares of FRG. - In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. - ShineWing International, the accounting firm the independent director belongs to, had received no more than NT\$500,000 as the accumulated compensation in the most recent two years.	0
Independent director Chu Shih-Yi	- Independent director, FRG (now) - Former Assistant Vice President of Bond Department and Underwriting Department of MasterLink Securities Co., Ltd. - Not under any circumstances set in Article 30 of the Company Act	Independence compliance - Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. - In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. - In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. - He/She has not received any compensation from FRG or its affiliated companies for providing business, legal, financial, accounting, or other professional services in the past two years.	0

Conditions Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent director Huang Ming-Fa (Newly elected: June 13, 2025)	· Independent director, FRG (now) · Currently serves as a Director, TAH KONG CHEMICAL INDUSTRIAL CORP. · Director and President, TAH KONG CHEMICAL INDUSTRIAL CORP. · Not under any circumstances set in Article 30 of the Company Act	Independence compliance 1. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 2. The independent director only holds 3,000 shares, and his spouse holds only 2,000 shares; no other relatives within the second degree of kinship (nor any through nominees) hold shares in FRG. 3. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. 4. He/She has not received any compensation from FRG or its affiliated companies for providing business, legal, financial, accounting, or other professional services in the past two years.	0

II. Diversity and independence of the Board of Directors

(I) Diversity of the Board of Directors

- The entire Board of Directors of FRG shall have the following capacities according to Article 20, Paragraph 4 of its Governance Guidelines:
 - Business judgment capabilities
 - Accounting and financial analysis capabilities
 - Operation and management capabilities
 - Crisis management capabilities
 - Industry knowledge
 - International market awareness
 - Leadership
 - Decision-making capabilities
- To meet the said goals, FRG has set up the “Board of Directors diversification policy” based on Article 20 paragraph 3 of the Governance Guidelines; diversify members of the Board of Directors as much as possible; no more than one-third of directors shall be managerial officer of FRG; set up diversification policy, as required by requirements of operation, business type, and develop, to cover, but not limited to, the following two standards:
 - Basic conditions and values: gender, age, nationality and culture.

- (2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.
- 3. The Board of Directors has nine directors (including three independent directors with one of them is female); their professionalism cover financial accounting, law, construction and business management. There are 2 directors who are also employees, 1 independent director who has served for 3.5 years, 1 independent director who has served for 1.5 years, and 1 independent director who has served for 0.5 years.
- 4. If the number of female directors in the Board of Directors of the Company is less than one-third of the total number of directors, specify the reason and the measures to be taken to enhance the diversity of the Board of Directors:
 - (1) Explanation: The Company has 9 seats of Directors as specified in the Articles of Incorporation. The current term of directors was elected in the general shareholders' meeting on June 13, 2025. There is only one female Director. Although the number of female Directors is in compliance with the relevant laws and regulations, it is still less than one-third of the total number of Directors. This is due to the characteristics of the industry, which makes it difficult to recruit suitable talent within a short timeframe.
 - (2) Measures taken: The Company values the gender equality of the composition of the Board of Directors, and aims to increase female directors to account for more than one-third of the total number of directors. In the future, the Company will strive to increase female directors through a variety of channels and talent, in order to improve corporate governance performance and implement the policy of diversification of directors.

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

Name of director	Age	Gender	Professional background	Abilities possessed									
				Operation and management capabilities	Business judgment capabilities	Finance and accounting analysis capabilities	Crisis management capabilities	Industry knowledge	Industry experience			International market perspective	Leadership and decision making capabilities
									Rubber and plastic	Construction and building	Finance and investment		
Hsu Zhen-Tsai	60 - 69 years old	Male	Management, construction, building	V	V	V	V	V	V	V	※	V	V
Hsu Zhen-Ji	60 - 69 years old	Male	Management and chemical engineering	V	V	V	V	V	V	※	※	V	V
Hsu Zhen-Xin	60 - 69 years old	Male	Management and law	V	V	V	V	V	V	V	※	V	V
Hsu Wei-Zhi	60 - 69 years old	Male	Construction and design	V	V	V	V	V	※	V	※	V	V
Lin Kun-Rong	70 - 80 years old	Male	Management, construction, building	V	V	V	V	V	※	V	※	V	V
Chu Lung-Tsung	70 - 80 years old	Male	Finance	V	V	V	V	V	※	※	V	V	V
Wu Chun-Lai (Dismissal date: June 13, 2025)	60 - 69 years old	Male	Public relation, construction, building	V	V	V	V	V	※	V	※	V	V
Lorraine Yao	40 - 50 years old	Female	Finance, accounting	V	V	V	V	V	※	※	V	V	V
Chu Shih-Yi	50~60 years old	Male	Finance	V	V	V	V	V	※	※	V	V	V
Huang Ming-Fa (Newly elected: June 13, 2025)	70 - 80 years old	Male	Management and chemical engineering	V	V	V	V	V	V	※	※	V	V

※ refers to experiences in other industries

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

(II) Independence of the Board of Directors: Please specify the number and proportion of independent directors, describe the independence of the Board, and provide reasons as to whether there are any circumstances set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including disclosure of any spousal or kinship relationships within the second degree of kinship among directors, among supervisors, or between directors and supervisors.

1. The Board of Directors has 6 directors and 3 independent directors, the latter account for 33% of the Board.
2. The directors and independent directors have no circumstances set in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act existing among the directors and independent directors.
3. The independent directors have none of the following circumstances in two years before taking their office:
 - (1) An employee of the company or any of its affiliates.
 - (2) A director or supervisor of the company or any of its affiliates.
 - (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, Paragraph 1 or 2 of the Company Act.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- (7) If the Chairman, President, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
- (8) A director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

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

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

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

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Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse and Underage Children		Shares Held by Proxy		Main Career (Academic) Achievements	Current Concurrent Positions in Other Companies	Managerial Officers Who are Spouses or Within Second-Degree of Kinship to Each Other			Remarks (Note 1)
					Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relation	
President	Republic of China	Hsu Zhen-Ji	Male	2025.06.13	3,159,466	1.04%	0	0%	0	0%	Department of Chemical Engineering, Tamkang University International Business, National Taiwan University President of Formosan Rubber Group Inc.	Chairperson of Ruifu Development Co., Ltd., CEO of FRG US CORP.	Director and Special Assistant	Hsu Zhen-Xin	Brother	None
Director and Special Assistant	Republic of China	Hsu Zhen-Xin	Male	2014.07.04	2,529,820	0.83%	0	0%	0	0%	School of Law, Fu Jen Catholic University Chairperson of Hallmark Int'l Co., Ltd. Chairperson of Quanxinfeng Co., Ltd.	Chairperson of Ruifu Investment Co., Ltd., Hallmark Int'l Co., Ltd., Quanxinfeng Co., Ltd., CFO of FRG US CORP.	President	Hsu Zhen-Ji	Brother	None
Assistant managerial officer	Republic of China	Hsiao Zheng-Zhong	Male	1998.01.01	9,376	0.00%	0	0%	0	0%	Lunghwa University of Science and Technology Manager of Production Development of Formosan Rubber Group Inc.	Supervisor of Banjian Development Co., Ltd.	None	None	None	None
Assistant managerial officer	Republic of China	Huang Hui Xian	Female	2010.03.01	1,458	0.00%	0	0%	0	0%	Vanung University EMBA National Tsing Hua University Manager of the Warehouse Department Formosan Rubber Group Inc.	None	None	None	None	None
Supervisor of Management and Construction Department	Republic of China	Cheng Sheng Yuan	Male	2022.07.01	0	0.00%	0	0%	0	0%	Master, Institute of Political Science, National Chengchi University Assistant Vice President, Construction Department; Formosan Rubber Group	Chief financial officer and secretary of FRG US CORP. chief, Officer of Department of Management, Banjian Development Co., Ltd., and officer of Department of Management, Ruifu Development Co., Ltd.	None	None	None	None
Chief financial officer	Republic of China	Bao Shi-Rong	Male	2022.07.01	5,400	0.00%	0	0%	0	0%	Department of Accounting, National Taipei University Assistant Vice President of Finance, Formosan Rubber Group	Chief financial officer and chief accounting officer of Banjian Development Co., Ltd. and Chief financial officer and chief accounting officer of Ruifu Development Co., Ltd.	None	None	None	None
Head of Accounting and Head of Corporate Governance	Republic of China	Shi Ming-De	Male	2010.02.01	0	0.00%	0	0%	0	0%	National Taipei University Chief of KPMG Taiwan	Chief accounting officer of FRG US CORP.	None	None	None	None
Internal Audit Officer	Republic of China	Ou Chia-Bao	Male	2021.01.01	298	0.00%	0	0	0	0%	Aletheia University Deputy Manager, Taipei Branch, Citibank	Internal Audit Officer, Banjian Development Co., Ltd.	None	None	None	None

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

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

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

Title	Name	Remuneration to Directors								The sum of items A, B, C and D and percentage to the net income after tax (Note 10)		Remuneration as Company employee								The sum of items A, B, C, D, E, F and G and percentage to the net income after tax (Note 10)		Remuneration from the investees other than subsidiaries or parent company (Note 11)		
		Remuneration (A) (Note 2)		Pension (B)		Directors' remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances, etc. (E) (Note 5)		Pension (F)		Employee remuneration (G) (Note 6)								
		The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company	All companies included in the financial reports (Note 7)	The Company		All companies included in the financial reports (Note 7)		The Company	All companies included in the financial reports (Note 7)					
Chairperson	Hsu Zhen-Tsai	11,781,900	11,781,900	0	0	1,455,750	1,455,750	184,000	184,000	13,421,650 2.64%	13,421,650 2.64%	0	0	0	0	0	0	0	0	13,421,650 2.64%	13,421,650 2.64%			12,000
Director and President	Hsu Zhen-Ji	1,225,000	1,225,000	0	0	873,450	873,450	184,000	184,000	2,282,450 0.45%	2,282,450 0.45%	6,563,976	6,563,976	0	0	292,000	0	292,000	0	9,138,426 1.80%	9,138,426 1.80%			12,000
Director and Special Assistant	Quanxinfeng Co., Ltd.	0	0	0	0	873,450	873,450	0	0	873,450 0.17%	873,450 0.17%	0	0	0	0	0	0	0	0	873,450 0.17%	873,450 0.17%			0
	Corporate Representative: Hsu Zhen-Xin	1,425,000	1,425,000	0	0	0	0	184,000	184,000	1,609,000 0.32%	1,609,000 0.32%	6,402,455	6,402,455	0	0	292,000	0	292,000	0	8,303,455 1.64%	8,303,455 1.64%			24,000
Director	Ruifu Construction Co., Ltd.	0	0	0	0	582,300	582,300	0	0	582,300 0.11%	582,300 0.11%	0	0	0	0	0	0	0	0	582,300 0.11%	582,300 0.11%			0
	Corporate Representative: Hsu Zhen-Ji	675,000	675,000	0	0	0	0	84,000	84,000	759,000 0.15%	759,000 0.15%	0	0	0	0	0	0	0	0	759,000 0.15%	759,000 0.15%			0
Director	Hohe Construction Co., Ltd.	0	0	0	0	582,300	582,300	0	0	582,300 0.11%	582,300 0.11%	0	0	0	0	0	0	0	0	582,300 0.11%	582,300 0.11%			0
	Corporate Representative: Lin Kun-Rong	675,000	675,000	0	0	0	0	84,000	84,000	759,000 0.15%	759,000 0.15%	0	0	0	0	0	0	0	0	759,000 0.15%	759,000 0.15%			0
Director	Ascend Gear International Inc.	0	0	0	0	582,300	582,300	0	0	582,300 0.11%	582,300 0.11%	0	0	0	0	0	0	0	0	582,300 0.11%	582,300 0.11%			0
	Representative: Chu Lung-Tsung	1,425,000	1,425,000	0	0	0	0	184,000	184,000	1,609,000 0.32%	1,609,000 0.32%	0	0	0	0	0	0	0	0	1,609,000 0.32%	1,609,000 0.32%			0
Independent director	Lorraine Yao	968,200	968,200	0	0	291,150	291,150	184,000	184,000	1,443,350 0.28%	1,443,350 0.28%	0	0	0	0	0	0	0	0	1,443,350 0.28%	1,443,350 0.28%			0
Independent director	Chu Shih-Yi	782,200	782,200	0	0	291,150	291,150	134,000	134,000	1,207,350 0.24%	1,207,350 0.24%	0	0	0	0	0	0	0	0	1,207,350 0.24%	1,207,350 0.24%			0
Independent director	Wu Chun-Lai (Dismissed on June 13, 2025)	340,748	340,748	0	0	130,020	130,020	74,000	74,000	544,768 0.11%	544,768 0.11%	0	0	0	0	0	0	0	0	544,768 0.11%	544,768 0.11%			0
Independent director	Huang Ming-Fa (Newly appointed on June 13, 2025)	476,742	476,742	0	0	161,130	161,130	88,000	88,000	725,872 0.14%	725,872 0.14%	0	0	0	0	0	0	0	0	725,872 0.14%	725,872 0.14%			0

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

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

Note 1: (1) Salary of the Chairman's driver: NT\$733,789; Chairman's security guards: NT\$384,845. (2) Salary of the general manager's driver: NT\$741,233.

(2-1) Remuneration supervisors: NA as FRG has audit committee instead.

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

	Name	Salary (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of items A, B, C and D and percentage to the net income after tax (%) (Note 8)		Remuneration from the investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company		All companies included in the financial reports (Note 5)		The Company	All companies included in the financial reports (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hsu Zhen-Ji	3,007,200	3,007,200	0	0	3,556,776	3,556,776	292,000	0	292,000	0	6,855,976 1.35%	6,855,976 1.35%	12,000
Director and Special Assistant	Hsu Zhen-Xin	3,007,200	3,007,200	0	0	3,395,255	3,395,255	292,000	0	292,000	0	6,694,455 1.32%	6,694,455 1.32%	24,000

Remuneration bracket table

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

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

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of items A, B, C and D and percentage to the net income after tax (%) (Note 6)		Remuneration from the investees other than subsidiaries or parent company (Note 7)
		The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company	All companies included in the financial reports (Note 5)	The Company		All companies included in the financial reports (Note 5)		The Company	All companies included in the financial reports (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hsu Zhen-Ji	3,007,200	3,007,200	0	0	3,556,776	3,556,776	292,000	0	292,000	0	6,855,976 1.35%	6,855,976 1.35%	12,000
Director and Special Assistant	Hsu Zhen-Xin	3,007,200	3,007,200	0	0	3,395,255	3,395,255	292,000	0	292,000	0	6,694,455 1.32%	6,694,455 1.32%	24,000
Assistant managerial officer	Huang Hui Xian	1,605,332	1,605,332	94,824	94,824	1,999,355	1,999,355	200,900	0	200,900	0	3,900,411 0.77%	3,900,411 0.77%	0
Assistant managerial officer	Hsiao Zheng-Zhong	1,200,165	1,524,165	69,552	69,552	1,139,929	1,149,929	200,900	0	200,900	0	2,610,546 0.51%	2,944,546 0.58%	0
Vice Manager	Cheng Sheng Yuan	1,055,200	1,055,200	63,072	63,072	1,079,204	1,079,204	200,900	0	200,900	0	2,398,376 0.47%	2,398,376 0.47%	0

Note 1: In "top five managers with the highest remuneration", managers refer to the company's managerial officers. The standards for identifying managerial officers are handled in reference to the applicable scope of provisions of the former Securities and Futures Bureau, Financial Supervisory Commission, Ministry of Finance, as stated in Tai-Cai-Zheng-San-Zi No. 0920001301 dated March 27, 2003.

The principle for identifying the calculation of "top five managers with the highest remuneration" is based on the salary, pensions, bonuses, special allowances, etc., as well as the total employee remuneration (i.e., the sum of A+B+C+D) of all companies included in the financial reports, which are ranked to obtain the top five with the highest remuneration.

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

Note 3: Refers to other remunerations such as bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, corporate vehicle or other in-kind benefits made to the top managers. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol and other subsidies are also disclosed. Where personal drivers were allocated, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the remuneration paid to the above benefits. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee stock options, restricted employee shares and subscription to cash issues are treated as remuneration.

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

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

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

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

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

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

(I) Names of managerial officers receiving employee remuneration and distribution details

December 31, 2025

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	As a percentage of net income (%)
Managerial Officer	President	Hsu Zhen-Ji	0	NT\$1,588,500	NT\$1,588,500	0.31%
	Director and Special Assistant	Hsu Zhen-Xin				
	Assistant managerial officer	Hsiao Zheng-Zhong				
	Assistant managerial officer	Huang Hui-Xian				
	Supervisor of Management and Construction Department	Cheng Sheng-Yuan				
	Chief financial officer	Bao Shi-Rong				
	Head of Accounting and Head of Corporate Governance	Shi Ming-De				

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

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

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

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

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

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

Name	Percentage of total remuneration to net income after tax in 2025		Percentage of total remuneration to net income after tax in 2024	
	The Company	The Company	The Company	All companies in consolidated reports
Director	7.98%	7.98%	7.15%	7.15%
President and Vice Presidents	2.67%	2.67%	2.32%	2.32%

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

III. Implementation of Corporate Governance:

(I) Functionality of the Board of Directors

The Board of Directors held 8 meetings (A) in the period (from March 11, 2025, to March 10, 2026); see below for their attendance:

Title	Name (Note 1)	Actual Attendance B	Proxy Attendance	Percentage of actual (proxy) attendance (%) [B/A] (Note 2)	Remarks
Chairperson	Hsu Zhen-Tsai	8	0	100%	
Director	Hsu Zhen-Ji	8	0	100%	
Director	Quanxinfeng Co., Ltd. Representative: Hsu Zhen-Xin	8	0	100%	
Director	Ruifu Construction Co., Ltd. Representative: Hsu Zhen-Ji	8	0	100%	
Director	Hohe Construction Co., Ltd. Representative: Lin Kun-Rong	8	0	100%	
Director	Ascend Gear International Inc. Representative: Chu Lung-Tsung	8	0	100%	
Independent director	Wu Chun-Lai	2	0	100%	Dismissed on June 13, 2025; number of meetings he was expected to attend during the term: 2.
Independent director	Lorraine Yao	8	0	100%	
Independent director	Chu Shih-Yi	8	0	100%	
Independent director	Huang Ming-Fa	6	0	100%	Newly appointed on June 13, 2025; number of meetings he was expected to attend during the term: 6.

Other information required:

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

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

1. The 22nd meeting of the 21st Board of Directors on March 11, 2025; Lift the non-compete restriction on newly appointed directors and their representatives.

Content: According to Article 209 of the Company Act, the regulations stipulate that "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to a shareholders meeting the essential contents of such an act and secure its approval." In order to make use of the special expertise and relevant experience of the Company's directors to complete the Company's various businesses, it is proposed to the shareholders meeting to approve the removal of the non-competition restriction on the directors elected at the 2025 general shareholders' meeting and their representatives. Except Chairman Hsu Zhen-Tsai, director Hsu Zhen-Ji, representative of Quanxinfeng Co., Ltd., director Hsu Zhen-Xin, representative of Ruifu Construction Co., Ltd., director Hsu Wei-zhi, representative of Hohe Construction Co., Ltd., Director Lin Kun-Rong recusing themselves, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director Chu Lung-Tsung as appointed.

2. The 22nd meeting of the 21st Board of Directors on March 11, 2025: 2024 Performance reward and punishment of each department and project.

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

3. The 22nd Board meeting by the 21st Board of Directors on March 11, 2025: Renovation work for the Longtan R&D Building.

Content: R&D Building 1st Floor Reconstruction to meet the needs of the logistics warehouse operation environment, and provide customers with storage requirements, to increase operating revenue. The tender winner of the project is Ying-Cheng Construction, whose person in charge is Lin Kun-Rung, a director of the Company, so this project was a related person transaction. Except for Director Lin Kun-Rung recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.

4. The 22nd Board meeting by the 21st Board of Directors on March 11, 2025: Professional fees of the attesting CPAs.

Content: According to Article 14-5 of the Securities and Exchange Act, "The appointment, dismissal or remuneration of the CPAs" shall be approved by more than one-half of the members of the Audit Committee and submitted to the Board of Directors for resolution. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

5. The 22nd Board meeting by the 21st Board of Directors on March 11, 2025: Proposal to amend some provisions of the "Procedures for the Acquisition or Disposal of Assets".

Content: In order to accommodate the actual operation of the Company's internal governance, it is proposed to amend the Company's procedures for acquisition or disposal of assets. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

6. The 22nd meeting of the 21st Board of Directors on March 11, 2025: Establishing the "Procedures for Loaning Funds to Others" for the subsidiary, FRG US Corp.

Content: According to Article 36-1 of the Securities and Exchange Act and Article 10 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", if a subsidiary of a public company intends to make loans to others, the public company shall instruct it to formulate its own Procedures for Loaning Funds to Others in accordance with these Regulations, and it shall comply with the Procedures when loaning funds. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

7. The 22nd Board meeting by the 21st Board of Directors on March 11, 2025: FRG loan to subsidiary FRG US Corp..

Content: The Company intends to have the loaning of funds to the subsidiary, FRG US, not exceeding US\$3.15 million, for a period of one year, with an interest rate of 4.31%, and the interest is paid either monthly or in lump sum before settlement after approval from the Board of Directors. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

8. The 22nd meeting of the 21st Board of Directors on March 11, 2025: Loaning Funds to Others by the subsidiary, FRG US Corp..

Content: The subsidiary, FRG US Corp., intends to loan the funds of less than US\$3.15 million for a period of one year in accordance with the terms of this case. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

9. The 23rd meeting of the 21st Board of Directors on May 9, 2025: Proposal to increase the investment limit for the subsidiary, FRG US Corp., and increase its capital.

Content: The Company increased its investment limit in the subsidiary FRG US Corp. by US\$6 million, with an estimated capital increase amount of approximately US\$5.77 million. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

10. The 23rd meeting of the 21st Board of Directors on May 9, 2025: Proposal for the distribution of residential units regarding the investment at 950 Market Street, San Francisco.

Content: The subsidiary FRG US Corp. withdrew its equity from 950 Property and received residential units as a distribution. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

11. The 23rd meeting of the 21st Board of Directors on May 9, 2025: Proposal for endorsement and guarantee regarding the investment at 950 Market Street, San Francisco.

Content: The project loan for 950 Market Street, San Francisco, was refinanced as an NT\$ loan from CTBC Bank Taipei Headquarters in the name of the Taiwan branch of 950 US Co., Ltd. The Company provided a loan guarantee to CTBC Bank based on its shareholding percentage in the project. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.

12. The 1st extraordinary meeting of the 22nd Board of Directors on June 13, 2025: Proposal to appoint the President of the Company.

Content: Due to the full re-election of the Board of Directors on June 13, it is proposed to appoint Mr. Hsu Zhen-Ji as President of the Company. Except for Director Hsu Zhen-Ji recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.

13. The 1st extraordinary meeting of the 22nd Board of Directors on June 13, 2025: Proposal to appoint members of the 6th Remuneration Committee.

Content: As the term of the 5th Remuneration Committee had expired on June 13, 2025, it was proposed to appoint Ms. Lorraine Yao, Mr. Wu Chun-Lai, and Mr. Lin Ying-Ji as members of the 6th Remuneration Committee. The term is effective from June 13, 2025, until the expiration of the current Board of Directors' term. Except for Independent Director Lorraine Yao recusing herself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.

14. The 1st meeting of the 22nd Board of Directors on July 8, 2025: Proposal for the remuneration of the 22nd Board of Directors, Remuneration Committee, and Audit Committee.
Content: The fixed remuneration for the execution of duties of the 22nd Board's Directors and Independent Directors was established in accordance with the "Director Remuneration Payment Measures". Except for Independent Director Lorraine Yao recusing herself due to a conflict of interest regarding the Remuneration Committee's pay, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
15. The 1st meeting of the 22nd Board of Directors on July 8, 2025: Proposal to appoint directors, supervisors, and consultants for the Company's subsidiary Banjian Development Co., Ltd. and their respective remuneration.
Content: The term of the 7th Board of Directors and Supervisors of the subsidiary Banjian Development Co., Ltd. expired on June 30, 2025; it was proposed to reappoint the 8th Board of Directors and Supervisors. Except Chairman Hsu Zhen-Tsai recusing himself (with Director Hsu Zhen-Ji designated as acting Chair), the proposal was unanimously approved by the other directors attending the meeting without objections, and the independent directors expressed no other opinions.
16. The 2nd meeting of the 22nd Board of Directors on August 12, 2025: Proposal for the semi-annual settlement of project performance rewards and penalties for various departments.
Content: Each department of the Company assessed rewards and penalties based on the achievement of its semi-annual targets. Except Chairman Hsu Zhen-Tsai and relevant managerial officers recusing themselves (with Director Hsu Zhen-Ji designated as acting Chair), the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions.
17. The 2nd meeting of the 22nd Board of Directors on August 12, 2025: Proposal for the supplemental appointment of a member to the 6th Remuneration Committee.
Content: Mr. Wu Chun-Lai, a member of the 6th Remuneration Committee, notified the Company via a resignation letter on August 14, 2025, due to his busy schedule. Proposed to appoint Independent Director Huang Ming-Fa to the position. Except for Independent Director Huang Ming-Fa recusing himself due to a conflict of interest regarding the Remuneration Committee's pay, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
18. The 2nd meeting of the 22nd Board of Directors on August 12, 2025: Proposal for the acquisition of right-of-use assets from related parties.
Content: The Company entered into residential lease agreements with related parties: Hohe Construction Co., Ltd., United Construction Co. Ltd., Chengxi Investment Co., Ltd., and EUROGEAR CORPORATION. In accordance with the original contract provisions, the rent was adjusted based on the Consumer Price Index. Except Chairman Hsu Zhen-Tsai, Director Hsu Zhen-Ji, and Director Hsu Zhen-Xin, (with Director Lorraine Yao designated as acting chair), recusing themselves, the proposal was approved by the remaining directors unanimously, and the independent directors expressed no other opinions.
19. The 3rd meeting of the 21st Board of Directors on November 11, 2025: Proposal to evaluate the independence and competence of the attesting CPAs.
Content: After assessing that the Company's CPAs still meet the Company's criteria for independence and competence, the Company's CPAs are qualified to perform the Company's certification business. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
20. The 3rd meeting of the 22nd Board of Directors on November 11, 2025: FRG loan to subsidiary FRG US Corp.
Content: The Company intends to lend no more than US\$1.6 million to its subsidiary FRG US for a period of one year, with interest paid either monthly or in lump sum before settlement after approval from the Board of Directors. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
21. The 3rd meeting of the 22nd Board of Directors on November 11, 2025: Loaning Funds to Others by the subsidiary, FRG US Corp.
Content: The subsidiary, FRG US, intends to lend no more than US\$1.6 million to 950I in accordance with the terms of this proposal. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
22. The 3rd meeting of the 22nd Board of Directors on November 11, 2025: Proposal for the revision of the internal control system for the payroll cycle.
Content: In coordination with the competent authority's regulations regarding salary adjustments or the distribution of remuneration for entry-level employees, relevant descriptions have been added to the existing payroll cycle. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
23. The 4th meeting of the 22nd Board of Directors on December 26, 2025: Proposal for the performance bonus for the 2025 stock investment project.
Content: To motivate the investment team to achieve annual objectives and maximize capital gains, it is proposed to distribute corresponding performance bonuses. Except Chairman, Hsu Zhen-Tsai, and Director Hsu Zhen-Ji, Hsu Zhen-Xin, and Chu Lung-Tsung recusing themselves (with Director Hsu Wei-Zhi designated as acting chairperson), the proposal was approved by the remaining directors unanimously, and the independent directors expressed no other opinions.
24. The 4th meeting of the 22nd Board of Directors on December 26, 2025: FRG loan to subsidiary FRG US Corp.
Content: To address the high principal and interest costs of the bank loan for the 950 Project hotel (invested by FRG US), the Company intends to lend US\$3.14 million to the subsidiary, provided that FRG US settles US\$3.14 million

	on schedule. The term is one year, with interest charged annually or paid in a lump sum prior to settlement. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
25.	The 4th meeting of the 22nd Board of Directors on December 26, 2025: Loaning Funds to Others by the subsidiary, FRG US Corp. Content: Provided that 950I settles US\$3.14 million on schedule, FRG US Corp. intends to lend US\$3.14 million to 950I again for a term of one year under the conditions of this proposal. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
26.	The 4th meeting of the 22nd Board of Directors on December 26, 2025: Proposal for amendments to the delegation of authorization. Content: In coordination with the amendments to the Company's 2025 "Operational Procedures for the Acquisition and Disposal of Assets" the Company intends to amend the authorization limits for investment/development and scrap management, and increase the scope of delegation of authorization for the acquisition or disposal of equipment or its right-of-use assets. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
27.	The 5th meeting of the 22nd Board of Directors on March 10, 2026: 2025 Performance Incentives and Penalties for each department and project. Content: The bonus is distributed to the managers and employees based on the annual performance of each department. With the exception of Chairperson <u>Hsu Zhen-Tsai</u> recusing himself (with Director <u>Hsu Wei-Chih</u> designated as acting Chair), the proposal was unanimously approved by the other directors attending the meeting without objections, and the independent directors expressed no other opinions.
28.	The 5th meeting of the 22nd Board of Directors on March 10, 2026: Professional fees for the attesting CPAs. Content: According to Article 14-5 of the Securities and Exchange Act, "The appointment, dismissal or remuneration of the CPAs" shall be approved by more than one-half of the members of the Audit Committee and submitted to the Board of Directors for resolution. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
29.	The 5th Board meeting of the 22nd Board of Directors on March 11, 2026: Proposal to amend some provisions of the "Procedures for the Acquisition or Disposal of Assets". Content: To strengthen the management of related party transactions and protect shareholders' rights and interests, certain provisions of the Procedures for Acquisition or Disposal of Assets were amended. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
30.	The 5th Board meeting of the 22nd Board of Directors on March 10, 2026: The amendment to the Company's internal control system for "Management of Preparation of Sustainability Reports by Listed Companies". Content: Due to changes in the policies of the competent authority, the Company amended its internal control system for "Management of Preparation of Sustainability Reports by Listed Companies" to increase flexibility in corporate governance. The motion was passed without objections after the chair consulted with all attending directors and the independent directors expressed no other opinions.
(II)	Any other documented objections or qualified opinions raised by independent directors against Board resolutions in relation to matters other than those described above: None
II.	For the implementation and state of directors' recusal for conflicts of interests, the directors' name, topic discussed, reasons for the required recusal, and participation in the voting process:
1.	The 22nd meeting of the 21st Board of Directors on March 11, 2025: Lift the non-compete restriction on newly appointed directors and their representatives. Content: According to Article 209 of the Company Act, the regulations stipulate that "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to a shareholders meeting the essential contents of such an act and secure its approval." In order to make use of the special expertise and relevant experience of the Company's directors to complete the Company's various businesses, it is proposed to the shareholders meeting to approve the removal of the non-competition restriction on the directors elected at the 2025 general shareholders' meeting and their representatives. Except Chairman <u>Hsu Zhen-Tsai</u> , director <u>Hsu Zhen-Ji</u> , representative of Quanxinfeng Co., Ltd., director <u>Hsu Zhen-Xin</u> , representative of Ruifu Construction Co., Ltd., director <u>Hsu Wei-zhi</u> , representative of Hohe Construction Co., Ltd., Director <u>Lin Kun-Rong</u> recusing themselves, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Chu Lung-Tsung</u> as appointed.
2.	The 22nd meeting of the 21st Board of Directors on March 11, 2025: 2024 Performance reward and punishment of each department and project. Content: The bonus is distributed to the managers and employees based on the annual performance of each department. Except <u>Hsu Zhen-Tsai</u> recusing himself, the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions. The motion was temporarily chaired by independent director <u>Chu Lung-Tsung</u> as appointed.
3.	The 22nd Board meeting by the 21st Board of Directors on March 11, 2025: Renovation work for the Longtan R&D Building. Content: R&D Building 1st Floor Reconstruction to meet the needs of the logistics warehouse operation environment, and provide customers with storage requirements, to increase operating revenue. The tender winner of the project is Ying-Cheng Construction, whose person in charge is <u>Lin Kun-Rung</u> , a director of the Company, so this project was a related person transaction. Except for <u>Director Lin Kun-Rung</u> recusing himself, the proposal was

	approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
4.	The 1st extraordinary meeting of the 22nd Board of Directors on June 13, 2025: Proposal to appoint the President of the Company. Content: Due to the full re-election of the Board of Directors on June 13, it is proposed to appoint Mr. Hsu Zhen-Ji as President of the Company. Except for Director Hsu Zhen-Ji recusing himself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
5.	The 1st extraordinary meeting of the 22nd Board of Directors on June 13, 2025: Proposal to appoint members of the 6th Remuneration Committee. Content: As the term of the 5th Remuneration Committee had expired on June 13, 2025, it was proposed to appoint Ms. <u>Lorraine Yao</u>, Mr. <u>Wu Chun-Lai</u>, and Mr. <u>Lin Ying-Ji</u> as members of the 6th Remuneration Committee. The term is effective from June 13, 2025, until the expiration of the current Board of Directors' term. Except for Independent Director <u>Lorraine Yao</u> recusing herself, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
6.	The 1st meeting of the 22nd Board of Directors on July 8, 2025: Proposal for the remuneration of the 22nd Board of Directors, Remuneration Committee, and Audit Committee. Content: The fixed remuneration for the execution of duties of the 22nd Board's Directors and Independent Directors was established in accordance with the "Director Remuneration Payment Measures". Except for Independent Director <u>Lorraine Yao</u> recusing herself due to a conflict of interest regarding the Remuneration Committee's pay, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
7.	The 1st meeting of the 22nd Board of Directors on July 8, 2025: Proposal to appoint directors, supervisors, and consultants for the Company's subsidiary Banjian Development Co., Ltd. and their respective remuneration. Content: The term of the 7th Board of Directors and Supervisors of the subsidiary Banjian Development Co., Ltd. expired on June 30, 2025; it was proposed to reappoint the 8th Board of Directors and Supervisors. Except Chairman <u>Hsu Zhen-Tsai</u> recusing himself (with Director <u>Hsu Zhen-Ji</u> designated as acting Chair), the proposal was unanimously approved by the other directors attending the meeting without objections, and the independent directors expressed no other opinions.
8.	The 2nd meeting of the 22nd Board of Directors on August 12, 2025: Proposal for the semi-annual settlement of project performance rewards and penalties for various departments. Content: Each department of the Company assessed rewards and penalties based on the achievement of its semi-annual targets. Except Chairman <u>Hsu Zhen-Tsai</u> and relevant managerial officers recusing themselves (with Director <u>Hsu Zhen-Ji</u> designated as acting Chair), the proposal was unanimously approved by other directors attending the meeting without objections, and the independent directors expressed no other opinions.
9.	The 2nd meeting of the 22nd Board of Directors on August 12, 2025: Proposal for the supplemental appointment of a member to the 6th Remuneration Committee. Content: Mr. Wu Chun-Lai, a member of the 6th Remuneration Committee, notified the Company via a resignation letter on August 14, 2025, due to his busy schedule. Proposed to appoint Independent Director <u>Huang Ming-Fa</u> to the position. Except for Independent Director <u>Huang Ming-Fa</u> recusing himself due to a conflict of interest regarding the Remuneration Committee's pay, the proposal was approved by all other directors attending the meeting without objections, and the independent directors expressed no other opinions.
10.	The 2nd meeting of the 22nd Board of Directors on August 12, 2025: Proposal for the acquisition of right-of-use assets from related parties. Content: The Company entered into residential lease agreements with related parties: Hohe Construction Co., Ltd., United Construction Co. Ltd., Chengxi Investment Co., Ltd., and EUROGEAR CORPORATION. In accordance with the original contract provisions, the rent was adjusted based on the Consumer Price Index. Except Chairman <u>Hsu Zhen-Tsai</u>, Director <u>Hsu Zhen-Ji</u>, and Director <u>Hsu Zhen-Xin</u>, (with Director <u>Lorraine Yao</u> designated as acting chair), recusing themselves, the proposal was approved by the remaining directors unanimously, and the independent directors expressed no other opinions.
11.	The 4th meeting of the 22nd Board of Directors on December 26, 2025: Proposal for the performance bonus for the 2025 stock investment project. Content: To motivate the investment team to achieve annual objectives and maximize capital gains, it is proposed to distribute corresponding performance bonuses. Except Chairman, <u>Hsu Zhen-Tsai</u>, and Director <u>Hsu Zhen-Ji</u>, <u>Hsu Zhen-Xin</u>, and <u>Chu Lung-Tsung</u> recusing themselves (with Director <u>Hsu Wei-Zhi</u> designated as acting chairperson), the proposal was approved by the remaining directors unanimously, and the independent directors expressed no other opinions.
12.	The 5th meeting of the 22nd Board of Directors on March 10, 2026: 2025 Performance Incentives and Penalties for each department and project. Content: The bonus is distributed to the managers and employees based on the annual performance of each department. With the exception of Chairperson <u>Hsu Zhen-Tsai</u> recusing himself (with Director <u>Hsu Wei-Chih</u> designated as acting Chair), the proposal was unanimously approved by the other directors attending the meeting without objections, and the independent directors expressed no other opinions.
III.	For the disclosures of the cycles and periods, scopes, methods, and descriptions of the appraisal of the Board of Directors, please refer to (II) Evaluation of the Board of Directors

IV. Measures the objectives to strengthen the functionality of the Board (e.g. establish an Audit Committee, enhance information transparency) and execution status in the current year and the recent years:
The Company's Board of Directors had 7 board meetings in the year. Important agendas are announced on the MOPS, making information public.

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

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

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

(II) Evaluation of the Board of Directors:

Evaluation cycles	Evaluation periods	Evaluation scope	Evaluation method	Evaluation content																								
Internal performance evaluation: implemented once per year.	January 1, 2025, to December 31, 2025	Including the performance evaluation of individual Board members, and functional committees.	The internal self-evaluation is adopted.	Evaluation is described as the following: 1. Board Member's Performance Self-Assessment:																								
				Self-assessment 6 Major Aspect	Questions	Score	A. Alignment of the goals and mission of the company;	3 questions	13.1	B. Awareness of the duties of a director;	3 questions	13.0	C. Participation in the operation of the company;	8 questions	34.2	D. Management of internal relationship and communication;	3 questions	13.0	E. The director's professionalism and continuing education	3 questions	13.0	F. Internal control.	3 questions	12.7	Total	23 questions	99.0	
				Self-assessment 6 Major Aspect	Questions	Score																						
				A. Alignment of the goals and mission of the company;	3 questions	13.1																						
				B. Awareness of the duties of a director;	3 questions	13.0																						
				C. Participation in the operation of the company;	8 questions	34.2																						
				D. Management of internal relationship and communication;	3 questions	13.0																						
				E. The director's professionalism and continuing education	3 questions	13.0																						
				F. Internal control.	3 questions	12.7																						
				Total	23 questions	99.0																						
				The KPIs of Board member come in six dimensions covering 23 indicators; scoring at 99.0 shows that directors are performing with efficiency and effect and is contributing to FRG.																								
				2. Self performance evaluation by the functional committees: (1) Self performance evaluation of the Remuneration Committee																								
				<table><tr><th>Self-assessment 5 Major Aspect</th><th>Questions</th><th>Score</th></tr><tr><td>A. Participation in the operation of the company;</td><td>4 questions</td><td>18.9</td></tr><tr><td>B. Awareness of the duties of the Remuneration Committee</td><td>5 questions</td><td>20.5</td></tr><tr><td>C. Improvement of quality of decisions made by the Remuneration Committee</td><td>6 questions</td><td>28.4</td></tr><tr><td>D. Makeup of the Remuneration Committee and election of its members</td><td>3 questions</td><td>14.2</td></tr><tr><td>E. Internal control.</td><td>1 questions</td><td>4.8</td></tr><tr><td>Total</td><td>19 questions</td><td>86.8</td></tr></table>				Self-assessment 5 Major Aspect	Questions	Score	A. Participation in the operation of the company;	4 questions	18.9	B. Awareness of the duties of the Remuneration Committee	5 questions	20.5	C. Improvement of quality of decisions made by the Remuneration Committee	6 questions	28.4	D. Makeup of the Remuneration Committee and election of its members	3 questions	14.2	E. Internal control.	1 questions	4.8	Total	19 questions	86.8
				Self-assessment 5 Major Aspect	Questions	Score																						
				A. Participation in the operation of the company;	4 questions	18.9																						
				B. Awareness of the duties of the Remuneration Committee	5 questions	20.5																						
				C. Improvement of quality of decisions made by the Remuneration Committee	6 questions	28.4																						
				D. Makeup of the Remuneration Committee and election of its members	3 questions	14.2																						
				E. Internal control.	1 questions	4.8																						
				Total	19 questions	86.8																						
				The KPIs of the Remuneration Committee in five dimensions covering 19 indicators; scoring at 86.8 shows that directors are performing efficiently and effectively and are contributing to FRG.																								

Evaluation cycles	Evaluation periods	Evaluation scope	Evaluation method	Evaluation content																					
				(2) Self performance evaluation by the Audit Committee <table><tr><th>Self-assessment 5 Major Aspect</th><th>Questions</th><th>Score</th></tr><tr><td>A. Participation in the operation of the company;</td><td>4 questions</td><td>17.4</td></tr><tr><td>B. Awareness of the duties of the Audit Committee</td><td>6 questions</td><td>26.1</td></tr><tr><td>C. Improvement of quality of decisions made by the Audit Committee</td><td>7 questions</td><td>30.5</td></tr><tr><td>D. Makeup of the Audit Committee and election of its members</td><td>3 questions</td><td>13.0</td></tr><tr><td>E. Internal control.</td><td>3 questions</td><td>13.0</td></tr><tr><td>Total</td><td>23 questions</td><td>100</td></tr></table> The KPIs of the Audit Committee in five dimensions covering 23 indicators; scoring at 100.0 shows that directors are performing efficiently and effectively and are contributing to FRG.	Self-assessment 5 Major Aspect	Questions	Score	A. Participation in the operation of the company;	4 questions	17.4	B. Awareness of the duties of the Audit Committee	6 questions	26.1	C. Improvement of quality of decisions made by the Audit Committee	7 questions	30.5	D. Makeup of the Audit Committee and election of its members	3 questions	13.0	E. Internal control.	3 questions	13.0	Total	23 questions	100
Self-assessment 5 Major Aspect	Questions	Score																							
A. Participation in the operation of the company;	4 questions	17.4																							
B. Awareness of the duties of the Audit Committee	6 questions	26.1																							
C. Improvement of quality of decisions made by the Audit Committee	7 questions	30.5																							
D. Makeup of the Audit Committee and election of its members	3 questions	13.0																							
E. Internal control.	3 questions	13.0																							
Total	23 questions	100																							
External performance evaluation: implemented once every three years.	January 1, 2025, to December 31, 2025	Board of Directors’ performance evaluation.	1. Board of Directors’ Performance Evaluation Commissioned Externally: 2. The external evaluation was commissioned to the “Taiwan Investor Relations Institute;” the evaluation was made based on the document provided by the Company, self-evaluation questionnaires, and the in-person and online interviews.	The aspects included in the external Board performance evaluation: 1. Composition and professional development of the Board: 11 indicators 2. Quality of the Board’s decision making: 11 indicators. 3. Effects of the Board’s operation: 10 indicators. 4. Internal control and risk management: 13 indicators. 5. The Board’s engagement in corporate social responsibility system: 9 indicators. Results of the external evaluation and the reply to the recommendations: The external evaluation agency provided the evaluation conclusion and the recommendations regarding the Board’s operation as following: Evaluation conclusion and summary: 1. The Board of Directors consists of nine members to balance gender and professional diversity, including one female director. Board members possess diverse professional backgrounds in business judgment, financial analysis, business management, crisis management, industry knowledge, and international market decision-making, spanning multiple industries to form complementary professional synergies. 2. Chairman Hsu Zhen-Tsai concurrently serves as the Chief Strategy Officer; Director Hsu Zhen-Ji concurrently serves as the President; and Hsu Zhen-Xin, the representative of Quanxinfeng Co., Ltd., concurrently serves as a Special Assistant. The three are brothers. Among the directors, three directors who are employees of the Company, the parent company, or the subsidiary or affiliate company, but do not exceed one-third of the directors' seats.																					

Evaluation cycles	Evaluation periods	Evaluation scope	Evaluation method	Evaluation content
				demonstrating that when a potential conflict of interest exists, the Board can appoint sufficient non-executive directors with independent judgments. 3. Among the nine directors, three are independent directors, representing one-third or more of the total Board seats. This composition complies with relevant corporate governance regulations. Each independent director possesses professional qualifications and practical experience highly relevant to the Company's operations and actively participates in the Board of Directors and related meetings to fully exercise supervisory functions. All independent directors maintain substantive independence during their tenure, with no direct or indirect interests in the Company. Furthermore, all serve concurrently as members of the Audit Committee, responsible for supervising the fair presentation of financial statements, the independence and suitability of attesting CPAs, and the effectiveness of internal control systems, while reporting regularly to the Board. Additionally, the consecutive terms of each independent director have not exceeded three terms, indicating their ability to exercise authority objectively to avoid the impact of long tenure on independence. 4. Regarding the actual operation of the Board of Directors, during this evaluation period, the evaluated company held a total of seven Board meetings. The actual attendance rate of all directors (including non-independent and independent directors) reached 100%, demonstrating a high level of participation and sense of responsibility toward the Company's major decisions. Although some directors attended remotely due to geographical factors, they were still able to participate fully in discussions and voting via video conference, ensuring that the quality of decision-making remained unaffected. Overall, the Board of Directors maintains a sound communication mechanism and depth of discussion, achieving a balance between decision-making efficiency and information transparency. 5. In terms of professional capacity building, all directors actively participated in continuing education courses, meeting the requirements of the competent authorities and corporate governance principles. The course content covered core issues such as the prevention of fraudulent loans and money laundering through nominee accounts, sustainable succession and AI application transformation, opportunities and challenges for corporate smart transformation in the AI era, changes in the international political and economic landscape, and legal compliance for insider equity transactions. This demonstrates that the Board of Directors attaches great importance to the continuous refinement of professional knowledge and actively keeps pace with the latest trends in

Evaluation cycles	Evaluation periods	Evaluation scope	Evaluation method	Evaluation content
				industrial development and the business environment to enhance overall decision-making quality and corporate governance effectiveness. Recommendations from the external evaluator 1. Plan to increase the number of female director seats to reach one-third of the Board. 2. Establish a Nomination Committee and Sustainable Development Committee. 3. Formulate specific measures to enhance corporate value and report them to the Board of Directors. 4. Formulate and disclose policies linking senior executives' compensation with ESG-related performance evaluations.
External performance evaluation: implemented once every three years.	January 1, 2025, to December 31, 2025	Board of Directors' performance evaluation.	1. Board of Directors' Performance Evaluation Commissioned Externally: 2. The external evaluation was commissioned to the "Taiwan Investor Relations Institute;" the evaluation was made based on the document provided by the Company, self-evaluation questionnaires, and the in-person and online interviews.	5. Strengthen third-party ESG verification mechanisms to enhance the Board's effectiveness in sustainability supervision and decision-making. 6. Increase the frequency of investor conferences to strengthen investor relations and information disclosure. Company's improvement plan: 1. The Company will continue to collect a list of female director candidates with industry experience and professional backgrounds as an important reference for future director selection as part of a phased implementation to promote Board diversity. 2. The Company will evaluate and proceed based on operational development and legal regulations. 3. The Company completed this on December 26, 2025. 4. The Company will evaluate and proceed based on operational development and legal regulations. 5. The Company will evaluate and proceed based on operational development and legal regulations. 6. The Company will plan the number and frequency of sessions based on participation in investor conferences and investor demand.

(III) Operation and key tasks of the Audit Committee

Deliberation of the Audit Committee mainly include:

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

11. The appointment or dismissal of a financial, accounting, or internal auditing officer.
Reviewing financial report.

The Board of Directors has prepared the business report, financial statements and profit distribution proposals of year 2025; the financial statements have been audited by Baker Tilly Clock and Co.; the latter issued an audit report as well. The aforesaid business report, financial statements and the motion for earnings distribution have been reviewed by the Audit Committee and deemed no inconsistency.

The Audit Committee held 6 meetings (A) during the most recent period (from January 1, 2025, to March 10, 2026); see below for attendance of independent directors:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B/A) (Note)	Remarks
Independent director a	Lorraine Yao	6	0	100%	
Independent director b	Chu Shih-Yi	6	0	100%	
Independent director c	Wu Chun-Lai	2	0	100%	Mr. <u>Wu Chun-Lai</u> was dismissed on June 13, 2025; the number of meetings he was expected to attend during his tenure was 2.
Independent director	Huang Ming-Fa	4	0	100%	Mr. <u>Huang Ming-Fa</u> was newly appointed on June 13, 2025; the number of meetings he was expected to attend during his tenure was 4.

Other information required:

I. Operation of the Year

Meeting date of the Audit Committee	Motion content and follow-up	Objection, reservation, or material recommendations by independent directors	The matters referred to in Article 14-5 of the Securities and Exchange Act	Resolution(s) not passed by the Audit Committee but receiving the consent of two thirds of the Board of Directors	Responses to recommendation by the audit committee
17th meeting of the 2nd Audit Committee 2025.03.11	1. Annual business report and financial statements 2024.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal of the 2024 cash dividends paid from earning distribution.				
	3. Proposal of the Company’s 2024 Earnings Distribution Table.				
	4. Longtan R&D Building renovation project				
	5. Professional fees of the attesting CPAs.				
	6. 2024 internal control system statement.				
	7. Proposal to amend the Procedures for Asset Acquisition and Disposal.				
	8. Formulation of the "Procedures for Loaning Funds to Others" of the subsidiary, FRG US Corp.				
	9. Proposal to loan to subsidiary FRG US Corp.				
	10. Loaning of funds to others by the subsidiary, FRG US Corp.				
Resolution by the audit committee on March 11, 2025: passed without objection from members present at the meeting					
18th meeting of the 2nd Audit Committee 2025.05.09	1. Consolidated financial report of Q1 2025.	None	v		Passed as proposed without objection from directors
	2. Proposal to increase the investment limit of the subsidiary FRG US Corp. and increase its capital.				
	3. The Company’s residential unit distribution proposal for the 950 Market Street investment in San Francisco.				

	4. The Company’s endorsement/guarantee proposal for the 950 Market Street investment in San Francisco.				present at the meeting
Resolution by the audit committee on May 9, 2025: passed without objection from members present at the meeting.					
3rd meeting of the 1st Audit Committee 2025.08.12	1. Consolidated financial report of Q2 2025.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal for the acquisition of right-of-use assets from related parties.				
	Resolution by the audit committee on August 12, 2025: passed without objection from members present at the meeting				
2nd meeting of the 3rd Audit Committee 2025.11.11	1. Consolidated financial report of Q3 2025.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal of independence and competence assessment for attesting CPA.				
	3. Proposal to loan to subsidiary FRG US Corp.				
	4. Loaning of funds to others by the subsidiary, FRG US Corp.				
	5. Amendment to the Company's internal control system for the payroll cycle.				
Resolution by the audit committee on November 11, 2025: passed without objection from members present at the meeting					
3rd meeting of the 3rd Audit Committee 2025.12.26	1. Proposal of 1.115 audit plan.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal to loan to subsidiary FRG US Corp.				
	3. Loaning of funds to others by the subsidiary, FRG US Corp.				
	4. Proposal to amend the delegation of authorization.				
Resolution by the audit committee on December 26, 2025: passed without objection from members present at the meeting.					
4th meeting of the 3rd Audit Committee 2026.03.10	1. Annual business report and financial statements 2025.	None	v		Passed as proposed without objection from directors present at the meeting
	2. Proposal of the 2025 cash dividends paid from earning distribution.				
	3. Proposal of the Company’s 2025 Earnings Distribution Table.				
	4. Professional fees of the attesting CPAs.				
	5. 2025 internal control system statement.				
	6. Proposal to amend the Procedures for Asset Acquisition and Disposal				
	7. The proposal to revise the internal control system for the “Management of the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”				
Resolution by the audit committee on March 10, 2026: passed without objection from members present at the meeting.					
II. For the implementation and state of independent directors' recusal for conflicts of interests, the independent directors' name, topic discussed, reasons for the required recusal, and participation in the voting process: none.					
III. Communication between the independent directors and internal auditing officers and CPAs (including the material matters related to the company’s finance and business, approaches and results):					
(1)					
Date	Communicated matter	Communication result			
2025/03/11	Report of the results of audit in February 2025. Recommendations by independent directors: None.	The Audit Office reported on the progress of the withdrawal from the 950 Project and completed the execution.			

2025/05/09	Report of the results of audit in April 2025. Recommendations by independent directors: None.	The Audit Office reported on the progress of the residential unit distribution for the 950 Project and completed the audit execution.	
2025/08/12	Report of the results of audit in July 2025. Recommendations by independent directors: None.	The Audit Office reported on the newly constructed Smart Logistics Park and completed the audit execution.	
2025/11/11	Report of the results of audit in October 2025. Recommendations of independent directors: none	The Audit Office reported on the continuing education hours of directors for the current year and completed the audit execution.	
2025/12/26	Report of the results of audit for November/December 2025. Recommendations of independent directors: none	The audit office has completed the audit plan successfully.	
(2) Policy report of the communication between independent directors, the CPAs and internal auditing officers			
Date	Communicated matter	Communication result	
2025/09/03	See below for two-way communication on corporate governance matters: 1. Explanation of Audit Quality Indicators (AQI) – Independence. 2. 2025 Q2 Independent Auditors' Review Report. 3. Pre-audit planning report for the annual audit. 4. Key points of the recent law updates. 5. Others.	The proceedings of this meeting will be reported to the Board of Directors for acknowledgment: 1. Noted, and no other comments. 2. Noted, and no other comments. 3. Noted, and no other comments. 4. To be handled in accordance with the regulations of the competent authority. 5. To be handled in accordance with regulations with appropriate measures taken.	

Note:

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

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

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
I. Whether The Company establishes and discloses its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has passed the "Rules of Corporate Governance" on the 8th session of the 20th Board held on March 20, 2020 and it has been disclosed on the Company's website.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
II. Equity structure and shareholders' equity				
(I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		(I) The Company has established stock personnel and legal affairs personnel to handle shareholders' proposals, disputes, and litigation matters, and these matters are enforced according to procedures.	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		(II) The Company has established stock affairs unit and stock affairs agency that can get hold of the list of the ultimate controllers of the major shareholders.	(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		(III) The Company has established internal rules and internal control system of relevant legal mechanism in compliance with the laws and regulations and has enforced the rules accordingly. Aside from supervising important subsidiaries to establish internal control system as required by Article 3 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX- Listed Companies," the Company also reviews its own and the important subsidiaries' internal and external changes to thoroughly enforce risk control and firewall mechanism.	(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		(IV) In compliance with the Company's "Procedures for Handling Material Inside Information" to regulate material inside information and disclosure mechanism to avoid improper disclosure and ensure that the information disclosed by the Company is consistent and positive. Prevention of insider trading will also be strengthened.	(IV) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
III. The Composition of the Board of Directors and Their Duties				
(I) Does the Board of Directors formulate policies and specific management objectives for diversification and implement them accordingly?	✓		(I) The Company's Board of Directors currently has 9 directors and has adopted the nomination system. As the Board of Directors nominates candidates, aside from basic legal qualifications, they are also required to have knowledge and professional experience in terms of relevant business, law and industry in order to reach the goal of the implementation of diversified Board members.	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
(II) Apart from the Remuneration Committee and Audit Committee, has the company assembled other functional committees at its own discretion?	✓		(II) The company has set up remuneration committee, audit committee and employee welfare committee; establishment of other functional committees will be determined in accordance with the Company Act at the discretion of FRG or its actual needs.	(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(III) As the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?	✓		(III) The company established the Regulations Governing the Board Performance Evaluation and its evaluation methods in the 8th meeting of Board of Directors, 20th Term on March 20, 2020. The external Board performance evaluation shall be executed by an external professional independent institution or an external team of scholars and experts once every three years. The outcomes of the performance evaluation is submitted to the meeting of Board of Directors in the first quarter of the next year. In addition, it periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and executive officers, and the recommendations are submitted to the meeting of Board of Directors for discussion.	(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(IV) Is an external auditor's independence assessed on a regular basis?	✓		(IV) The Company's Management Department conducts a self-evaluation of the independence of the attesting CPAs once a year, and submitted the results to the Audit Committee and Board of Directors on November 11, 2025. Mr. Lai Chia-Yu and Lai Yung-Ji, CPA of Baker Tilly Clock & Co., met FRG's independence criteria as assessed by the management department of FRG; they are qualified to serve as attesting CPA of the company. See P46-P48 (V) of annual report for shareholders' meeting for details of "independence assessment of the attesting CPA".	(IV) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
IV. Is the company a TWSE/TPEX listed company, and has the company designated an appropriate number of personnel that specialize (or are involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of Board meetings and shareholders meetings, preparation of Board meeting and shareholders meeting minutes, etc)?	✓		The Board of Directors on May 11, 2021 company has passed the resolution to appoint Mr. Shi Mingde, Assistant Manager, as the director of corporate governance to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Assistant Manager Shi Ming-De has more than three years of experience as an accounting supervisor in a TWSE listed company. The main responsibilities of the director of corporate governance are: take care of matters related to the Board of Directors and shareholders' meeting according to law, prepare minutes of the Board of Directors and shareholders' meeting, assist directors in their appointment and continuous education, provide directors with the information they need to execute their business, and assist directors to comply with laws and regulations.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
V. Does the Company establish mechanisms for communicating with stakeholders (including but not limited to stockholders, employees, customers and suppliers), and a stakeholder site	✓		Aside from appointing dedicated personnel to handle stakeholder channels, the Company has also set up a stakeholder section on its	There are no deviations from "Corporate Governance Best-Practice

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
on the company website to appropriately respond to material CSR topics they concern about?			website and responses accordingly to issues concerning stakeholders in terms of corporate social responsibility.	Principles for TWSE/TPEX Listed Companies".
VI. Has the company appointed a professional shareholders service agent to process the affairs related to shareholders' meetings?	✓		The Company has appointed Stock Agency Department of Taishin International Bank as stock agency to handle stock related affairs.	There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
VII. Information disclosure				
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		(I) The Company has set up a website to disclose information in relation to the Company's financial matters and businesses and is updated on a regular basis. The Company's website is .http://frg.com.tw	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		(II) The Company has a spokesperson and an acting spokesperson and has established a website in both traditional Chinese and English. A dedicated personnel has been assigned to collect company information and information disclosure. There is related company introduction, production introduction and its latest news on the Company's website	(II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline.		✓	(III) The Company has published and reported financial reports and operating status for each month based on the regulations specified in the "List of Matters Required to Be Handled by Issuers of Listed Securities"; however, the Company has not been publicly announced and reported the financial report within two months after the end of the fiscal year. The Company announces and reports the financial statements of the first, second, and third quarter and monthly operations before deadlines as statutorily scheduled.	(III) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	✓		(I) Employees' rights and benefits: The Company has reasonable salary system in accordance with the Labor Standards Act to protect the legal rights of employees. (II) Employees' care: The Company's various management rules are formulated based on the on the interests of employees and also purchases various types of insurance for employees such as health, nursing, employment, work injury and public welfare. The Company organizes annual health check-ups to protect employees. (III) Investor relations: The Company has a spokesperson and an acting spokesperson who are responsible for the Company's external communication; dedicated personnel has also been set up to	(I) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (II) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (III) There are no deviations from "Corporate Governance Best-

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
			disclose the Company's information on MOPs as required by the law. (IV) Supplier relations: The Company has exceptional supply relations with suppliers, reaching overall production cost optimization. (V) Rights of stakeholders: The Company maintains positive communication channels with stakeholders and respects and protects their legal rights. The Company also has a spokesperson and acting spokesperson system to handle issues and suggestions with regards to shareholders. (VI) Further training for directors: The Company's directors have participated in further training courses as required by the law. In the future, the Company will arrange suitable further training courses for directors in the future on an unscheduled basis. (VII) Implementation of risk management policy and risk assessment standards: Various internal rules internal control system have been formulated as required by the law, and the Company conducts various risk management and evaluation. The internal audit unit carries out inspection of the implementation of the internal control system on a regular basis or on an unscheduled basis. (VIII) Implementation of customer service policy: The Company has exceptional relations with customers and provides customer service based on various internal control measures. The "customer satisfaction" is treated as an important part of the quality policy. (IX) The Company purchases liability insurance for directors.	Practice Principles for TWSE/TPEX Listed Companies". (IV) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (V) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (VI) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (VII) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (VIII) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". (IX) There are no deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".
IX. Please note progress of improvements made and propose remedial measures against those pending for improvements based on the corporate governance assessment report (2025) issued by the Corporate Governance Center of the TWSE: 1. Does the Company have its risk management supervised by the Audit Committee or a board-level functional committee, such as a risk management committee, establish risk management policies and procedures approved by the Board of Directors, disclose its risk management organizational structure, risk management procedures and their implementation status, and report				

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	Summary	
to the Board of Directors at least once a year? The Company’s risk management is supervised by the Audit Committee. The Company has established risk management policies and procedures approved by the Board of Directors, disclosed its risk management organizational structure, risk management procedures and their implementation status, and reports to the Board of Directors at least once a year. 2. Has the Company established an information and communication security risk management framework, formulated information and communication security policies and specific management plans, invested resources in information and communication security management, and disclosed such information on the Company’s website or in the annual report? The Company has established an information and communication security risk management framework, formulated information and communication security policies and specific management plans, invested resources in information and communication security management, and disclosed such information on the Company’s website.				

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

(V) Independence evaluation of CPAs

(1) Audit Quality Indicator (AQIs) Assessment:

Item number	Evaluation Item				Evaluation opinions		
1.	Do CPAs and their affiliated accounting firms have the necessary professionalism and management skills to carry out audits?				CPAs have more than 15 years of auditing-related experience; thus, they have adequate auditing knowledge.		
	Sub-item indicators		Level of the case	Level of the accounting firm			
	(1-1-1) Inspection experience of CPAs (chief CPA)		8 years	15.7 years			
	(1-1-1) Inspection experience of CPAs (counter-signing CPA)		32 years	15.7 years			
	(1-1-2) Engagement quality control review (EQCR) accounting inspection experience		3 years	15.7 years			
	(1-1-3) Inspection experience of inspectors above managerial level (excluding CPAs)		9 years	16.9 years			
	Sub-item indicators		Level of the accounting firm				
	(1-2-1) Training hours for CPAs		50.8 hours				
	(1-2-2) Training hours for inspectors above managerial level (excluding CPAs).		48.3 hours				
	(1-3-1) Turnover rate of inspectors above managerial level (excluding CPAs)		4.3%				
	(1-4-1) Ratio of professionals in support of inspections by the Department		7.7%				
	(1-4-2) Number of hours spent by professionals in cases involving TWSE/TPEX listed companies		0.2%				
2.	Are CPAs overburdened with work, and is the inspection team has appropriate involvement in various inspection stages?				The ratio of publicly offered companies with chief CPAs and counter-signing CPAs and the ratio of CPAs who can put in working hours are considered reasonable.		
	Dimensions	Sub-item indicators		Level of the case		Level of the accounting firm	
	(2-1-1)	The number of publicly offered companies with CPAs serving as the chief CPA.		5 companies		2.9 companies	
		The number publicly offered companies with CPAs serving as the chief CPA.		3 companies		2.9 companies	
	(2-1-2)	Ratio of CPAs who can put in working hours-chief CPAs		34.1%		31.9%	
		Ratio of CPAs who can put in working hours-counter-signing CPAs		34.1%		31.9%	
	Ratio of inspection hours		Level of the case inspected in 2023				
		CPA	Managerial officer	Inspector		Total	
	Planning stage		3.3%	4.2%		21.2%	28.7%
	Implementation stage		5%	10.8%		55.5%	71.3%
	Total		8.3%	15%		76.7%	100%
	Ratio of inspection hours		Level of the accounting firm inspected in 2023				
		CPA	Managerial officer	Inspector		Total	
	Planning stage		2.6%	4.9%		21.6%	29.1%
	Implementation stage		5.5%	15.9%		49.5%	70.9%
	Total		8.1%	20.8%		71.1%	100%
	3.	Do engagement quality control review (EQCR) CPAs put in sufficient hours to implement auditing case reviews and if accounting firms have sufficient quality control manpower to support their inspection teams?				The ratio of review hours among EQCR CPA accountants is equivalent to that of the accounting firm. Furthermore, the ratio of quality control personnel supporting the Audit Department is reasonable and sufficient to maintain the	
Sub-item indicators		Level of the case	Level of the accounting firm				
(2-3-1) Ratio of EQCR CPAs' review hours		1.33%	1.43%				
Sub-item indicators		Level of the accounting firm					
(2-4-1) Equivalent number of full-time quality control personnel		9.9					
(2-4-2) Ratio of quality control personnel supporting the Auditing Department.		9.6%					

		Company's audit quality.		
4.	If accounting firms and their affiliated businesses collect excessive non-audit service fees and if accounting firms provide financial reports and auditing services to the Company for an inordinately long period of time.			
	Sub-item indicators		2023	2022
	(3-1) Ratio of audit cases of non-audit service fees		26%	33.8%
	Sub-item indicators		2023	
	(3-2) Cumulative number of years of audit cases certifying annual financial reports at accounting firms		31 years	
	Although accounting firms have provided audit services to the Company for 30 years, CPAs have not provided audit services for more than seven years and non-audit fees do not account for more than 40%; thus, when CPAs and their affiliated accounting firms perform audit work, they can maintain independence and express their opinions fairly.			

(2) Independence and competence evaluation:

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

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

Note 2: In accordance with Article 68 of the Standard for Quality Control No. 1 and Article 29 of the Corporate Governance Best-Practice Principles, in order to prevent long-term relationship with the CPAs for providing services to the Company, and the CPAs have become over-familiar with the Company's management and further lose their independence,

it is clearly stipulated that CPAs must be replaced on a fixed period (no more than 7 years). Before 7 years of providing service to the same client is due, the CPAs must be changed from time to time.

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

CPA	Period
Lai Chia-Yu	2023 Q4 – 2030 Q3
Lai Yong-Ji	2021 Q1 – 2027 Q4

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

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

1. The Company has established the Remuneration Committee after passing the formulation of the "Remuneration Committee Charter" by the Board of Directors. The main duties of the Remuneration Committee are as follows and should submit suggestions to the Board of Directors for discussion.
 - (1) Establish and regularly review policies, systems, standards and structures for performance evaluation and remuneration for directors and managerial officers.
 - (2) Regularly assess and set up the salary remuneration for directors and managerial officers.
2. At the 1st meeting of the 22nd Board of Directors (June 13, 2025), Independent Director Lorraine Yao, Mr. Wu Chun-Lai, and Mr. Lin Ying-Ji were appointed as members of the 6th Remuneration Committee. Their term is proposed to be effective from June 13, 2025, to June 12, 2028, coinciding with the term of the current Board of Directors.
3. Mr. Wu Chun-Lai resigned as a Remuneration Committee member on August 4, 2025; on August 12 of the same year, Independent Director Huang Ming-Fa was appointed to serve as a member of the Remuneration Committee.
4. The 5th Remuneration Committee held a total of 14 meetings from June 14, 2022, to May 9, 2025. The 6th Remuneration Committee held a total of 4 meetings from June 13, 2025, to March 10, 2026.

Information on Remuneration Committee Members

April 14, 2026

Title (Note 1)	Conditions Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Member of the Remuneration Committee
Convener	Lorraine Yao	· Independent director, FRG (now) · Partner CPA of ShineWing International · Former Audit Manager of KPMG Taiwan · Not under any circumstances set in Article 30 of the Company Act	Independence compliance 1. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 2. The independent director only holds 4,500 shares, and his/her spouse or blood relatives (or in the name of others) hold shares of FRG. 3. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. 4. ShineWing International, the accounting firm the independent director belongs to, had received no more than NT\$500,000 as the accumulated compensation in the most recent two years.	0
Member	Lin Ying-Ji	· Currently a member of the Company's Remuneration Committee. · Currently an attorney in practice. · Former director of the Company's Legal Office and Finance Section. · Served as legal assistant managerial officer of Howarm United Industries Co., Ltd. · Served as legal assistant managerial officer of Kingland Property Corporation Ltd. · Not under any circumstances set in Article 30 of the Company Act	Independence compliance 1. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 2. In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. 3. In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. 4. He/She has not received any compensation from FRG or its affiliated companies for providing business, legal, financial, accounting, or other professional services in the past two years.	0

Member	Wu Chun-Lai (Resigned as a member on August 4, 2025)	- General Counsel, Jet-Go Consulting Group. - Executive Director, Active Aging Association Taiwan (now) - Manager and spokesman of the chairman's office, Farglory Group (in the past). - He used to be the Executive Vice President of Heding Technology (in the past). - Deputy General Manager, Hung Kuo Real Estate Development Corp. (in the past). - Chair Professor, National Academy of Civil Service (in the past). - Not under any circumstances set in Article 30 of the Company Act	Independence compliance - Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. - In no circumstances he/she, his/her spouse or blood relatives (or in the name of others) hold shares of FRG. - In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. - He/She has not received any compensation from FRG or its affiliated companies for providing business, legal, financial, accounting, or other professional services in the past two years.	0
Member	Huang Ming-Fa (Newly appointed as a member on August 12, 2025)	- Currently a member of the Company's Remuneration Committee. - Independent director, FRG (now) - Currently serves as a Director, TAH KONG CHEMICAL INDUSTRIAL CORP. - Former Director and President, TAH KONG CHEMICAL INDUSTRIAL CORP. - Not under any circumstances set in Article 30 of the Company Act	Independence compliance - Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in subparagraphs 2 and 3, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. - The independent director only holds 3,000 shares, and his spouse holds only 2,000 shares; no other relatives within the second degree of kinship (nor any through nominees) hold shares in FRG. - In no circumstances he/she is serving as a director, supervisor or employee of a company having specific relationship with FRG. - He/She has not received any compensation from FRG or its affiliated companies for providing business, legal, financial, accounting, or other professional services in the past two years.	0

Note 1: Please profile members of the remuneration committee including relevant working years, professional qualifications and experience and independence in the form; regarding those being independent directors, add remark “please refer to Table 1 at page 22 of directors and supervisors Information form (I)”. Regarding the “Role” cell: fill in “independent director” or other data (for conveners, remark them accordingly).

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

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

Information on the Operation of the Remuneration Committee

- I. The Company's Remuneration Committee is comprised of 3 members.
- II. The term of the current members: June 13, 2025, to June 12, 2028. The Remuneration Committee convened five meetings (A) from January 1, 2025, to March 10, 2026; qualifications and attendance of members are:

Title	Name	Actual attendance (B)	Proxy Attendance	Actual attendance (%) (B / A) (Note)	Remarks
Convener	Lorraine Yao	5	0	100%	
Member	Lin Ying-Ji	5	0	100%	
Member	Wu Chun-Lai	2	0	100%	Mr. <u>Wu Chun-Lai</u> resigned on August 4, 2025; the number of meetings he was expected to attend during his tenure was 2.
Member	Huang Ming-Fa	2	0	100%	Mr. <u>Huang Ming-Fa</u> was newly appointed on August 12, 2025; the number of meetings he was expected to attend during his tenure was 2.

Other information required:

- I. If the Board of Directors defy or amend the recommendations by the remuneration committee, note down date of the meeting, term of the Board, the content of the proposal, the resolution of the Board of Directors, and measures taken by FRG against the recommendations made; (if the package approved by the Board is better than that of the remuneration committee, give variations' value and reasons): none, see page 44 for details.
- II. If with respect to any resolution of the remuneration committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the opinion shall be stated in the meeting minutes, including meeting date, term of the committee, the content of the proposal, the measures taken by FRG for the said members and their recommendation: none, see page 44 for details.

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

III. Other information required:

1. Motion contents and resolution results of the Remuneration Committee

Meeting date of the Remuneration Committee	Motion content	Objections, reservations or material recommendations	Resolution result	The Company's handling of the Remuneration Committee's opinions
The 14th meeting of the 5th Remuneration Committee (May 9, 2025)	1. Proposal to re-appoint consultants of the Company's subsidiary Banjian Development Co., Ltd.	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 1st meeting of the 6th Remuneration Committee (July 2, 2025)	1. Motion of the Company's 22nd Board of Directors, members of the Remuneration Committee and members of the Audit Committee. 2. Proposal of appointment and remuneration of directors, supervisors, and consultants of the Company's subsidiary Banjian Development Co., Ltd.	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 2nd meeting of the 6th Remuneration Committee (August 12, 2025)	1. Proposal for the semi-annual settlement of project performance rewards and penalties for various departments. 2. Appointment of consultants.	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 3rd meeting of the 6th Remuneration Committee (December 26, 2025)	1. Proposal for year-end bonus (2025) of FRG and the subsidiary, Banjian. 2. Proposal for remuneration of associate vice-president, manager, vice manager and assistant managerial officer level (2026). 3. Proposal for the 2025 performance bonus for the stock investment project. 4. Proposal for the appointment of the Company's consultant for 2026.	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.
The 4th meeting of the 6th Remuneration Committee (March 10, 2026)	1. Remuneration of directors and remuneration distribution of employees (2025). 2. Proposal for the 2025 performance rewards and penalties for various departments and projects (as submitted by each department). 3. Discussion of the proposal for the 2026 project plans for various departments and projects (as submitted by each department).	None.	Approved by all attending members as proposed without dissent, and submitted to the Board for resolution.	Approved by all attending directors as proposed without dissent.

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

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

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

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies										
	Yes	No	Summary											
principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)			such in the sustainability report in accordance with the corporate governance 3.0-sustainable roadmap, GRI, and TCFD related regulations. 2. The Company’s “Sustainable Development Team” will carry out an analysis based on the principle of materiality in the sustainability report, as well as communicate with interested parties. Furthermore, the ESG majority issues are evaluated by inspecting domestic and foreign research reports, literature and integrating department and subsidiary evaluation data. This enables the establishment of effective risk identification, measurement, evaluation, supervision and control procedures, as well as the implementation of specific action plans to mitigate the effects of related risks. 3. Based on the identified risks after an evaluation, the following risk management policies or strategies are as follows: <table><tr><th>Major issues</th><th>Risk assessment items</th><th>Description of policies or strategies</th></tr><tr><td rowspan="3">Corporate governance</td><td>Social, economic, and legal compliance</td><td> 1. Establish governance organizations and implement internal control mechanisms to ensure all the personnel in the Company and operations are in compliance with related laws and regulations. 2. The products researched and developed by the Company have applied for patents to protect the Company’s rights. </td></tr><tr><td>Strengthen Board functionality.</td><td> 1. Plan relevant training topics for the Board and provide it with the most recent regulations, system development and policies every year. 2. Acquire liability insurance for the Board to shield them against lawsuits or claims for reimbursement. </td></tr><tr><td>Communication with interested parties.</td><td> 1. Every year, the Company analyzes important issues that are important and concerning to them in order to prevent interested parties and the Company from taking opposing positions, resulting in misunderstandings and operating or lawsuit risks. </td></tr></table>	Major issues	Risk assessment items	Description of policies or strategies	Corporate governance	Social, economic, and legal compliance	1. Establish governance organizations and implement internal control mechanisms to ensure all the personnel in the Company and operations are in compliance with related laws and regulations. 2. The products researched and developed by the Company have applied for patents to protect the Company’s rights.	Strengthen Board functionality.	1. Plan relevant training topics for the Board and provide it with the most recent regulations, system development and policies every year. 2. Acquire liability insurance for the Board to shield them against lawsuits or claims for reimbursement.	Communication with interested parties.	1. Every year, the Company analyzes important issues that are important and concerning to them in order to prevent interested parties and the Company from taking opposing positions, resulting in misunderstandings and operating or lawsuit risks.	
Major issues	Risk assessment items	Description of policies or strategies												
Corporate governance	Social, economic, and legal compliance	1. Establish governance organizations and implement internal control mechanisms to ensure all the personnel in the Company and operations are in compliance with related laws and regulations. 2. The products researched and developed by the Company have applied for patents to protect the Company’s rights.												
	Strengthen Board functionality.	1. Plan relevant training topics for the Board and provide it with the most recent regulations, system development and policies every year. 2. Acquire liability insurance for the Board to shield them against lawsuits or claims for reimbursement.												
	Communication with interested parties.	1. Every year, the Company analyzes important issues that are important and concerning to them in order to prevent interested parties and the Company from taking opposing positions, resulting in misunderstandings and operating or lawsuit risks.												

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
			2. Set up multiple communication channels and actively communicate to reduce opposition and misunderstandings. Establish an investor mailbox that will be tended to by a spokesperson who will also be responsible for answering questions.	
III. Environmental Issues				
(I) Does the company have an appropriate environmental management system established in accordance with its industrial character?	✓		(I) FRG is implementing the environmental management system (ISO14001) to perfect the system and enhance safety, health and environmental management.	Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(II) Does the company committed to improve energy efficiency and employ recycled materials with low impact on the environment?	✓		(II) FRG has been striving to improve the efficiency of resources consumed including: no paper provided and requirement to prepare personal cup by employees; requirement for employees to bring their own environmentally friendly utensils; use envelopes and Kraft paper bags repeatedly for document delivery. The boilers in plants uses LPG & wooden grains as fuels; commitment to garbage classification and recycling renewable resources, and contribute to environment protection, energy conservation and carbon reduction.	
(III) Has the company assessed the potential risks and opportunities for business operations now and the future regarding climate change and will it adopt response measures related to climate issues?	✓		(III) The global climate has changed dramatically due to the greenhouse effect and its impact scope poses potential risk for a corporate sustainable operation. The Company has established emergency response measures as to minimize the impact when disaster strikes.	
(IV) Has the Company tallied the greenhouse gas emissions, water consumption and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?	✓		(IV) The Company is conducting an internal inventory of greenhouse gases, and will set a goal to reduce greenhouse gas emissions after the external verification is completed; the Company strengthens the promotion for the concept of water-saving, and the plant production lines will use recycled water to reduce water consumption; the energy-saving and carbon reduction are actively promoted, to achieve the waste reduction target; the use of paper is reduced by digitalization; the office temperature control is set with energy-saving light bulbs to achieve the purpose of energy saving and carbon reduction.	

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
IV. Social Issues				
(I) Does the company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	✓		(I) The United Nations Global Covenant, the United Nations Universal Declaration of Human Rights and the International Labor Organization Declaration on Fundamental Principles and Rights at Work are just a few examples of international human rights conventions that the company supports and abides by. It also respects employee rights and interests in the workplace and works to end forms of discrimination, forced labor and other human rights violations. To safeguard the fundamental rights and interests of employees, all applicable labor laws, employee appointment and dismissal procedures and compensation are compliant with the company's employee appointment management regulations.	(I) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) and appropriately reflect the business performance or achievements in the employee remuneration?	✓		(II) The Company outlines a number of welfare measures for its employees. In addition to receiving meal subsidies during working hours, all employees are also eligible for group insurance, labor insurance, national health insurance, wedding and childcare allowances, birthday and festival gift cards and grants and scholarships for children's education. An Employee Welfare Committee has also been created. To ensure the retirement rights of the employees opted the old pension system, the Company contributes 2% of the total salary as a retirement fund every month, and deposits such in a dedicate account in the name of the Labor Retirement Reserve Supervisory Committee in the Trust Department of Bank of Taiwan; 6% is contributed for the employees under the new system as the labor pension to their personal account in the Labor Insurance Bureau. The Company calculates and pays wages, working hours, leaves, pensions, labor and national health insurance, occupational disaster compensation to employees pursuant to labor laws and regulations. According to the Company's Articles of Incorporation, the Company distributes no less than 1% of profit before tax as remuneration to employees. For relevant measures, please refer to the Company's website. The Company's remuneration policy is based on personal abilities, contribution to the Company, and performance, which are positively correlated with business performance.	(II) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		(III) Employee health examinations, on-site health services, disaster prevention drills and labor safety and health education and training are all scheduled on a regular basis to help employees develop their ability to respond to emergencies and self-manage their health and safety. The Company has also established an emergency response operation process to deal with emergencies that arise as a result of operating activities, ensuring that employees work in a safe and healthy environment.	(III) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Progress (Note 1)			status of and causes to deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(IV) Does the company establish effective training programs for employee's career development?	✓		(IV) The Company periodically sends staff members to technical personnel training and on-the-job training, among other training programs, in order to integrate internal and external resources, strengthen career capabilities and enhance performance and quality.	(IV) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(V) Does the company comply with relevant laws and international standards regarding customer health and safety with respect to its product and service, customer privacy, marketing and labeling; formulate relevant policies and complaint procedures for consumer or customer rights protection?	✓		(V) The Company has set up a section for stakeholders on the website and dedicated personnel has been assigned to handle questions in relation to customers as a means to protection the rights of consumers. The Company continues to update and comply with relevant laws and regulations, and internal standards.	(V) Conformed to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(VI) Has the company established supplier management policies demanding compliance with relevant regulations and their execution status regarding issues such as environmental, occupational safety, and health or labor rights?		✓	(VI) The Company has not created pertinent policies, but domestic and overseas suppliers have mostly had a long-term business relationship with the Company, and all products are compliant with laws and regulations.	(VI) Formulation of applicable policies will be discussed.
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Have the reports mentioned previously obtained the assurance of third party verification?	✓		The Company already provided a most recent year complete report before August 31, 2025. The current sustainability report is the first sustainability report prepared; and the verification unit has limited verification capacity, and therefore verification cannot be scheduled. Currently, an assurance report and verification opinion from the third-party verification unit have not been obtained.	The most recent year sustainability report will be provided before August 31, 2025. The verification unit has limited capacity for verification, so the verification cannot be scheduled. Because the third-party verification is not a mandatory requirement, engaging a verification firm is not currently being considered.
VI. If the company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please note their implementation and differences between the two: The company's sustainable development best practice principles and related regulations were approved in 2023, which are in line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies				
VII. Other important information helpful to understand the implementation of sustainable development: List of donations by FRG for community participation, social contribution, social service, social welfare at an amount over NT\$300,000 in 2025: 1. Donation made to the academic research funding of molecular cardiology and cell medicine at Taipei Medical University Hospital NT\$600,000 2. Donation made to Taiwan Liver Research Foundation NT\$450,000				

Note 1: Regarding implementation progress checked by “Y”: please note important policies, strategies, measures adopted and their implementation situation; if “No”, please note reasons and status in the “deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” section along with program to execute relevant policies, strategies and measures in the future. However, regarding promotion items 1 and 2, the TWSE/TPEX listed companies shall describe the governance and supervision framework of sustainable development, including but not limited to management guidelines,

strategy and goal establishment, and review measures. The Company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status shall be specified as well.

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

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

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

1. Climate-related information implementation

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

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

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions in the most recent two years (metric tons of CO₂e), density (metric tons of CO₂e/NT\$ thousand), and scope of information coverage.

The Company began conducting internal verification in 2023 (for 2022 data).

The Company has established a greenhouse gas inventory mechanism in accordance with the Greenhouse Gas Protocol issued by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI), and the ISO 14064-1 greenhouse gas inventory standard issued by the International Organization for Standardization (ISO). Since 2023, the Company has conducted regular annual inventories of its greenhouse gas emissions to fully understand the status of greenhouse gas use and emissions and verify the effectiveness of reduction actions. External verification of 2025 data will be conducted in 2026.

Furthermore, the greenhouse gas inventory data for the two most recent years is based on the management control method, which summarizes the Company's greenhouse gas emissions and appears in the consolidated financial statements.

Scope	2024 (internal)	2025 (assurance)
Scope 1 (Category 1) Direct greenhouse gas emissions	2,415.5993	2,944.3845
Scope 2 (Category 2) Indirect greenhouse gas emissions	2,967.9412	2,948.4171
Scope 3 (Categories 3–6) Other indirect greenhouse gas emissions		1,663.1260
Total greenhouse gas emissions (unit: metric tons of CO ₂ e)	6,010.1605	7,555.928
Turnover (Unit: NT\$ thousand)	1,482,720	1,445,901
Intensity of greenhouse gas emissions (unit: metric tons of CO ₂ e/NT\$ thousand)	0.004053	0.005226

Note:

1. The source of the conversion factors was the announcement made by the Ministry of Environment on February 5, 2024.
2. The operational control method is used to define organizational boundaries.
3. The estimated values from the IPCC's fifth assessment report are used to calculate the global warming potential of various greenhouse gases.
4. The electricity emission factor was calculated based on 0.474 kg CO₂e/kWh as announced by the Energy Administration in 2024.
5. Greenhouse gas intensity=total greenhouse gas emissions÷turnover
6. External verification of 2025 data will be conducted in 2026. Therefore, 2025 has been set as the base year, with greenhouse gas emissions for that year totaling 7,555.928 metric tons CO₂e.

1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status in the last two years up to the date of publication of the annual report, including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions.

The Company has introduced a third-party assurance mechanism for greenhouse gas inventories starting from 2026, and has commissioned UNIVERSAL CERTIFICATION SERVICE CO., LTD. to conduct external verification of the Company's greenhouse gas emissions data for 2025. The assurance scope covers the Company's greenhouse gas emissions information from January 1, 2025 to December 31, 2025, including the head office, Taoyuan Plant and dormitories, Nankan Logistics Center, and other operating sites. It also covers greenhouse gas types including carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O),

hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃), which are converted based on the Global Warming Potential (GWP) values published in the IPCC Sixth Assessment Report in 2021.

The greenhouse gas inventory was conducted in accordance with ISO 14064-1:2018. According to the assurance report issued by the verification institution, the Company's 2025 greenhouse gas emissions information received an unqualified verification opinion. The greenhouse gas statements for Categories 1 and 2 appropriately reflected the relevant data and information. For Categories 3 through 6, no evidence was identified indicating that the relevant greenhouse gas statements were materially misstated or failed to fairly reflect the greenhouse gas data and information.

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

Describe the baseline year of greenhouse gas reduction, its data, reduction goals, strategies, and the achievement status of the specific action plans and reduction goals.

Since 2023, Formosan Rubber Group Inc. has conducted greenhouse gas inventories in accordance with the ISO 14064-1 greenhouse gas inventory standard, carrying out internal inventories of greenhouse gas emissions for Scope 1 (Category 1) and Scope 2 (Category 2). Starting from 2026, the Company will conduct greenhouse gas inventories for Scope 1 (Category 1), Scope 2 (Category 2), and Scope 3 (Categories 3 to 6), set 2025 as the base year, and perform assurance procedures. Total greenhouse gas emissions in 2025 were 7,555.928 metric tons CO₂e. In the future, Formosan Rubber Group Inc. will gradually replace old fixed-frequency energy-consuming equipment with variable-frequency equipment in accordance with regulatory requirements to reduce energy consumption and greenhouse gas emissions, and will obtain ISO 14064-1:2018 greenhouse gas inventory certification each year.

(VII-II) The Company's Human Rights Protection Policy and Specific Management Measures:

Human Rights Protection Policy

The Company recognizes and supports internationally established human rights standards, including the United Nations "Universal Declaration of Human Rights" and the International Labour Organization "Declaration on Fundamental Principles and Rights at Work". The Company has established a human rights policy applicable to the Company to eliminate acts that infringe upon or violate human rights, and complies with the relevant labor laws and regulations of the locations where the Company operates. This policy applies to all managers and employees, affiliates, affiliated enterprises, suppliers, contractors, partners (customers and communities), and other stakeholders. The Company is committed to eliminating any human rights violations.

Specific Management Measures

[Human Rights Risk Mitigation Measures]

The Company is committed to reasonably ensuring the safety of employees and the work environment, ensuring that personnel are treated with respect and dignity, and ensuring that its operations promote environmental protection and comply with laws, regulations, and ethics. To fulfill this commitment, the Company upholds integrity as its foundation, treats every employee with integrity and fairness, respects individual differences, and designates dedicated personnel to implement employee occupational safety and health operations in accordance with laws and regulations. In addition to continuing to promote and implement its human rights policy in daily operations through education and training, the Company has also established reasonable grievance channels.

[Human Rights Issues of Concern and Practices]

1. Provide a safe work environment

The Company actively promotes improvement activities such as energy conservation and carbon reduction, disaster prevention, and pollution prevention. In addition to providing a safe and healthy work environment in accordance with laws and regulations, the Company has also established a dedicated occupational safety and health unit to conduct safety and health, fire safety, and other related education and training. The Company also conducts regular sampling of the work environment to understand the actual conditions of employees' work environment and assess their exposure status. Necessary preventive measures are adopted to prevent occupational accidents and further reduce risk factors in the work environment.

2. Eliminate unlawful discrimination to reasonably ensure equal employment opportunities

The Company implements its human rights policy in its internal control procedures. In matters involving labor rights and interests, including recruitment and appointment, compensation and benefits, education and training, promotion, performance evaluation, resignation, dismissal, layoff, and retirement, the Company does not treat employees or job applicants differently, or subject them to any form of discrimination or unfair treatment, on the basis of race, class, language, ideology, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, zodiac sign, blood type, or former union membership.

3. Prohibit the employment of child labor

To ensure compliance with corporate social responsibility and ethical standards, the Company has expressly prohibited the use of child labor in any manufacturing process from the recruitment stage. As of December 2025, the Company had a total of 190 employees, and the number of child laborers was 0.

4. Prohibit forced labor

All work shall be performed voluntarily. The Company does not force or coerce any person who is unwilling to provide labor services. The Company's regulations on employees' daily and weekly regular working hours, extended working hours, regular leave, special leave, and other types of leave are all in compliance with laws and regulations.

The Company has set up a reminder function in its attendance system for employees applying for overtime. After overtime work is performed, overtime pay or compensatory leave is provided, and dedicated personnel review and control working hours at the plant on a monthly basis.

5. Assist employees in maintaining physical and mental health and work-life balance

The Company provides venues or funding sponsorship, offers free health examinations to employees, encourages employees to form clubs, and organizes diversified sports activities, annual gatherings, morning meeting sharing sessions, and other activities, enabling employees to balance family life, refresh their body and mind, and strengthen team cohesion.

[Responsible Unit for Human Rights Policy]

The Administration Department serves as the responsible unit for the Company's human rights policy and is committed to eliminating any human rights violations.

(VII-III) The Company's Environmental Management System and Implementation Status:

1. FRG is implementing the environmental management system (ISO14001) to perfect the system and enhance safety, health and environmental management.
2. FRG has been striving to improve the efficiency of resources consumed including: no paper provided and requirement to prepare personal cup by employees; requirement for employees to bring their own environmentally friendly utensils; use envelopes and Kraft paper bags repeatedly for document delivery. The boilers in plants uses LPG & wooden grains as fuels; commitment to garbage classification and recycling renewable resources, and contribute to environment protection, energy conservation and carbon reduction.
3. The global climate has changed dramatically due to the greenhouse effect and its impact scope poses potential risk for a corporate sustainable operation. The Company has established emergency response measures as to minimize the impact when disaster strikes.
4. The Company has introduced a third-party assurance mechanism for greenhouse gas inventories, and has commissioned UNIVERSAL CERTIFICATION SERVICE CO., LTD. to conduct external verification of the Company's greenhouse gas emissions data for 2025; the Company promotes the concept of water-saving, and the plant production lines utilize recycled water to reduce water consumption; the energy-saving and carbon reduction measures are actively promoted, to achieve emission reduction target; paper use is minimized through digitalization; the office is equipped with energy-saving light bulbs to reduce energy consumption and carbon emissions.
5. The Company's latest ISO 14001:2015 certificate is valid from July 19, 2024 to July 18, 2027.

(VII-IV) The Company's Career Development Training Program:

Formosan Rubber Group Inc. and its subsidiaries plan comprehensive competency training programs each year for managers at all levels and employees based on business operations, business directions, and future strategic development. These programs include new employee training, advanced professional training, and manager training, assisting employees in continuing to learn and grow through diverse learning methods.

The course content covers all aspects, including investment and finance, internal audit and control, and sustainable reporting practices of the governance aspect, occupational health and safety management of the environmental aspect, first aid training and occupational safety knowledge of the social aspect, and practical operational skills covering forklift and crane operations, and equipment recertification, etc. In 2025, a total of 19 participants took part in the programs, with cumulative training hours reaching 257.5 hours, and subsidies totaling NT\$73,100.

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

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

Evaluation Item	Implementation Status (Note 1)			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof
	Yes	No	Summary	
(III) Does the company have any policy that prevents conflict of interest, and channels that facilitate the reporting of conflicting interests?	✓		against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year). The most recent update to the Board on the implementation status was on March 10, 2026. 2. The Company's 2025 implementation status in meeting the requirements of its ethical management policy: A. The Company approved the “Ethical Management Policy”, “Ethical Corporate Management Best Practice Principles”, “Operating Procedures for Ethical Management”, “Code of Conduct,” and “Guidelines for Reporting and Penalties for Violation of Ethical Behaviors and Ethical Management” for 2023, which were announced on the website. The Company is carrying out the implementation as provisioned. In 2025, no reports of violations of ethical behavior or ethical management were received. B. “Employee Integrity Pledge” is expected to be completed in 2024 and signed by all employees. The signed versions will be kept by the HR department for reference. New recruits are required to sign the pledge when they report to work. A total of 10 new employees joined the Company, all of whom signed the "Employee Integrity Commitment Statement". (III) As a means to prevent conflict of interest, when a proposal at a given Board of Directors meeting concerns the personal interest of, or the interest of the juristic person represented by any of the directors, managerial officers and other stakeholders attending or present at Board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given Board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussions of or voting on the proposal and shall recuse himself or herself from the discussion or the voting and may not exercise voting rights as a proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.	TWSE/TPEX Listed Companies. (III) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the	✓		(IV) All units shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act and other relevant laws and regulations, and audit internal rules which specify the compliance of employees. Internal auditors shall	(IV) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for

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

Evaluation Item	Implementation Status (Note 1)			Nonconformity to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof
	Yes	No	Summary	
(III) Has the company taken appropriate measures to protect the whistle-blower from suffering any consequences of reporting an incident?	✓		damage to the company, the unit head of the company shall submit a written report to the Chairperson. 6. The relevant personnel of the Company handling the whistle-blowing (e.g. members of the investigation team) shall keep the identity of the whistle-blower and the content of the whistle-blowing confidential. (III) The Company also promises to protect the whistle-blowers from improper treatment due to their whistle-blowing.	(III) It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
IV. Strengthening of Information Disclosure Does the company have the contents of ethical corporate management and its implementation disclosed on the website and MOPS?	✓		The Company shall disclose the implementation states in the annual report in accordance with the guidelines for the preparation of annual reports by publicly listed companies, and disclose the annual report on the company's website. Company's website: www.frg.com.tw.	It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
V. For companies who have established Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the current practice and any deviations from the code of conduct: The Company's Ethical Corporate Management Best Practice Principles and relevant rules were approved in 2023. It has met the requirements stipulated in the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.				
VI. Other material information that helps to understand the practice of ethical management of the company: (e.g., the review and revision of the best-practice principles of the Company in ethical management) The Company adheres to its philosophy of the 7 highest principles including ‘making a contribution to the society’, “being loyal and honest”, “being modest”, “being responsible”, “refinement”, “striving for success” and “being grateful”. The Company requires all employees to abide by the spirit of these 7 principles and all laws and regulations as well as measures. Various employee rules have been formulated to ensure the implementation of ethical management and law compliance.				

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

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

1. See Item (13) of Section III of “Risk Management Policy and Organizational Structure of Formosan Rubber Group Inc.”
2. Further education of corporate governance for managerial officers and chief internal auditor:

Title	Name	Date of Appointment	Date of the Continuing Education		Organizer	Course Name	Hours of Course	Whether the Continuing Education Meets the Requirements (Note 1)
			From	To				
President	Hsu Zhen-Ji	2025/06/13	2025/10/31	2025/10/31	Securities and Futures Institute	2025 Promotional Session for Insider Equity Trading and Legal Compliance for Listed Companies	3	Yes
			2025/11/21	2025/11/21			3	
Audit Officer	Ou Chia-Bao	2021/01/01	2025/07/30	2025/07/30	Securities and Futures Institute	Analysis of Internal Control Deficiencies and the Responsibilities of Auditors: Lessons from Securities Law Violation Cases	6	Yes
			2025/09/17	2025/09/17		The Impact of Company Act Amendments on Internal Audit and Corporate Anti-Money Laundering	6	
Chief accounting officer	Shi Ming-De	2010/02/01	2025/06/19	2025/06/20	Accounting Research and Development Foundation	Advanced training course for accounting supervisors of issuers, securities firms, and stock exchanges	12	Yes
Chief corporate governance officer	Shi Ming-De	2021/06/30	2025/03/20	2025/03/21	Securities and Futures Institute	Practical Seminar on Sustainability Disclosure for TWSE/TPEX Listed Companies	9	Yes
			2025/05/16	2025/05/16	TWSE	2025 Insider Trading Prevention Promotion Conference	3	Yes

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

3. Continuing Education for Directors:

Title	Name	Date of Appointment	Date of the Continuing Education		Organizer	Course Name	Hours of Course	Whether the Continuing Education Meets the Requirements (Note 1)
			From	To				
Chairperson	Hsu Zhen-Tsai	2025/06/13	2025/10/31	2025/10/31	Securities and Futures Institute	2025 Promotional Session for Insider Equity Trading and Legal Compliance for Listed Companies	6	Yes
			2025/11/13	2025/11/13		Shareholders' Meetings, Management Rights, and Equity Strategies		
Director and President	Hsu Zhen-Ji	2025/06/13	2025/10/31	2025/10/31	Securities and Futures Institute	2025 Promotional Session for Insider Equity Trading and Legal Compliance for Listed Companies	6	Yes
			2025/11/21	2025/11/21				
Representative of juristic-person director	Hsu Zhen-Xin	2025/06/13	2025/01/14	2025/01/14	Taiwan Institute for Sustainable Energy	Professional Development Program for Directors and Supervisors of Taiwan Listed Companies Association	6	Yes
			2025/06/23	2025/06/23	Greater China Financial and Economic Development Association Taiwan Listed Companies Association	Opportunities and Challenges of Corporate Intelligence Transformation in the AI Era		
Representative of juristic-person director	Hsu Wei-Zhi	2025/06/13	2025/10/28	2025/10/28	Chung-Hua Institution for Economic Research	The World Situation Under the "Trump Whirlwind"	6	Yes
			2025/12/10	2025/12/10	Securities and Futures Institute	Domestic and International Development Trends of Carbon Pricing Mechanisms		
Representative of juristic-person director	Lin Kun-Rong	2025/06/13	2025/07/04	2025/07/04	Taiwan Corporate Governance Association	The Path to Sustainable Succession and AI Application Transformation	6	Yes
			2025/08/15	2025/08/15	Securities and Futures Institute	Regulations and Analysis of Fraudulent Loans and Nominee Account Money Laundering Prevention		
Representative of juristic-person director	Chu Lung-Tsung	2025/06/13	2025/08/20	2025/08/20	Securities and Futures Institute	Operating Strategies and Outlook for Taiwan's PMI Manufacturers in the Second Half of the Year Under Trump's Reciprocal Tariff Storm	6	Yes
			2025/08/22	2025/08/22		Current Status and Future Development of Virtual Asset Regulation		
Independent director	Chu Shih-Yi	2025/06/13	2025/11/27	2025/11/27	Securities and Futures Institute	Green and Transitional Finance Action Plans: Sustainability Blueprints and Director Responsibilities	6	Yes
			2025/12/18	2025/12/18		How Directors and Supervisors Oversee the Establishment and Promotion of a Comprehensive Risk Management System		
Independent director	Huang Ming-Fa	2025/06/13	2025/07/31	2025/07/31	Securities and Futures Institute	Operating Strategies and Outlook for Taiwan's PMI Manufacturers in the Second Half of the Year Under Trump's Reciprocal Tariff Storm	6	Yes
			2025/09/25	2025/09/25		Trump 2.0: International Economic Landscape and Taiwan's Industry Dynamics		
Independent director	Lorraine Yao	2025/06/13	2025/05/16	2025/05/16	Securities and Futures Institute	2025 Insider Trading Prevention Promotion Conference	6	Yes
			2025/11/21	2025/11/21		2025 Promotional Session for Insider Equity Trading and Legal Compliance for Listed Companies		

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

4. Procedures for Handling Material Inside Information:

Procedures for Handling Material Inside Information Formosan Rubber Group Inc.

Article 1 (Purpose of these Procedures)

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

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

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

Article 3 (Scope of application)

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

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

Article 4 (Scope of material inside information)

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

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

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

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

Article 6 (Confidentiality firewall operations - Personnel)

The COMPANY's directors, managerial officers, and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements.

No director, managerial officer, or employee with knowledge of material inside information of this Corporation may divulge the information to others.

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

Article 7 (Confidentiality firewall operations - Documents and information)

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

Files and documents containing the Company's material inside information shall be backed up and stored in a secure location.

Article 8 (Operation of confidentiality firewalls)

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

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

Article 9 (Confidentiality obligations of outside organizations and persons)

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

Article 10 (Principles of disclosure of material inside information)

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

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

Article 11 (Implementation of the spokesperson system)

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

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

Article 12 (Record of disclosure of material inside information)

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

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

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

Article 13 (Response to false media coverage)

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

Article 14 (Reporting of unusual events)

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

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

Article 15 (Disciplinary measures)

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

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

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

Article 16 (Internal controls)

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

Article 17 (Awareness campaigns)

At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

The Company shall also provide educational campaigns to new directors, managerial officers, and employees in a timely manner.

Article 18

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

Article 19

These Operational Procedures were formulated on June 9, 2011.

The Operational Procedures were amended on March 15, 2023.

(X) The progress of the internal control system implementation of shall disclose the following matters:

1. Internal Control Statement:

Formosan Rubber Group Inc.

Internal Control Statement

Date: March 10, 2026

The following is hereby declared based on the self-assessment results in 2025 in accordance with FRG's internal control system:

- I. FRG confirms that the establishment, implementation and maintenance of the internal control system is the responsibility of the company's Board of Directors and managerial officers, and the company has established such a system. It is aimed to reasonably ensure the achievement of effectiveness and efficiency of operations (including profit, performance, and asset security), reporting reliability, timeliness, transparency, and compliance with relevant norms and regulations.
- II. The internal control system has its inherent limitations. Regardless its perfectness, what is can do is nothing more than meeting the said goals in acceptable level, let alone its effectiveness will go in line with changing environment and circumstances. The internal control system of FRG comes with built-in self-monitoring; that is, any deficiencies once identified, immediate steps will be exercised to remedy them.
- III. FRG determines effectiveness of its internal control system's design and execution according to criteria set by the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). Criteria of internal control system set by the Regulations are management control process specific and come in five dimensions: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervision of operations. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
- IV. FRG employs these criteria to assess effectiveness of design and performances of internal control system.
- V. Based on the aforementioned assessment results, it is deemed that the Company's internal control system on December 31, 2025 (including the supervision and management of subsidiaries), including an understanding of the level of operational effectiveness and efficiency and the degree of objective achievement. The report's reliability, timeliness, transparency, and compliance with relevant regulations, as well as related internal control systems, are deemed effective in terms of design and implementation. Furthermore, they ensure the reasonable achievement of the aforementioned objectives.
- VI. This statement will be part of the company's annual report and prospectus, and will be made public. In case of any false, concealment or other illegal circumstances in the said public information, FRG may subject to legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors of FRG on March 10, 2026; among the 9 directors present, none had objections and all agreed with the content of this statement.

Formosan Rubber Group Inc.

Chairperson: Hsu Zhen-Tsai

President: Hsu Zhen-Ji

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

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

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

The matters resolved by the previous shareholders meeting on June 13, 2025, have all been enforced according to the resolution; the review of the execution is as follows:

Important resolutions	Execution review
1. Proposal to recognize the Company's 2024 business report and financial statements.	1. The proposal was passed as proposed by the shareholders present at the meeting.
2. Proposal to recognize the Company's 2024 earning distribution.	2. The proposal was passed as proposed by the shareholders present at the meeting.
3. Motion of amendments to part of the provisions of the Company's "Article of Incorporation" has been approved.	3. The proposal was passed as proposed by the shareholders present at the meeting.
4. Ratify the proposal to amend some of the provisions of the company's " Operational Procedures for Acquisition or Disposal of Assets ".	4. The proposal was passed as proposed by the shareholders present at the meeting.
5. Proposal for the election of the Company's 22nd Board of Directors.	5. The proposal was passed as proposed by the shareholders present at the meeting.
6. Motion of lifting the restriction to engage in competitive conduct for newly elected directors and their representative has been approved.	6. The proposal was passed as proposed by the shareholders present at the meeting.

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

Date of important resolutions	Important discussions	Resolution
The 22nd meeting of the 21st Board of Directors (March 11, 2025)	1. Annual business report and financial statements 2024.	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
	2. Remuneration of directors and remuneration distribution of employees (2024).	2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting.
	3. Proposal of the 2024 cash dividends paid from earning distribution.	3. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
	4. Proposal of the Company's 2024 Earnings Distribution Table.	4. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
	5. Matters related to convening the regular shareholders' meeting 2025.	5. The motion has been approved by all attending directors without any dissenting opinion.
	6. Motion of the Company's 22nd Board election.	6. The motion has been approved by all attending directors without any dissenting opinion.
	7. Motion of nomination of the Company's 22nd Board candidates (including independent directors).	7. The motion has been approved by all attending directors without any dissenting opinion.
	8. Motion of lifting the restriction to engage in competitive conduct for newly elected directors and their representative.	8. The motion has been approved by all attending directors without any dissenting opinion.
	9. Dragon boat festival bonus (114) of FRG and Banjian subsidiary.	9. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting.

Date of important resolutions	Important discussions	Resolution
	10.Motion of performance, reward and punishment for each department and project in 2024. 11.Performance project for new products of the production business division. 12.Longtan R&D Building renovation project 13.Motion of appointed CPAs' fees. 14.2024 internal control system statement. 15.Motion of amendments to part of the provisions of the Company's "Article of Incorporation". 16.Proposal to amend the Procedures for Asset Acquisition and Disposal 17.Formulation of the "Procedures for Loaning Funds to Others" of the subsidiary, FRG US Corp. 18.Loan to subsidiary FRG US Corp. 19.Loaning of funds to others by the subsidiary, FRG US Corp.	10.After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 11.After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 12.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 13.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 14.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 15.The motion has been approved by all attending directors without any dissenting opinion. 16.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 17.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 18.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 19.After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
The 23rd meeting of the 21st Board of Directors (May 9, 2025)	1. Consolidated financial report of Q1 2025. 2. Proposal to re-appoint consultants of the Company's subsidiary Banjian Development Co., Ltd. 3. Proposal to increase the investment limit of the subsidiary FRG US Corp. and increase its capital. 4. The Company's residential unit distribution proposal for the 950 Market Street investment in San Francisco. 5. The Company's endorsement/guarantee proposal for the 950 Market Street investment in San Francisco. 6. Proposal to amend the Company's "Remuneration Committee Charter".	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 3. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 4. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 5. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 6. The motion has been approved by all attending directors without any dissenting opinion.
The 1st extraordinary meeting of the 22nd Board (June 13, 2025)	1. Election of the Chairman of the 22nd Board of Directors.	1. All attending directors approved to elect Mr. <u>Hsu Zhen-Tsai</u> as the Company's Chairman.

Date of important resolutions	Important discussions	Resolution
	2. Appointment of the President 3. Proposal of the appointment of the Company's 6th Remuneration Committee members.	2. The motion has been approved by all attending directors without any dissenting opinion. 3. The motion has been approved by all attending directors without any dissenting opinion.
The 1st meeting of the 22nd Board (July 8, 2025)	1. Proposal for the remuneration of the Company's 22nd Board of Directors, members of the Remuneration Committee and members of the Audit Committee. 2. Proposal of appointment and remuneration of directors, supervisors, and consultants of the Company's subsidiary Banjian Development Co., Ltd. 3. The Company's 2024 Sustainability Report.	1. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 3. The motion has been approved by all attending directors without any dissenting opinion.
The 2nd meeting of the 22nd Board of Directors (August 12, 2025)	1. Consolidated financial report of Q2 2025. 2. Proposal for the semi-annual settlement of project performance rewards and penalties for various departments. 3. Proposal to the Company's appointment of the 6th Remuneration Committee members. 4. Appointment of consultants. 5. Proposal for the acquisition of right-of-use assets from related parties.	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 3. The motion has been approved by all attending directors without any dissenting opinion. 4. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 5. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
The 3rd meeting of the 22nd Board (November 11, 2025)	1. Consolidated financial report of Q3 2025. 2. Proposal of independence and competence assessment for attesting CPA. 3. Proposal for the promotion of the Company's management-level personnel. 4. Loan to subsidiary FRG US Corp. 5. Loaning of funds to others by the subsidiary, FRG US Corp. 6. Proposal to revise the 2025 project plans for the Production Business Division. 7. Proposal to amend the Company's "Remuneration Committee Charter". 8. Amendment to the Company's internal control system for the payroll cycle.	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 2. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 3. The motion has been approved by all attending directors without any dissenting opinion. 4. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 5. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 6. The motion has been approved by all attending directors without any dissenting opinion. 7. The motion has been approved by all attending directors without any dissenting opinion. 8. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.

Date of important resolutions	Important discussions	Resolution
The 4th meeting of the 22nd Board of Directors (December 26, 2025)	1. Business plan 2026 (budget presented by individual units). 2. Proposal (by each department) of project plan discussions for respective departments and projects in 2026. 3. Proposal for year-end bonus (2025) of FRG and the subsidiary, Banjian. 4. Proposal for remuneration of associate vice-president, manager, vice manager and assistant managerial officer level (2026). 5. Proposal of Performance Bonus for Stock Investment Project in 2025. 6. Proposal of 2026 audit plan. 7. Appointment of consultants. 8. Loan to subsidiary FRG US Corp. 9. Loaning of funds to others by the subsidiary, FRG US Corp. 10. Proposal of the Company's 2026 credit limit with corresponding banks. 11. Proposal of the 2026 limit of investment in domestic TWSE/TPEX listed shares. 12. Proposal of authorization for the Company's 2026 investment limit of overseas financial assets. 13. Proposal to amend the delegation of authorization.	1. The motion has been approved by all attending directors without any dissenting opinion. 2. This case is to be reviewed by the Remuneration Committee first before being submitted to the next Board meeting. 3. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 4. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 5. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 6. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 7. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 8. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 9. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 10. The motion has been approved by all attending directors without any dissenting opinion. 11. The motion has been approved by all attending directors without any dissenting opinion. 12. The motion has been approved by all attending directors without any dissenting opinion. 13. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.
The 5th meeting of the 22nd term of the Board (March 10, 2026)	1. Annual business report and financial statements 2025. 2. Remuneration of directors and remuneration distribution of employees (2025). 3. Proposal of the 2025 cash dividends paid from earning distribution. 4. Proposal of the Company's 2025 Earnings Distribution Table. 5. Matters related to convening the regular shareholders' meeting 2026. 6. Proposal for the 2025 performance rewards and penalties for various departments and projects (submitted by each department). 7. Proposal for the 2026 project plans for various departments and projects (submitted by each department). 8. Motion of appointed CPAs' fees.	1. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 2. After deliberated by the Remuneration Committee, the proposal was passed as proposed without objection from directors present at the meeting. 3. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 4. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion.

Date of important resolutions	Important discussions	Resolution
	9. 2025 internal control system statement. 10. Proposal to amend the Procedures for Asset Acquisition and Disposal 11. The proposal to revise the internal control system for the "Management of the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" 12. Proposal to revise the Company's risk management policy and procedures. 13. Proposal to establish the Company's Personal Data Protection and Management Policy.	approved by all attending directors without any dissenting opinion. 5. The motion has been approved by all attending directors without any dissenting opinion. 6. The motion has been approved by all attending directors without any dissenting opinion. 7. The motion has been approved by all attending directors without any dissenting opinion. 8. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 9. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 10. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 11. After the motion has been delivered to the Audit Committee for review, it was approved by all attending directors without any dissenting opinion. 12. The motion has been approved by all attending directors without any dissenting opinion. 13. The motion has been approved by all attending directors without any dissenting opinion.

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

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

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

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

(2) Important risk assessments for risk management

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

(3) Organizational Operation of Risk Management

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

IV. Professional fees of the attesting CPAs:

Unit: NT\$1,000

Name of the Accounting Firm	Name of the CPAs	Audit period	Audit Fee	Non-Audit Fee	Total	Remarks
Baker Tilly Clock & Co.	Lai Chia-Yu	2025.01.01~2025.12.31	1,500	600	2,100	
	Lai Yong-Ji	2025.01.01~2025.12.31				

- (1) Assessment over the following non-auditing services rendered by Baker Tilly Clock & Co. in 2025 suggest that they will not affect the independence of the attesting CPA:

Non-audit services	Amount
1. Taxation attestation:	NT\$400,000
2. Review of the annual shareholders' meeting handbook and shareholders' annual report	NT\$30,000
3.114 The consolidated financial report and parent company only financial report 2023 (English version)	NT\$160,000
4. Declaration of "information on the salary information of full-time employees not taking on supervisory duties" reporting inspection	NT\$10,000

- (2) Replace CPA firm with auditing fees of the year after replacement lower than that of the year before: None.
- (3) Audit fees down more than 10% from the year before: None

V. Change of CPA: None

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

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

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

Title	Name	2025		2026 up to April 14	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairperson	Hsu Zhen-Tsai	0	0	0	0
Director	Hsu Zhen-Ji	0	0	0	0
Director	Ruifu Construction Co., Ltd.	0	0	0	0
Director representative	Hsu Wei-Zhi	0	0	0	0
Director	Hohe Construction Co., Ltd.	486,000	0	0	0
Director representative	Lin Kun-Rong	0	0	0	0
Director	Quanxinfeng Co., Ltd.	0	(3,645,004)	0	0
Director representative	Hsu Zhen-Xin	0	0	0	0
Director	Ascend Gear International Inc.	413,000	0	0	0
Director representative	Chu, Lung-Tsung	0	0	0	0
Independent director	Wu Chun-Lai (Dismissal date: June 13, 2025)	0	0	Not applicable	Not applicable
Independent director	Lorraine Yao	0	0	0	0
Independent director	Chu, Shih-Yi	0	0	0	0
Independent director	Huang Ming-Fa	0	0	0	0
President	Hsu Zhen-Ji	0	0	0	0
Assistant managerial officer	Huang Hui Xian	0	0	0	0
Assistant managerial officer	Hsiao Zheng-Zhong	0	0	0	0
Supervisor of Management and Construction Department	Cheng Sheng Yuan	0	0	0	0
Chief financial officer	Bao Shi-Rong	0	0	0	0
Head of Accounting and Head of Corporate Governance	Shi Ming-De	5,000	0	0	0
Others	Hsu Zhen-Tsai	0	0	0	0
Major Shareholders	Ruifu Construction Co., Ltd.	0	0	0	0

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

(III) Information on whether the counterpart of the equity pledge is a related party: NA.

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

Relationships among top-10 shareholders

Serial number	Name (Note 1)	Shares Held In Own Name		Shares Held by Spouse and Underage Children		Number of Shares Held Under Another Person's Name		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or Within Second-Degree of Kinship to Each Other (Note 3)		Remarks
		Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Title (or Name)	Relation	
1	Ruifu Construction Co., Ltd.	30,663,678	10.10%	0	0.00%	0	0.00%	None	Not applicable	None
	Representative: Hsu Wei-Zhi	4,137	0.00%	58,320	0.02%	0	0.00%			
2	Hohe Construction Co., Ltd.	17,324,553	5.71%	0	0.00%	0	0.00%	None	Not applicable	None
	Representative: Lin Kun-Rong	21,870	0.01%	0	0.00%	0	0.00%			
3	Ascend Gear International Inc.	16,820,342	5.54%	0	0.00%	0	0.00%	Chengxi/Quanxinfeng Co., Ltd.	Are relatives by marriage of representatives of institutional shareholders.	None
	Representative: Chen Hui-Jin	3,886,170	1.28%	4,690,917	1.55%	0	0.00%	Hsu Mei-Lun Hsu Zhen-Tsai Xu Zhengqun	Relatives by marriage Are spouses of representatives of institutional shareholders. Relatives by marriage	
4	Chengxi Investment Co., Ltd.	15,523,990	5.11%	0	0.00%	0	0.00%	Ascend Gear International Inc./Quanxinfeng Co., Ltd.	Are relatives by marriage of representatives of institutional shareholders.	None
	Representative: Yang Xun-wen	0	0%	0	0%	0	0%	Hsu Mei-Lun Hsu Zhen-Tsai Chen Hui-Jin Xu Zhengqun	Relatives by marriage Relatives by marriage Relatives by marriage Relatives by marriage	
5	Hsu Mei-Lun	8,637,048	2.84%	0	0%	0	0%	Ascend Gear International Inc./Chengxi/Quanxinfeng Co., Ltd. Hsu Zhen-Tsai Chen Hui-Jin Xu Zhengqun	Are relatives by marriage or relatives within second-degree of kinship of representative of institutional shareholders. Relatives within second-degree of kinship Relatives by marriage Relatives within second-degree of kinship	None

Serial number	Name (Note 1)	Shares Held In Own Name		Shares Held by Spouse and Underage Children		Number of Shares Held Under Another Person's Name		Names and Relationship of Top 10 Shareholders who are Related Parties, Spouses or Within Second-Degree of Kinship to Each Other (Note 3)		Remarks
		Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Title (or Name)	Relation	
6	Quanxinfeng Co., Ltd.	8,049,069	2.65%	0	0%	0	0%	Ascend Gear International Inc./Chengxi	Are relatives by marriage of representatives of institutional shareholders.	None
	Representative: Hsu Zhen-Xin	2,529,820	0.83%	0	0%	0	0%	Hsu Mei-Lun Hsu Zhen-Tsai Chen Hui-Jin Xu Zhengqun	Relatives within second-degree of kinship Relatives within second-degree of kinship Relatives by marriage Relatives within second-degree of kinship	
7	Ren-Yu Investment Limited	5,490,000	1.81%	0	0%	0	0%	None	Not applicable	
8	Hsu Zhen-Tsai	4,690,917	1.55%	3,886,170	1.28%	0	0.00%	Ascend Gear International Inc./Chengxi/Quanxinfeng Co., Ltd.	Are the spouses/relatives by marriage/relatives within second-degree of kinship of institutional shareholders.	
								Hsu Mei-Lun Chen Hui-Jin Xu Zhengqun	Relatives within second-degree of kinship Spouse Relatives within second-degree of kinship	
9	Chen Hui-Jin	3,886,170	1.28%	4,690,917	1.55%	0	0.00%	Chengxi/Quanxinfeng Co., Ltd.	Are relatives by marriage of institutional shareholders.	None
								Hsu Mei-Lun Hsu Zhen-Tsai Xu Zhengqun	Relatives by marriage Spouse Relatives by marriage	
10	Xu Zhengqun	3,458,394	1.14%	0	0.00%	0	0.00%	Ascend Gear International Inc./Chengxi/Quanxinfeng Co., Ltd.	Are relatives by marriage or relatives within second-degree of kinship of representative of institutional shareholders.	
								Hsu Mei-Lun Hsu Zhen-Tsai Chen Hui-Jin	Relatives within second-degree of kinship Relatives within second-degree of kinship Relatives by marriage	

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

Note 2: The calculation of the proportion of shareholding shall include the shares held by the person, their spouse, and dependents, or those held in the name of a third party, respectively.

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

IX. Consolidated Shareholding Ratio of Long-term Investments:

Unit: shares; %; December 31, 2025

Reinvestment business (Note 1)	The Company's investments		Investments by the Directors, supervisors, managerial officers, and companies directly or indirectly controlled by the Company		Comprehensive investments	
	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)	Shares/units	Proportion of Shareholding (%)
Banjian Development Co., Ltd.	56,000,000	100.00	-	-	56,000,000	100.00
Ruifu Development Co., Ltd.	48,260	48.26	37,730	37.73	85,990	85.99
Fenghe Development Co., Ltd.	3,990,000	39.90	378,333	3.78	4,368,333	43.68
Hohe Construction Co., Ltd.	7,597,927	26.20	16,334,355	56.32	23,932,282	82.52
FRG US CORP.	20,812,000	100.00	-	-	20,812,000	100.00
KINGSHALE INDUSTRIAL LIMITED	9,999	99.99	-	-	9,999	99.99

Note 1: Refers to investments accounted for using the equity method.

X. Preparation and Disclosure of Sustainability-Related Financial Information: None

Three. Funding Status

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

Three. Funding Status

I. Capital and Shares:

(I) Source of Capital Formation of Capital:

Unit: NTD/Share

Year/Month	Issue Price	Authorized capital		Paid-up capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Paid in Properties Other Than Cash	Others
1963.1	10	240,000	2,400,000	240,000	2,400,000	Partnership was registered in 1952 when founded; it became a company in 1963	None	
1964.08	10	500,000	5,000,000	500,000	5,000,000	Cash Capital Increase - NT\$2,600,000	None	
1966.08	10	1,200,000	12,000,000	1,200,000	12,000,000	Cash Capital Increase - NT\$7,000,000	None	
1970.06	10	1,800,000	18,000,000	1,800,000	18,000,000	Cash Capital Increase - NT\$6,000,000	None	
1971.08	10	3,000,000	30,000,000	3,000,000	30,000,000	Cash Capital Increase - NT\$12,000,000	None	
1972.10	10	6,000,000	60,000,000	6,000,000	60,000,000	Cash Capital Increase - NT\$30,000,000	None	
1973.09	10	8,000,000	80,000,000	8,000,000	80,000,000	Cash Capital Increase - NT\$20,000,000	None	
1974.01	10	10,000,000	100,000,000	10,000,000	100,000,000	Cash Capital Increase - NT\$20,000,000	None	
1974.12	10	11,500,000	115,000,000	11,500,000	115,000,000	Capital Reserve to Increase Capitalization - NT\$15,000,000	None	
1975.12	10	14,500,000	145,000,000	14,500,000	145,000,000	Cash Capital Increase - NT\$10,000,000, Capital Reserve to Increase Capitalization - NT\$20,000,000	None	
1978.09	10	16,000,000	160,000,000	16,000,000	160,000,000	Capitalization of Retained Earnings - NT\$15,000,000	None	
1979.10	10	19,000,000	190,000,000	19,000,000	190,000,000	Capitalization of Retained Earnings - NT\$30,000,000	None	
1980.09	10	22,500,000	225,000,000	22,500,000	225,000,000	Cash Capital Increase - NT\$15,000,000, Capitalization of Retained Earnings - NT\$20,000,000	None	
1983.12	10	36,000,000	360,000,000	36,000,000	360,000,000	Cash Capital Increase - NT\$135,000,000	None	Approved under Taiwan-Finance-Securities-(1) 2777 dated December 17, 1983 (1983)
1985.10	10	42,353,000	423,530,000	42,353,000	423,530,000	Cash Capital Increase - NT\$63,530,000	None	Approved under Taiwan-Finance-Securities-(1) 304 dated October 29, 1985
1986.11	10	66,000,000	660,000,000	60,003,000	600,030,000	Cash Capital Increase - NT\$136,500,000, Capital Reserve to Increase Capitalization - NT\$40,000,000	None	Approved under Taiwan-Finance-Securities-(1) 13053 dated September 23, 1986 (1986)
1987.09	10	66,000,000	660,000,000	66,000,000	660,000,000	Cash Capital Increase - NT\$59,970,000	None	Approved under Taiwan-Finance-Securities-(1) 3440 dated August 7, 1987
1988.11	10	76,000,000	760,000,000	76,000,000	760,000,000	Cash Capital Increase - NT\$100,000,000	None	Approved under Taiwan-Finance-Securities-(1) 08958 dated August 26, 1988 (1988)
1989.12	10	130,000,000	1,300,000,000	130,000,000	1,300,000,000	Cash Capital Increase - NT\$375,000,000, Capitalization of Retained Earnings - NT\$145,200,000, Capital Reserve to Increase Capitalization - NT\$19,800,000	None	Approved under Taiwan-Finance-Securities-(1) 02539 dated December 19, 1988 (1989)
1991.10	10	180,000,000	1,800,000,000	156,000,000	1,560,000,000	Capitalization of Retained Earnings - NT\$130,000,000, Capital Reserve to Increase Capitalization - NT\$130,000,000	None	Approved under Taiwan-Finance-Securities-(1) 02944 dated October 11, 1992 (1992)
1993.07	10	180,000,000	1,800,000,000	180,000,000	1,800,000,000	Capital Reserve to Increase Capitalization - NT\$240,000,000	None	Approved under Taiwan-Finance-Securities-(1) 30829 dated July 31, 1993 (1993)
1994.09	10	234,000,000	2,340,000,000	207,000,000	2,070,000,000	Capital Reserve to Increase Capitalization - NT\$270,000,000	None	Approved under Taiwan-Finance-Securities-(1) 32558 dated September 7, 1994 (1994)

Year/Mo nth	Issue Price	Authorized capital		Paid-up capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Paid in Properties Other Than Cash	Others
1995.03	10	234,000,000	2,340,000,000	234,000,000	2,340,000,000	Cash Capital Increase - NT\$270,000,000	None	Approved under Taiwan-Finance-Securities-(1) 55170 dated March 16, 1995 (1995)
1995.06	10	269,100,000	2,691,000,000	269,100,000	2,691,000,000	Capitalization of Retained Earnings - NT\$135,720,000, Capital Reserve to Increase Capitalization - NT\$215,280,000	None	Approved under Taiwan-Finance-Securities-(1) 37123 dated June 23, 1995 (1995)
1996.07	10	285,246,000	2,852,460,000	285,246,000	2,852,460,000	Capital Reserve to Increase Capitalization - NT\$161,460,000	None	Approved under Taiwan-Finance-Securities-(1) 41715 dated July 10, 1996 (1996)
1997.06	10	373,770,600	3,737,706,000	313,770,600	3,137,706,000	Capital Reserve to Increase Capitalization - NT\$285,246,000	None	Approved under Taiwan-Finance-Securities-(1) 51629 dated June 27, 1997 (1997)
1998.06.	10	411,423,072	4,114,230,720	351,423,072	3,514,230,720	Capital Reserve to Increase Capitalization - NT\$376,524,720	None	Approved under Taiwan-Finance-Securities-(1) 54404 dated June 22, 1998 (1998)
1999.06	10	435,319,840	4,353,198,400	375,319,840	3,753,198,400	Capital Reserve to Increase Capitalization - NT\$238,967,680	None	Approved under Taiwan-Finance-Securities-(1) 54833 dated June 11, 1999 (1999)
2000.06	10	457,088,390	4,570,883,900	397,088,390	3,970,883,900	Capital Reserve to Increase Capitalization - NT\$217,685,500	None	Approved under Taiwan-Finance-Securities-(1) 50705 dated June 13, 2000 (2000)
2003.07	10	457,088,390	4,570,883,900	389,869,390	3,898,693,900	Cancellation of Treasury Shares NT\$72,190,000	None	Approved under Taiwan-Finance-Securities-(3) 0920134406 dated July 25, 2003
2004.07	10	680,000,000	6,800,000,000	385,264,400	3,852,643,900	Cancellation of Treasury Shares NT\$46,050,000	None	Approved under Letter No. Jing-Shou-Shang- 09301112810 dated July 9, 2004
2005.04	10	680,000,000	6,800,000,000	461,767,899	4,617,678,990	Conversion of Corporate Bonds to Common Shares - NT\$765,035,090	None	Approved under Taiwan-Finance-Securities-(3) 09401061520 dated April 15, 2005
2005.07	10	680,000,000	6,800,000,000	469,023,521	4,690,235,210	Conversion of Corporate Bonds to Common Shares - NT\$72,556,220	None	Approved under Taiwan-Finance-Securities-(3) 09401130940 dated July 15, 2005
2005.10	10	680,000,000	6,800,000,000	475,812,986	4,758,129,860	Conversion of Corporate Bonds to Common Shares - NT\$67,894,650	None	Approved under Taiwan-Finance-Securities-(3) 09401210150 dated October 20, 2005
2005.12	10	680,000,000	6,800,000,000	455,812,986	4,558,129,860	Cancellation of treasury shares NT\$200,000,000	None	Approved under Taiwan-Finance-Securities-(3) 09401260020 dated December 16, 2005
2006.01	10	680,000,000	6,800,000,000	455,828,023	4,558,280,230	Conversion of Corporate Bonds to Common Shares - NT\$150,370	None	Approved under Taiwan-Finance-Securities-(3) 09501016010 dated January 26, 2006
2006.03	10	680,000,000	6,800,000,000	452,980,023	4,529,800,230	Cancellation of Treasury Shares NT\$28,480,000	None	Approved under Taiwan-Finance-Securities-(3) 09501036310 dated March 6, 2006
2006.04	10	680,000,000	6,800,000,000	467,303,329	4,673,033,290	Conversion of Corporate Bonds to Common Shares - NT\$143,233,060	None	Approved under Taiwan-Finance-Securities-(3) 09501064670 dated April 12, 2006
2006.07	10	680,000,000	6,800,000,000	474,310,828	4,743,108,280	Conversion of Corporate Bonds to Common Shares - NT\$70,074,990	None	Approved under Taiwan-Finance-Securities-(3) 09501141160 dated July 10, 2006
2006.10	10	680,000,000	6,800,000,000	481,431,107	4,814,311,070	Conversion of Corporate Bonds to Common Shares - NT\$71,202,790	None	Approved under Taiwan-Finance-Securities-(3) 09501228400 dated October 12, 2006
2006.11	10	680,000,000	6,800,000,000	477,684,107	4,776,841,070	Cancellation of Treasury Shares NT\$37,470,000	None	Approved under Taiwan-Finance-Securities-(3) 09501262890 dated November 21, 2006
2007.01	10	680,000,000	6,800,000,000	512,526,074	5,125,260,740	Conversion of Corporate Bonds to Common Shares - NT\$348,419,670	None	Approved under Taiwan-Finance-Securities-(3) 09601003550 dated January 9, 2007
2007.04	10	680,000,000	6,800,000,000	523,962,133	5,239,621,330	Conversion of Corporate Bonds to Common Shares - NT\$114,360,590	None	Approved under Taiwan-Finance-Securities-(3) 09601077550 dated April 14, 2007
2007.04	10	680,000,000	6,800,000,000	524,082,432	5,240,824,320	Conversion of Corporate Bonds to Common Shares - NT\$1,202,990	None	Approved under Taiwan-Finance-Securities-(3) 09601091420 dated April 30, 2007

Year/Month	Issue Price	Authorized capital		Paid-up capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Paid in Properties Other Than Cash	Others
2008.03	10	680,000,000	6,800,000,000	523,296,432	5,232,964,320	Cancellation of Treasury Shares NT\$7,860,000	None	Approved under Taiwan-Finance-Securities-(3) 09701071000 dated March 27, 2008
2008.12	10	680,000,000	6,800,000,000	503,652,432	5,036,524,320	Cancellation of Treasury Shares NT\$196,440,000	None	Approved under Taiwan-Finance-Securities-(3) 09701317960 dated December 18, 2008
2011.12	10	680,000,000	6,800,000,000	501,980,432	5,019,804,320	Cancellation of Treasury Shares NT\$16,720,000	None	Approved under Taiwan-Finance-Securities-(3) 10001273350 dated December 1, 2011
2012.03	10	680,000,000	6,800,000,000	497,689,432	4,976,894,320	Cancellation of Treasury Shares NT\$42,910,000	None	Approved under Taiwan-Finance-Securities-(3) 10101035730 dated March 2, 2012
2012.08	10	680,000,000	6,800,000,000	497,189,432	4,971,894,320	Cancellation of Treasury Shares NT\$5,000,000	None	Approved under Taiwan-Finance-Securities-(3) 10101166240 dated August 13, 2012
2015.12	10	680,000,000	6,800,000,000	490,468,432	4,904,684,320	Cancellation of Treasury Shares NT\$67,210,000	None	Approved under Taiwan-Finance-Securities-(3) 10401267800 dated December 18, 2015
2016.5	10	680,000,000	6,800,000,000	481,777,432	4,817,774,320	Cancellation of Treasury Shares NT\$86,910,000	None	Approved under Taiwan-Finance-Securities-(3) 10501087510 dated May 5, 2016
2016.8	10	680,000,000	6,800,000,000	433,600,000	4,336,000,000	Capital Reduction - NT\$481,774,320	None	Approved under Taiwan-Finance-Securities-(3) 10501192820 dated August 15, 2016
2017.2	10	680,000,000	6,800,000,000	425,000,000	4,250,000,000	Cancellation of Treasury Shares NT\$86,000,000	None	Approved under Taiwan-Finance-Securities-(3) 10601017260 dated February 13, 2017
2017.5	10	680,000,000	6,800,000,000	422,222,000	4,222,220,000	Cancellation of Treasury Shares NT\$27,780,000	None	Approved under Taiwan-Finance-Securities-(3) 10601055000 dated May 1, 2017
2017.8	10	680,000,000	6,800,000,000	380,000,000	3,800,000,000	Capital Reduction - NT\$422,220,000	None	Approved under Taiwan-Finance-Securities-(3) 10601111970 dated August 3, 2017
2018.3	10	680,000,000	6,800,000,000	370,000,000	3,700,000,000	Cancellation of Treasury Shares NT\$100,000,000	None	Approved under Taiwan-Finance-Securities-(3) 10701029640 dated March 20, 2018
2019.2	10	680,000,000	6,800,000,000	350,000,000	3,500,000,000	Cancellation of treasury shares NT\$200,000,000	None	Approved under Taiwan-Finance-Securities-(3) 10801013940 dated February 15, 2019
2020.6	10	680,000,000	6,800,000,000	342,326,000	3,423,260,000	Cancellation of Treasury Shares NT\$76,740,000	None	Approved under Taiwan-Finance-Securities-(3) 10901105320 dated June 22, 2020
2022.11	10	680,000,000	6,800,000,000	337,326,000	3,373,260,000	Cancellation of Treasury Shares NT\$50,000,000	None	Approved under Jin-Shou-Shang-Zhi No. 11101205470 dated November 17, 2022.
2023.8	10	680,000,000	6,800,000,000	303,593,400	3,035,934,000	Cash reduction NT\$337,326,000	None	Approved under Taiwan-Finance-Securities-(3) 11230150900 dated August 8, 2023.

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

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

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

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

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

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

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

Note 2: They are shares of a public company.

General Information About the Reporting System: None.

(II) Major Shareholders:

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

Unit: Share; April 14, 2026

Names of Major Shareholders/Shares	Number of shareholding	Shareholding Ratio
Ruifu Construction Co., Ltd.	30,663,678	10.10%
Hohe Construction Co., Ltd.	17,324,553	5.71%
Ascend Gear International Inc.	16,820,342	5.54%
Chengxi Investment Co., Ltd.	15,523,990	5.11%
Hsu Mei-Lun	8,637,048	2.84%
Quanxinfeng Co., Ltd.	8,049,069	2.65%
Ren-Yu Investment Limited	5,490,000	1.81%
Hsu Zhen-Tsai	4,690,917	1.55%
Chen Hui-Jin	3,886,170	1.28%
Xu Zhengqun	3,458,394	1.14%

(III) The Company's Remuneration Policy:

The Company's remuneration policy is as follows:

1. Employee salary: Employee remuneration mainly includes basic salary (comprising base salary and food allowance), performance bonus, annual salary adjustment and year-end bonus. Salary levels are determined with reference to market salary levels of industry peers, job categories, educational background and work experience, professional knowledge and skills, and years of professional experience, and are set above the market average.
2. The remuneration policy for managerial officers is based on payment level adopted by business operators in the same industry, along with the consideration of the reasonableness of the connection to individual performance, the Company's business performance and future risks. The Remuneration Committee proposes recommendations and submits them to the Board of Directors for approval and further implementation.
3. Individual performance bonuses: Bonuses are granted based on the Company's operating performance and employees' individual performance.
4. Annual salary adjustment: The Company conducts a salary adjustment once each year after taking into full consideration the macroeconomic environment of that year, operating profit, employee performance appraisal results, and the long-term development of employee incentives, with reference to the salary levels and overall salary adjustment status of industry peers.

The remuneration to directors and other key management personnel is based on payment level adopted by business peers in the same industry, along with the consideration of the reasonableness of the connection to individual performance, the Company's business

performance and future risks. The Remuneration Committee proposes recommendations and submitted to the Board of Directors for approval of further implementation.

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

1. Dividend Policy:

The Company's Articles of Incorporation provide that if the Company has earnings for a year, it shall allocate no less than 1% as employee remuneration and no more than 2% as directors' and supervisors' remuneration. For the employee remuneration allocated above, the Company shall allocate no less than 30% to rank-and-file employees. However, if the Company still has accumulated losses, it shall first reserve an amount for offsetting such losses.

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

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

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

- (I) 10% should be set aside as legal reserve, except for when the legal reserve has reached the total capital;
- (II) If necessary, it can be set aside according to the laws and regulations or for reversal of special reserve.
- (III) The remaining earnings as well as the accumulated undistributed earnings from the previous year, when the Board of Directors proposes the motion of earnings distribution, the appropriation of shareholder dividends shall not be less than 5% of the accumulated distributable earnings, and motion shall be submitted to the shareholder meeting for a resolution.

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

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

2. Dividend Distribution Proposed for the Shareholders Meeting:

Formosan Rubber Group Inc.

Earnings Distribution Table

2025

Unit: NTD \$

Item	Amount
Undistributed earnings at the beginning of the period	5,838,753,191
Add: Current net income	507,821,190
Add: Reversal of IFRS accounts and special reserve of related unrealized revaluation increments	1,665,583
Add: disposal of equity investment instruments measured at fair value through other comprehensive income	433,677,213
Less: Other comprehensive income (actuarial gains and losses of defined benefit plans)	(160,800)
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	943,003,286
Undistributed earnings after adjustment	6,781,756,477
Less: 10% provision for legal reserve	(94,300,329)
Subtotal	(94,300,329)
Distributable net profit	6,687,456,148
1. Shareholder Dividends (303,593,400 shares x cash dividend NT\$1.4)	(425,030,760)
Subtotal	(425,030,760)
Accumulated undistributed earnings at the end of the period	6,262,425,388

Note 1: The amount of this surplus earnings distribution has preference on net income after tax 2025.

Chairman: Hsu Zhen-Tsai

Managerial Officer: Hsu Zhen-Ji

Chief Accounting Officer: Shi Ming-De

- (IV) The effects of stock grants drafted by this shareholders' meeting on The Company's operating performance and earnings per share: There was no non-distributable shares, it is therefore not applicable.
- (V) Employees' compensation and remuneration of directors and supervisors:
1. Information Relating to Remuneration of Employees and Directors in the Company's Articles of Incorporation: Please refer to Chapter I, Item VI of this Article - "Dividend Policy".
 2. The accounting of the difference between the estimates of remuneration to employees and directors, the basis for the calculation of outstanding shares for dividend payment and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure:
According to the charter, the Company's remuneration to employees is recognized as expenses and not distribution of earnings. It is recognized during the accounting period when employees provide labor services according to the charter. If the estimated amount differs from the actual distribution amount passed by the shareholders meeting, it is treated according to the changes in accounting estimates which is adjusted into account on the shareholders meeting the following year.
 3. Information on the proposed remuneration to employees passed by the Board of Directors:
Approved by the Board of Directors on March 10, 2026
 - (1) The amount of proposed distribution to employees in cash and remuneration to director: Cash remuneration of NT\$5,823,000 for employees and NT\$5,823,000 for directors.
 - (2) i. Proposed remuneration to employees in shares: NT\$0.
ii. Amount of stock distributed as employee remuneration and as a percentage to net income of parent company only or individual financial statements and aggregate remuneration to employees: None.
 - (3) The estimated earnings per share less than the proposed allotment of employee remuneration and director remuneration is NT\$1.67.
 - (4) The proposed allotment of employee remuneration and director remuneration approved by the Board of Directors is consistent with the estimates in the 2025 financial statements.
 4. The actual allotment of employee remuneration and director remuneration in the previous year (including the number of shares allotted, amount and share price), differ from the estimated employee remuneration and the remuneration of directors and supervisors, note the amount, reasons, and measures taken:
The Board of Directors' approval and actual distribution on 2025.03.11:
 - (1) The actual distribution of cash remuneration for employees is NT\$6,571,000, and the remuneration for directors is NT\$6,571,000.
 - (2) i. Proposed remuneration to employees in shares: NT\$0.
ii. Amount of stock distributed as employee remuneration and as a percentage to net income of parent company only or individual financial statements and aggregate remuneration to employees: None.
 - (3) The estimated earnings per share, after deducting employee and director remuneration, amount to NT\$1.89.
 - (4) In 2024, the distribution of cash remuneration to employees and directors matched the estimated amount without any discrepancies.
- (VI) Repurchase of FRG shares: none.

- II. The Company's Handling of Corporate Bonds:** None.
- III. The Company's Preferred Stocks:** None.
- IV. Global Depository Receipts:** None.
- V. Implementation Status of Employee Stock Options:** None.
- VI. New Restricted Employee Shares:** None.
- VII. New Shares Issued for Merger or Acquisition:** None.
- VIII. Progress on Planned Use of Capital:** None.

Four. Operational Highlights

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

Four. Operational Highlights

I. Business Activities

(I) Scope of Business:

1. The main business contents:

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

2. Business ratios:

(1) Business ratios for various products

Unit: thousand

Item	2025	%
Construction	256,319	17.75%
Rubber Sheet	534,380	37.02%
Plastic	146,926	10.18%
Eco-Friendly Synthetic Leather	149,377	10.35%
Warehouse	328,665	22.77%
Others	27,917	1.93%
Total	1,443,584	100%

(2) Business ratios for various regions:

Unit: thousand

Region\year		2025	%
Domestic sales		308,316	36%
Overseas sales	Asia	279,488	33%
	Europe	201,960	23%
	North America	63,001	7%
	Other regions	5,835	1%
	Total of overseas sales	550,284	64%
Total		858,600	100%

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

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

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

Unit	Target Value	Division	Total of the First Half	Total of the Second Half	Annual Total
Rubber Sheet	90.0%	Input	876,682	822,445	1,699,127
		Grade A	801,473	739,938	1,541,411
		Recovery Rate	91.4%	90.0%	90.7%
Synthetic Leather	99.0%	Input	1,332,314	1,645,777	2,978,091
		Grade A	1,314,432	1,624,942	2,939,374
		Recovery Rate	98.7%	98.7%	98.7%
Green plastics	94.0%	Input	1,269,691	1,403,207	2,672,898
		Grade A	1,229,772	1,316,611	2,546,383
		Recovery Rate	96.9%	93.8%	95.3%

(II) Industry Overview:

1. Secondary Processing Industries:

Years of statistics in Germany suggest that the total global demand for rubber and plastics remain growing slowing; the segments of life-saving, medication, and environment protection are outperforming the remaining ones; FRG is leading in the first two with better technology. In 2025, the “tariff storm” triggered by U.S. President Donald Trump disrupted global trade rules, but did not lead to a contraction in global trade volumes. As various countries reached trade agreements with the United States and the AI boom spread, inflation in most countries slowed down, leaving the impact of tariffs limited. This allowed central banks, including the U.S. Federal Reserve (Fed) to trend toward a looser policy environment. The sales volume of the rubber and plastics manufacturing industry is moving toward a "new normal" of stable volume and increased quality, showing an overall optimistic trend and maintaining steady growth. According to IMF data, the global economy in 2026 exhibits considerable resilience, with the main drivers of growth coming from China, India, and the United States. The United States is investing heavily in the R&D of AI, driving the development of related industrial chains. However, the IMF also warned that global trade tensions could escalate at any time, and uncertainty risks remain high. Looking ahead, by actively participating in international business opportunities and demonstrating "precise, pragmatic, and environmentally friendly" competitiveness, bolstered by smart manufacturing and green materials, sales performance is expected to remain stable. Based on the above factors, FRG is targeting to surpass the 7,824 thousand yards of rubber, plastic, and synthetic leather sold in 2025 for 2026.

2. In the leasing services business, the Company actively continues to develop new customers. The scope of service has gradually extended from a simple leasing relationship to providing professional software/hardware construction and integration services to deepen cooperative ties and establish a long-term, stable partnership model. In the future, the Company will further utilize technology management to integrate operational processes and service modes, helping customers improve overall efficiency and creating higher service value. This year, the Company also optimized operational models through the connection of logistics systems and equipment, improved workflows, and enhanced operational efficiency. At the same time, the Company ensures stable human resource utilization and talent succession, laying a solid foundation for long-term operational development. As upstream and downstream semiconductor industry manufacturers continue to expand their manufacturing presence in Taiwan, the Longtan Smart Park will become a key growth driver for the Company's next stage. The Zone A warehouse in the Longtan Park was completed in 2025, and tenants have already moved in, providing customers with more diverse, cross-regional site options and further strengthening service flexibility. The Company expects that through comprehensive leasing and logistics integration services, it will continue to enhance market competitiveness and establish FRG as the premier representative of professional leasing and logistics integration services.

3. Land Development Status of the Company:

- (1) The sales of the reserved apartments for “World Garden - Bridge Upto Zenith”, and “Modesty Home”
Reserved units apartments at “Qiao-Feng” and “Qian-Yue”. By judging the real estate market, we entrusted the sales of the residential apartments and took steps gradually, allowing steady sales, and we have now sold out all the residential apartments.
- (2) Xindian “Legend River”
The MRT Circular Line commenced the operation, and the development of the Yangbei Replanning Area, the market has gradually recovered and the selling rate has stabilized.
- (3) “55Timeless” Project in Taipei City
With the building of high specifications and the public facilities of an art gallery, it has become one of the international-grade landmarks for luxury residential apartments. Sales of units of large size and higher prices are soaring due to the following factors: preference of high end customers attracted by good construction quality and word of mouth; funds back to Taiwan to get away from Sino-US conflicts are prominent. With the Company’s flexible use of strategies, the apartments continued selling.
- (4) “La Bella Vita” Project in Taichung City
The real estate market of the 7th Phase, Taichung City is very active, and thus the selling prices are stabilized. The major selling point of “La Bella Vita” is planned to be the real model house designed for “La Bella Vita” specifically by the architecture Antonio Citterio and renowned cabinet brand, to increase the sales synergy with cross-industry alliance.
- (5) FRG Bridge Upto Zenith Business Plaza
The FRG Bridge Upto Zenith Business Plaza is located at No. 168 to 180, Section 1, Zhongshan Road, Banqiao District, New Taipei City. It features a complete commercial space on the first and second floors, with a total area of approximately 1,882 ping. Situated in the core living circle of Banqiao, it enjoys a superior geographical location. The mall has successfully attracted premium brands such as E.SUN Bank, SinoPac Securities, and the childcare center "Belle's House". Combining financial services, investment management, and childcare functions, it meets the needs of diverse groups. The FRG Bridge Upto Zenith Business Plaza has become a refined commercial center in the Banqiao area with quality and functionality.
- (6) San Francisco and Hotel Development Project
Our subsidiary (FRG US Corp.) established in the US in 2017 participates in the construction investments; The subsidiary’s investment in the project is approximately 14.56% Residential sales were stable, whereas hotel operations gradually improved, aided by sustained brand visibility.
- (7) Kaohsiung Ambassador Hotel Development Project
The construction plan for the unsafe and old buildings has been completed, and the land registration transfer was completed in December 2022. Architectural design and urban design review are all currently underway.

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

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

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

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

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

(3) R&D expenses in the last five years (2021-2025):

Unit: thousand

2021	2022	2023	2024	2025
10,476	9,634	9,270	9,801	9,725

(4) Material Results:

In 2025, the Company acquired 3 new "invention" patents in the Republic of China:

[1]	Composite leather material of natural rubber and fiber cloth and its manufacturing method.
[2]	Multi-layer treated blackout cloth and its manufacturing method.
[3]	Soundproof canvas and its manufacturing method.

There are 3 R.O.C. patent applications pending.

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

Recent annual plans	Current process	R&D expenses that should be further invested	Time to complete mass production	Major factors for the future R&D to succeed
Anti-flammability, abrasion-resistance, and temperature-resistance, electrostatic protection, and protective skin care project	1. Use of Kevlar fabric materials, and bonding with fire-resistant and heat-resistant (<10^9) rubber materials. 2. Mass production has commenced; in addition to the U.S. market, the European market is also being developed.	USD \$ 5,000	June 2026	1. Product physical properties have met customer requirements; appearance still requires minor improvement. 2. The timing of order confirmation affects raw material preparation.

Recent annual plans	Current process	R&D expenses that should be further invested	Time to complete mass production	Major factors for the future R&D to succeed
Rapid prototyping project for inflatable rubber products	1. Use existing equipment to achieve rapid prototyping through design and pre-processing work. 2. Mass production samples have been produced; appearance and strength testing are confirmed.	USD \$ 5,000	June 2026	1. Adjusting rapid prototyping conditions to enhance bonding strength. 2. Diverse applicable markets; appearance needs to gain market acceptance.
Product development of rubber soundproofing pad products	1. Rubber soundproof isolation pads have been certified for "Green Building Label". 2. "Healthy Green Building Material" SGS testing is completed; communication with the Architecture Center for application is underway.	USD \$ 5,000	June 2026	1. The actual operation of equipment production is consistent with production requirements and can improve production efficiency. 2. Effective control of product maturing time to increase yield rate.
Product development project for rubber and TPU drop-stitch inflatable air cushion	1. Various drop-Stitch rubber and TPU inflatable air cushions have been completed and delivered to aircraft jack customers for trial use. 2. Drop-stitch has two suppliers. Due to the long delivery time of materials, the Company will establish a general inventory.	USD \$ 5,000	June 2026	1. TPU Drop-Stitch is now packaged and shipped in a foldable manner to solve the problem of abnormal creases during shipping. 2. Technology is continuously being developed and new equipment added; the Company is trying to simplify the production process and improve yield.
National-level - national vehicles manufactured in Taiwan plan	1. The order for Taiwan Railways 2.0mm rubber flooring cloth has been placed. 2. In alignment with its use, cut various widths and outsource the cutting of unique patterns.	USD \$ 5,000	June 2026	1. Coordinating with the replacement of railway carriage flooring cloth. 2. Close partnership with customers to increase the technology level to increase orders for rubber floor used in carriages.
Project for developing high-performance TPU product; featuring light, thin, and soft-touch	1. Actual size samples (based on special TPU materials) are in production now; pending for durability test by customer. 2. Make sure the reliable supply of TPU materials.	USD \$ 5,000	December 2026	1. Adjust the processability of TPU materials to adapt to existing production equipment. 2. To ensure the quality of the customer's demand.
Project for developing EN & BS specification compliant and highly transmitting materials for joint seam of carriages.	1. The major products have been produced, and sample cards have been made for promotion. 2. Competitors in Europe and the US already have joint seam materials used in carriages that comply with EN & BS standards.	USD \$ 5,000	December 2026	1. Make sure the EN & BS specification compliant and highly transmitting materials for joint seam of carriages meet customer requirements. 2. Close partnership with customers to increase the technology level to increase orders for joint seam materials used in carriages.

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

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

I. Secondary Processing Industries:

(1) Short-term development plans:

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

(2) Long-term development plans:

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

II. Nankan Warehouse Logistics and Rental and Leasing Business:

(1) Short-term business development plans:

The Company aims to drive the leasing and operational development of the Longtan Logistics Center by attracting new customers, gradually transitioning from a pure warehouse rental model to an integrated third-party logistics (3PL) service model. This shift will enhance operational efficiency and service value while expanding the center's overall scale.

(2) Long-term business development plans:

Our medium-to-long-term plan focuses on advancing the development of Longtan Smart Park Phase II (Zone B) to strengthen leasing momentum and foster industry cluster effects. Simultaneously, the Company will utilize

strategies such as customized dedicated warehouse cooperation models, green building materials, and warehouse license applications to enhance the overall competitiveness and service value of the parks, expand diverse cooperation opportunities, and continue to drive steady growth in revenue and profit toward the goal of long-term sustainable operation.

III. Real Estate Development

(1) Short-term development plans:

In a bid to build on the real estate development experience and create long-term stable profits for the Company, not only does the Company have its own real estate assets, it also focuses on other suitable land or individual projects. In addition to residential properties, investments in commercial real estate will not be ruled out.

(2) Long-term development plans:

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

II. Market and Production and Sales Overview:

(I) Market Analysis:

1. Market supply and demand status and growth:

(1) Main product sales areas:

Unit: thousand

Region\year		2024	%	2025	%
Domestic sales		277,390	31.36%	308,316	35.91%
Overseas sales	Asia	331,252	37.45%	279,488	32.55%
	Europe	164,756	18.63%	201,960	23.52%
	North America	108,246	12.24%	63,001	7.34%
	Other regions	2,896	0.32%	5,835	0.68%
	Subtotal	607,150	68.64%	550,284	64.09%
Total		884,540	100.00%	858,600	100.00%

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

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

The macroeconomic variables for 2026—inflation and interest rate policies, geopolitical risks, and the growth prospects of major economies—will drive steady global economic growth. This is particularly true for the recovery of international terminal demand, business opportunities brought by intelligent and green transformations, and the increased demand for vaccines and medical supplies. AI is no longer a distant concept. The environment is shifting with AI-driven supply chain restructuring, higher ESG regulatory standards, and a recovery in domestic demand. Enterprises are enhancing competitiveness through automated smart manufacturing and adapting to the impacts of net-zero emission

regulations and tariff agreements. The Company will continue to refine process capabilities, implement environmental regulations, and enhance supply chain resilience to maintain a competitive advantage in a changing environment and pursue sustainable corporate development.

(3) Competitive niche:

Due to high barriers to entry in terms of production scales, technology patents, and quality assurance, currently there are only European, American and Japanese advanced manufacturers (such as the Company) who are able to produce the 3 big fields mentioned above,; there are very limited competitors. Blessed by over US\$100 million capital, 73 years of technology and patents, ISO-14001 and five national quality awards, FRG will invest in the above three growth markets to widen the difference with competitors, lead the rubber plastics, plastic industry in Taiwan, and crown the eco-friendly synthetic leather manufacturing industry, as a single-stop shopping platform.

(4) Advantages of the development prospect:

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

(5) Disadvantages of development prospects:

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

(6) Countermeasures for the development vision:

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

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

(1) Current status and development of the industry

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

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

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

(3) Various product development trends and competitiveness status

Industry Trends	Product Lines	Item	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Transportation Materials Market	Environmental Materials Market
(3) Various Product Development Trends and Competitiveness Status	Rubber Sheet	Future Favorable Factors and Development Trends	Rubber sheet used in the staple merchandise market - the Company will be the only manufacturer in Taiwan with such technology	Rubber sheet used in the electronic materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the medical materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the transportation materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Rubber sheet used in the environmental materials market - the Company will be the only manufacturer in Taiwan with such technology
		Future Unfavorable Factors and Competitiveness Status	Due to the conservative market, needs for rubber sheet used in the staple merchandise market decreases. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for rubber sheet used in the electronic materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for rubber sheet used in the medical materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for rubber sheet used in the transportation materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the environmental new materials, it is not easy to expand business for rubber sheet used in the environmental materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.
		Future countermeasures	All innovative products will gain patents and be produced exclusively, to create high profits and high barriers to entry.				
	Synthetic Leather	Future Favorable Factors and Development Trends	Synthetic leather used in the staple merchandise market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the electronic materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the medical materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the transportation materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Synthetic leather used in the environmental materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers
		Future Unfavorable Factors and Competitiveness Status	Due to the conservative market, the competitiveness decreases in synthetic leather used in the staple merchandise market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for synthetic leather used in the electronic materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for synthetic leather used in the medical materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for synthetic leather used in the transportation materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the environmental new materials, it is not easy for the Company to expand business for synthetic leather used in the environmental materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.
		Future countermeasures	Sign annual supply contract with long-term quality customers, ensuring monthly basic shipments.				

Industry Trends	Product Lines	Item	Staple Merchandise Market	Electronic Materials Market	Medical Materials Market	Transportation Materials Market	Environmental Materials Market
	Green plastics	Future Favorable Factors and Development Trends	Eco-friendly synthetic leather used in the staple merchandise market - the Company currently has the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the electronic materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the medical materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the transportation materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers	Eco-friendly synthetic leather used in the environmental materials market - the Company will have the largest manufacturing scales among Taiwanese manufacturers
		Future Unfavorable Factors and Competitiveness Status	Due to the conservative market, the competitiveness decreases in eco-friendly synthetic leather used in the staple merchandise market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the electronic materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the medical materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the conservative market, it is not easy to expand business for eco-friendly synthetic leather used in the transportation materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.	Due to the environmental new materials, it is not easy for the Company to expand business for eco-friendly synthetic leather used in the environmental materials market. Also, the capital expenditure of this product is large, making it more difficult for newcomers.
		Future countermeasures	Establish international business line in Europe, America, Japan and Greater China, increasing the proportion of overseas sales.				

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

1. Important Uses:

(1) Uses for Plastics and Latex:

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

(2) Uses for Rubber Sheet:

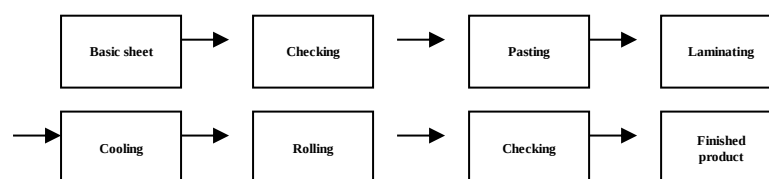
It can be made into raincoats, windbreakers, snow coats, footwear, waterproof engineering, air beds, boats, pontoons, aircraft tanks, water tanks, conveyor belts, ready-to-wear, life jackets, medical materials, automotive materials, dry diving suits, etc.

(3) Uses for Eco-Friendly Synthetic Leather:

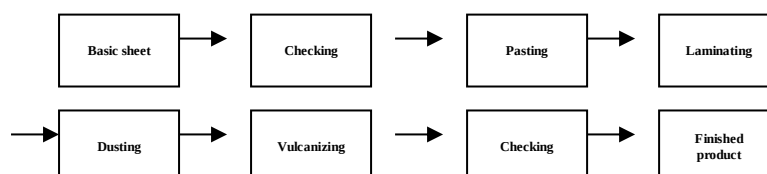
These can be made into high-end ready-to-wear, raincoat, windbreaker, ski wear, medical materials, automotive materials, etc.

2. Manufacturing Process:

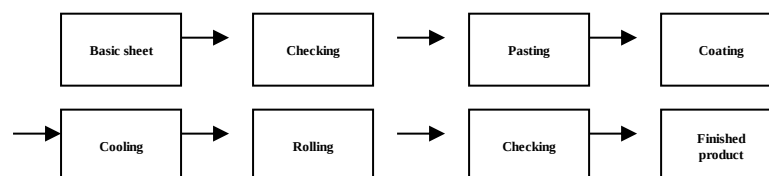
(1) Synthetic Leather:



(2) Rubber Sheet:



(3) Eco-Friendly Synthetic Leather:



(III) Supply Situation for Major Raw Materials:

1. Main raw materials:

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

2. Main source of supply:

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

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

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

	2024				2025				For 2026, up to the end of the preceding quarter (Note 2)			
Item	Name	Amount	Ratio to net annual purchase (%)	Relation to the issuer	Name	Name	Ratio to net annual purchase (%)	Relation to the issuer	Name	Amount	Ratio to net purchase in current year to the end of the previous quarter (%)	Relation to the issuer
1	Supplier A	45,600	9.69	None	Supplier A	48,804	10.56	None	Supplier A	9,113	7.65	None
	Others	424,818	90.31		Others	413,374	89.44		Others	97,082	81.45	
	Net purchase	470,418	100		Net purchase	462,178	100		Net purchase	119,190	100	

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

Note 2: The financial information for Q1 2026 has been reviewed by CPAs before the publication date of the annual report.

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

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

	2024				2025				For 2026, up to the end of the preceding quarter (Note 2)			
Item	Name	Amount	Ratio to net annual sales (%)	Relation to the issuer	Name	Amount	Ratio to net annual sales (%)	Relation to the issuer	Name	Amount	Ratio to net sales in current year to the end of the previous quarter (%)	Relation to the issuer
1	Customer A	126,384	14.29	None	Customer A	129,667	15.10	None	Customer A	40,099	20.99	None
2	Customer B	102,145	11.55	None	Customer B	83,956	9.78	None	Customer B	16,984	8.89	None
	Others	656,011	74.16		Others	644,977	75.12		Others	133,981	70.12	
	Net sales	884,540	100		Net sales	129,667	15.10		Net sales	191,064	100	

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

Note 2: The financial information for Q1 2026 has been reviewed by CPAs before the publication date of the annual report.

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

III. Employees:

Year		2024	2025	Current year as of March 31, 2026
Number of Employees	Managers	31	30	31
	Indirect personnel	75	77	75
	Direct personnel	94	90	89
	Total	200	197	195
Average age		52.05	52.51	52.85
Average years of service		11.62	12.23	12.51
Education level distribution ratio (%)	PhD.	0.00%	0.00%	0.00%
	MBA	4.66%	5.26%	5.32%
	Bachelor's degree	29.02%	30.00%	29.79%
	Senior high school	49.22%	48.95%	48.94%
	Below senior high school	17.10%	15.79%	15.95%

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

IV. Information on environmental protection expenditure:

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

(I) Environmental Protection:

1. Total fine for the violation of the law and regulations: None.
2. Countermeasures: In 2025, the construction of the liquefied petroleum gas (LPG) boiler was completed as planned. To comply with environmental emission regulations, the exhaust gas treatment equipment and pipelines must be continuously maintained.
3. Possible future expenditures: Within NT\$2 million.

(II) Fire Prevention:

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

(III) Work Safety

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

V. Labor Relations and Employee Rights:

- (I) Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures:

1. Employee welfare measures:

- (1) The Company has established the employee welfare committee to implement benefit measures. The charter is as follows:

Article 1: The Charter has been established as required in the provisions stipulated in the Organization Regulations on Employee Welfare Committee.

Article 2: The Company is called Employee Welfare Committee of Formosan Rubber Group Inc. (the Committee).

Article 3: The Committee is located in the Formosan Rubber Group Inc. (8th Floor, No. 82, Section 1, Hankou Street, Taipei).

Article 4: There are 15 members in the Committee and is composed of union representatives and company representatives. Among these, there are 10 union representatives and 5 company representatives. However, members selected by the union members may not be less than two-thirds of the total number of members (the number of alternatives may not exceed one-third of the number of members). An reelection may be held before the end of the term.

Article 5: The Committee has one chairperson who is selected by the members. Committee members serve a term of 3 years and is unpaid. Reelected members shall be no more than two-thirds of the total number of members, however, and the term of executive member is not limited. The Committee shall be notified of any resignation of the chairperson or members. Those who fail to attend the Committee meeting for three consecutive times without reason are deemed to have resigned. Members of the Committee shall not be recalled if their term of office is less than one year.

Article 6: The Committee shall have one director-general, one cashier general manager, and one accounting officer. The chairperson shall nominate among the employees of the Company shall be appointed after an approval of the majority of the Committee (dismissal of chiefs shall be approved by half of the Committee).

Article 7: The Committee has research teams including business and general affairs which conduct researches and improvements. The business team of the Committee submits proposals to the chairperson or members for discussion. The business team has been divided into 2 sections: business and recreation; general affairs team: education and finance; there are 7 members in these research teams, respectively.

- Article 8: The employee welfare committee shall hold a meeting every three months, and an ad hoc meeting shall be called when necessary. The committee meetings are called by the chairperson. When the chairperson cannot perform his or her duties for specific reason(s), a personal shall be selected among the director-general or members. The resolutions of the Committee shall be attended by the majority of the members, and approved by the majority of the attendance. However, the resolution of the following shall be approved upon by more than the majority of the attendance.
1. The formulation and amendments of the Charter.
 2. The disposal of the employee welfare fund.
 3. Other material matters in relation to member rights and obligations.
- Article 9: Tasks of an employee welfare committee are as follow:
Reviewing, promoting, and supervising employee welfare business.
Planning, keeping, and utilizing the employee welfare fund.
Allocating, auditing and reporting revenues and expenses of employee welfare business expenditures.
Other matters related to employee welfare.
- Article 10: Employee welfare fund is allocated according to the left:
At the time of establishment, 1~5% of the paid-in capital was allocated.
0.11% of the total monthly operating revenue is allocated.
0.5% of the monthly wages of employees is deducted.
20% of the reject product is allocated.
- Article 11: Employee welfare fund is allocated as required by the law shall be deposited in the bank by the Committee and shall be not used unless approved by the Committee.
- Article 12: After the dissolution of the Committee, the remaining property of the employee benefits shall be handled in accordance with the following:
1. In case of dissolution and the business has been eliminated, both the employer and employees shall appoint representatives and propose measures with the employee welfare committee for the remaining property of the welfare fund and shall be distributed to their original employees. A report shall be compiled and submitted to the competent authority for reference.
 2. If the employee benefit committee is registered as a nonprofit corporation, in case of dissolution, the remaining property of the profit deposit shall be handled in accordance with Article 44 of Civil Code.
- Article 13: The Committee shall set up a plan and budget for the following year within one month before the end of a year and submit it to the competent authority for record and review after they are approved by the committee meeting. Within three months following the end of each year, the Committee shall submit a report on the execution of the plan and budget as well as the financial statement to the competent authority for record and review, and also send a copy to the business entity.
- Article 14: The meeting rules and enforcement rues are separately stipulated.

Article 15: Matters not covered in the Committee's charter shall be approved by the Committee before making amendments.

Article 16: The Charter has been enforced after the review of the competent authority.

- (2) Education scholarships for the children of employees and incentive for the further education of employees.

2. Retirement System:

- (1) To accommodate the new allocation system for labor's retirement funds, the employees who choose to apply for the pension as stipulated in the Labor Standards Act (old system), the Company has established a Labor Pension Fund Supervisory Committee and 2% of the monthly wages will be allocated as the retirement fund. The pension funds, which are administered by the Labor Pension Fund Supervisory Committee and deposited in the Committee's name in the Bank of Taiwan. The Company will make up for the insufficient amount. Employee retirement conditions shall be handled in accordance with the Labor Standards Act.
- (2) To accommodate the new allocation system of labor retirement fund, for those who choose the carrying account (new system), 6% of the monthly wages will be allocated to their personal account opened by the Bureau of Labor Insurance, Ministry of Labor.

3. Agreement and various employee rights protection measures between laborers and the management:

As required by the Labor Unit Act, the Company's Taoyuan plant has established the Professional Union and a regular communication is engaged with the Company (employee) in the written or verbal form.

- (II) List any loss sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate mitigation measures being or to be taken:

In the most recent fiscal year, and during the current fiscal year up to the date of publication of the annual report, there was no labor disputes. The Company will continue to enhance the communication between the laborers and management as to reach the goal of prospect together.

(III) Education and Training System for Employees and its Implementation

- (1) Operational Procedures for Education and Training System for Employees of Formosan Rubber Group Inc.:

1. Purpose:

These Operational Procedures are promulgated as a means to effectively improve the quality of personnel, implement correct quality concepts and professional skills, and carry out suitable training on employees who may produce significant impact to the environment so that they are relatively aware in order to achieve the effectiveness of the management and the goal of productive business management, ensuring that the quality management system and environmental management system are being enforced and promoted adequately.

2. Application Scope:

These Procedures are applicable for the courses, seminars, talks, practical training, visits and inspections, and planning and implementation of competence held by relevant institutions internally or externally for all of the Company's employees.

3. Reference: None.

4. Definition:

4.1 Internal training:

Training courses organized by the Company internally.

4.2 External training:

Training outside of the Company; refers to outside training, observation or overseas training assigned by the Company.

5. Operational procedures:

5.1 Application for training requirements

5.1.1 Internal training:

Training plans should be proposed by the unit requesting (organizing) with contents including course items, course hours, participants, lecturers, and other matters that should be included, and submit such proposal to the president for approval.

5.1.2 External training:

Any employee participating in external training should complete the "External Training Application (Tracking) Form" with an introduction of the course and relevant information included and have it submitted to the manager then approved by the president.

5.2 Training implementation:

5.2.1 Internal training:

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

5.2.2 External training:

- (1) Temporary loan for the expenses needed for the course must be applied from the accountant after the "External Training Application (Tracking) Form" has been approved by the manager of the employees who participate in external training and the registration procedures for the course may begin.

- (2) After the personnel participating in the external training completes the registration procedures, a form for taking a leave must be filled out, along with the course notification and the “External Training Application (Tracking) Form”; they should be submitted to the HR for subsequent tracking purpose.
- (3) Suppliers that have a significant impact on the company must request relevant training or be assisted by the Company.

5.3 Report of training reports:

5.3.1 Internal training:

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

5.3.2 External training:

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

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

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

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

5.4 Training assessment:

5.4.1 The HR should summarize the training results every 6 months and fill in the “Education and Training Analysis Form” for the president to check the effectiveness of the outcome. The form will also be provided to each departmental manager as a reference basis for promotion.

5.5. Requirements for environmental management education and training

5.5.1 The representative for environmental management should identify suitable training on employees of the plant who may produce significant impact to the environment so that they have necessary skills and sufficient environmental awareness.

5.5.2 According to the outcome of the identification of environmental training requirements, the environmental management representative should make plans to promote environmental policies and procedures in relation to the environment as well as an explanation of various requirements, contents of training and drills in terms of emergency response plans, and training of the outcome after handling an emergency.

5.5.3 The environmental management representative should be responsible for or appoint the arrangement and enforcement of the training course on the approved objects for the training plan. An on-site enforcement should be performed by the internal manager acting as the training lecturer or an external

professional should be hired to do so. Personnel may be appointed to receive professional training courses in relation to environmental issues when necessary outside of the Company.

5.5.4 Whereas there is a request regarding improvement technique of possible environmental impact arising from the material environmental considerations, the “External Training Application (Tracking) Form” should be submitted to the president. An external training may be assigned after an approval.

5.5.5. Requirements for the competence of environmental management personnel:

(1) Relevant personnel of fire response organization:

The personnel in the fire emergency response plan should be equipped with various skills. Suitable training should be provided, and the environmental promotion chairperson should especially appoint at least one member from the plant to take part in the fire fighting training organized by the fire fighting unit and a qualified certification shall be held.

(2) Environmental audit personnel:

It should be appointed to personnel who is qualified from receiving the internal audit training of the Company’s environmental management system and who has also received training courses of environmental procedures and explanation of material requirements.

(3) Material environmental impact personnel:

It should be appointed to personnel who have a degree of above junior high school and have work experience in related filed for more than a year, and should have received the Company’s training courses of relevant procedures of material environmental impact and explanation of material requirements.

6. Relevant forms:

6.1 External Training Application (Tracking) Form.

6.2 Education and Training Sign-in Form for Employees.

6.3. Education and Training Analysis Form.

(2) FRG personnel training log (2025)

Item number	Item	Unit: thousand	Relevant license	Total hours (hours)	amount (NT\$)
1	Public Cyber Security Management System Guidelines Courses	Information Office (1 person)	■ Yes □ No	2.5	0
2	Public Cyber Security Management System Guidelines Courses	Logistic Center (1 person)	■ Yes □ No	6	0
3	Internal Audit Course	Audit Office (3 people)	■ Yes □ No	36	20,700
4	Class C Occupational Safety and Health Operations Supervisor	Logistic Center (1 person)	■ Yes □ No	21	5,000
5	Class C Occupational Safety and Health Operations Supervisor	Legal Affairs Office (1 person)	■ Yes □ No	21	5,000
6	Accounting supervisor advance training courses	Accounting Section (1 person)	■ Yes □ No	12	8,000
7	First Aid Personnel Safety and Health Training	Legal Affairs Office (1 person)	■ Yes □ No	16	5,000
8	Security Supervisor Course	Production Section (1 person)	■ Yes □ No	8	2,700
9	Fire Protection Manager Retraining Course	Production Business Division (1 person)	■ Yes □ No	6	2,700
10	First Aid Training Course	Audit Office (1 people)	■ Yes □ No	3	500
11	First Aid Training Course	Production Section (1 person)	■ Yes □ No	3	500
12	First Aid Training Course	Accounting Section (1 person)	■ Yes □ No	3	500
13	Course of Bonded Warehouse for Dedicated Personnel	Logistic Center (5 person)	■ Yes □ No	120	22,500

(IV) Code of Conduct or Ethics for Employees

Code of Conduct for Employees of Formosan Rubber Group Inc.

Established in August 2008

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

(V) Workplace and employees' safety protection measures:

1. Workplace and safety and health enforcement status of Formosan Rubber Group Inc.
 - (1) As required by the Ministry of Labor, an industrial safety and labor safety and health management committee has been set up. Chairperson: the director of the plant Hsiao Zheng-Zhong and all units have a responsible member.
 - (2) A safety and health month events are organized each year in March and September 2025. Various workplace, safety and health checks and education and training will be implemented strictly and participation is compulsory for all members.
 - (3) In July 2025 every year, the audit units of ISO-9001 and ISO-14001 come to the Company to check various workplace, safety and health operations and the enforcement of education and training.

- (4) Employees are insured with occupational accidents and group insurances; if an accident of safety and health occurs, he/she is entitled the insurance protection.
2. Safety and Health Work Rules of Formosan Rubber Group Inc.
 - (1) 10 Industrial Safety and Health Rules of Formosan Rubber Group Inc.
 - I. Safety first, health first.
 - II. Follow laws and regulations in terms of safety and health.
 - III. Enhance safety and health equipment.
 - IV. Improve safety and health organizations.
 - V. Strengthen safety and health education.
 - VI. Have safety and health habits.
 - VII. Build safety honor concepts.
 - VIII. Increase the awareness for prevention of disasters.
 - IX. Implement industrial automatic checks.
 - X. Work together to ensure safety.
 - (2) Responsibilities of Managers
 1. Managers (including commanding several workers, such as shift leader, team leader, and section chief) should be responsible for preventing accidents.
 2. Be an example in following safety and health rules.
 3. Guide and supervise the department to follow safety and health rules.
 4. Maintain the sound environment and equipment of the management area; if poor safety and health situation is discovered, it must be corrected at any time.
 5. Managers should remain in contact and cooperation with the safety and health management personnel to prevent accidents together.
 6. When an accident occurs, immediately contact the Safety and Health Management Department and Safety and Health Committee to jointly seek improvement.
 7. All managers must be aware of the safe working methods of the work they are supervising, and supervise their subordinates to follow, and they should be an example to their subordinates.
 8. All managers must be familiar with the safety fence devices and protection equipment of human safety of the work they are in charge of and the application of maintenance.
 9. Assignment of work should be appropriate. If there are no more than 2 foremen being in charge, one of them should be appointed as the person in charge for commanding.
 10. The purpose of plant management is to maintain a working environment that is neat, clean and comfortable.
 - (3) Personal conduct
 1. Follow the rules in terms of safety and health.
 2. Work must be conducted according to the standard working method or manager instructions; they may not be changed without consent.
 3. Machines may not be operated on without authorization by other personnel aside from the responsible personnel (unless authorized by the manager).
 4. Lingering or wandering in the work area of others for no reason at any time is prohibited.
 5. Ensure that materials being used at work that are placed on the scaffold, tower or other high places do not trip others or hurt others from falling.
 6. If objects must be thrown from the high place, the ground should be fenced up and warning should be displayed to prohibit others from entering.
 7. When moving equipment or scaffold, unfixed objects placed on top should be removed.

8. Do not run, shout, play, pull pranks or other behaviors that obstruct order in the plant.
 9. Do not use compressed air to blow dust off a body and use the compressed tube to point at others.
 10. Do not take shortcuts and enter production operation area when walking.
 11. It is prohibited to sit on the conveyor belt or walk on the frame.
 12. It is strictly prohibited for people to walk on the roof of asbestos tiles.
 13. Do not walk underneath an overhead crane or hanging heavy objects during work.
 14. If an area with oil leakage, air leakage, broken and damaged ladder, platform, railing or other unsafe places are discovered, please report to the manager or safety and health management personnel at any time.
 15. Do not use tools with poor performance or malfunctioning machinery.
 16. It is prohibited to place sharp knives into the pocket and throw objects in the workshop.
 17. It is prohibited to smoke inside the workplace or when walking; cleanness must be maintained and fruit skin and garbage must not be discarded inside the plant.
 18. Do not push the door too hard when entering and exiting to prevent hitting people at the other side.
 19. Take extra care when walking up and down stairs or anywhere that is slippery.
 20. Injuries occur when moving objects, please take extra care.
 21. Remember all entries and exits and emergency exit of the workplace by heart. Orders must be complied with and guidance must be followed when there is an emergency.
 22. Each employee should be responsible for preventing accidents and encourage one another regarding following the safety rules.
 23. If any unsafe situation is discovered, the manager or safety and health management committee must be reported to immediately to seek a solution for improvement.
- (All enforcement rules are published in the chapters in the “Safety and Health Work Rules of Formosan Rubber Group Inc.”)

VI. Information security management:

- (I) Describe the information security and risk management framework, information security policies, specific management plans, and resources used in information security management.
 1. In accordance with the Company’s Risk Management Policy, the Company has established a three-level risk management organization, consisting of the Responsible Departments → Audit Office → Board of Directors. Accordingly, the responsible department for information security is the Information Office, which has established an Information Security Team composed of one Information Security Officer and one dedicated information security staff member. This team is responsible for formulating internal information security policies, planning and executing information security defenses, and promoting and implementing information security policies, while periodically disclosing the Company’s information security governance status.
 2. The Company’s Audit Office serves as the supervisory unit for information security monitoring and is responsible for overseeing the implementation of internal information security. If deficiencies are discovered during an audit, the audited unit is immediately required to propose relevant improvement plans and specific

actions, with the Audit Office conducting regular follow-ups on the effectiveness of improvements to reduce internal information security risks.

3. Information Security Policy: To implement information security management, the Company has established "Information Security Management Procedures" and "Information Management Control Operations" to achieve the following policy objectives: (1). Division of functions and responsibilities within the Information Technology Department. (2). System development and program modification operations. (3). Control operations for the preparation of system documentation. (4). Program and data access control operations. (5). Data input, processing, and output control operations. (6). Security control operations for files and equipment. (7). Control operations for the acquisition, use, and maintenance of computer hardware and system software. (8). Control operations for system recovery plan systems and testing procedures. (9). Controls for cyber security inspections. (10). Controls for operations related to the filing of public information.
4. Cyber security management resources: For the external network, the Company utilizes the "Information Security Fleet" network architecture provided by the internet service providers to block external attacks at the first layer. For the internal network, firewalls are installed at entry points, with regular firmware updates and network inbound/outbound traffic policies implemented, alongside daily monitoring of traffic security logs. Personal computers are equipped with the latest anti-virus software that receives daily automatic updates. The Company monitors for abnormal notifications daily and addresses any issues immediately. The Company employs information security products from email service providers to block any emails with security risks at the first stage, preventing security risks caused by the manual opening of suspicious emails based on individual judgment.
5. There are a total of 2 members, consisting of a supervisor and a dedicated information security staff member. In 2025, each received three information security courses totaling 12 hours, enhancing the professional literacy required for information security personnel. Simultaneously, the Company utilized real-world social engineering cases to conduct practical awareness training for employees via email, effectively raising their alertness to cybersecurity risks.

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

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

VII. Important contracts:

Nature of contract	Party	Contract Duration	Details	Restrictive terms
Sales contract	Japan Ajinomoto	January 26, 2005	Co-produced additives for electronic chemistry	None
Real Estate Development Contract	CONTINENTAL DEVELOPMENT CORP. Heng Bang Construction Co., Ltd. Heng Ju Construction Co., Ltd.	May 16, 2012	The B7 land development in Xinyi Section	None
	CONTINENTAL DEVELOPMENT CORP.	October 17, 2014	The land development in Huiguo Section of Taichung	None
	The Ambassador Hotel Co., Ltd. CONTINENTAL DEVELOPMENT CORP.	November 15, 2025	Land in Houjin Section, Qianjin District, Kaohsiung City, and the current building development case.	None

VIII. The Company's Intellectual Property Management Plan:

(I) Purpose:

To maintain the leading position of Formosan Rubber Group Inc.'s products and protect existing research and development achievements, the Company has established an intellectual property management system in response to the needs of its corporate governance framework, and with the principle of protecting the Company's intellectual property rights aligned with its operating objectives and research and development results. Through the establishment of the Company's intellectual property management system, the Company expects to enhance and strengthen its competitive position in the industry and generate higher profits and revenue through high-quality products and international services.

(II) Definition:

The Company's intellectual property rights include patents, trademarks, copyrights (including research and development technical documents), and trade secrets.

(III) Intellectual Property Management Methods:

Patent:

Patent applications shall first be preliminarily assessed by the Technical Division, including but not limited to the collection of relevant information and conducting searches. After the inventor completes the Company's "Patent Proposal Description Form", the application shall be submitted for approval in accordance with the relevant approval authority before being sent for review. The Company may engage a patent-related law firm to draft patent specifications and handle subsequent application procedures. If, during the response period for a patent application, an external firm or the legal personnel assesses and recommends that the case be abandoned and closed, legal personnel shall issue an opinion and handle the matter after obtaining approval from the relevant research and development supervisor via email or verbal confirmation.

Trademark:

Applications for new trademark rights shall be evaluated by the Marketing Division, which shall provide the trademark, pattern, or design. If the trademark is related to a patent, the supervisor of the Technical Division shall also countersign the application. After the application is submitted and approved in accordance with the Company's approval authority, legal personnel shall handle the application matters. For trademark applications, the Company may engage a trademark-related law firm to collect information, conduct searches, submit applications, and handle subsequent application procedures. Where a registered trademark right requires filing for additional classes, regions, or other matters, the follow-up matters shall be handled by legal personnel after submission and approval in accordance with the Company's designated approval authority.

Copyrights:

The "Research and Development Cycle" under the Company's "Internal Control System" clearly provides that after a product development project is completed and closed, the technical department shall compile and retain relevant information, documents, records, and other materials generated during the development process in the Technical Division's files.

Trade Secrets:

Pursuant to the Company's "Work Rules":

- (1) Employees may not, without the Company's written consent, operate for themselves or for any third party any business that is the same as or similar to that of the Company, nor may they serve as an unlimited liability shareholder, managing shareholder, director, or manager of a company engaged in the same type of business, or as an apparent or undisclosed partner of a firm.
- (2) Employees who disclose official confidential information or falsely report facts shall be subject to a major demerit and legal liability shall be pursued.
- (3) Employees who intentionally damage machines, tools, raw materials, products, or other Company-owned items, or intentionally disclose the Company's technical or business secrets and thereby cause damage to the Company, shall be dismissed and legal liability shall be pursued.

Based on the Company's budget and operating targets, the Technical Division proposes the annual research and development plan.

The Company holds intellectual property-related education, training, and awareness courses from time to time to implement the protection and management of intellectual property and prevent the leakage of important trade secrets, thereby enhancing the Company's industrial competitiveness and business development.

(IV) Implementation Status:

The Company regularly reports intellectual property-related matters to the Board of Directors in the first quarter of each year. The most recent report was made on March 10, 2026. The report is as follows:

(1) Patent: ① In 2025, the Company obtained three new "invention" patents in the Republic of China.

Item number	Case Name	Inventor	Patent Term Start Date	Patent Term End Date
1	Composite leather material of natural rubber and fiber cloth and its manufacturing method.	Song Guo-Hui/Hsu Cheng-Chi	April 11, 2025	March 28, 2044
2	Multi-layer treated blackout cloth and its manufacturing method.	Yu Hui-Chi/Hsu Cheng-Chi	July 11, 2025	March 28, 2044
3	Soundproof canvas and its manufacturing method.	Hsu Yuan-Ru/Hsu Kuo-Lun/Hsu Cheng-Chi	September 11, 2025	May 08, 2044

② There are 3 R.O.C. patent applications pending.

③ As of December 31, 2025, the Company had obtained a total of 56 R.O.C. patents.

④ The cumulative number of global patent applications had reached 252, and the cumulative number of patents granted worldwide had reached 141.

(2) Trademarks: The cumulative number of registered trademarks had reached 38.

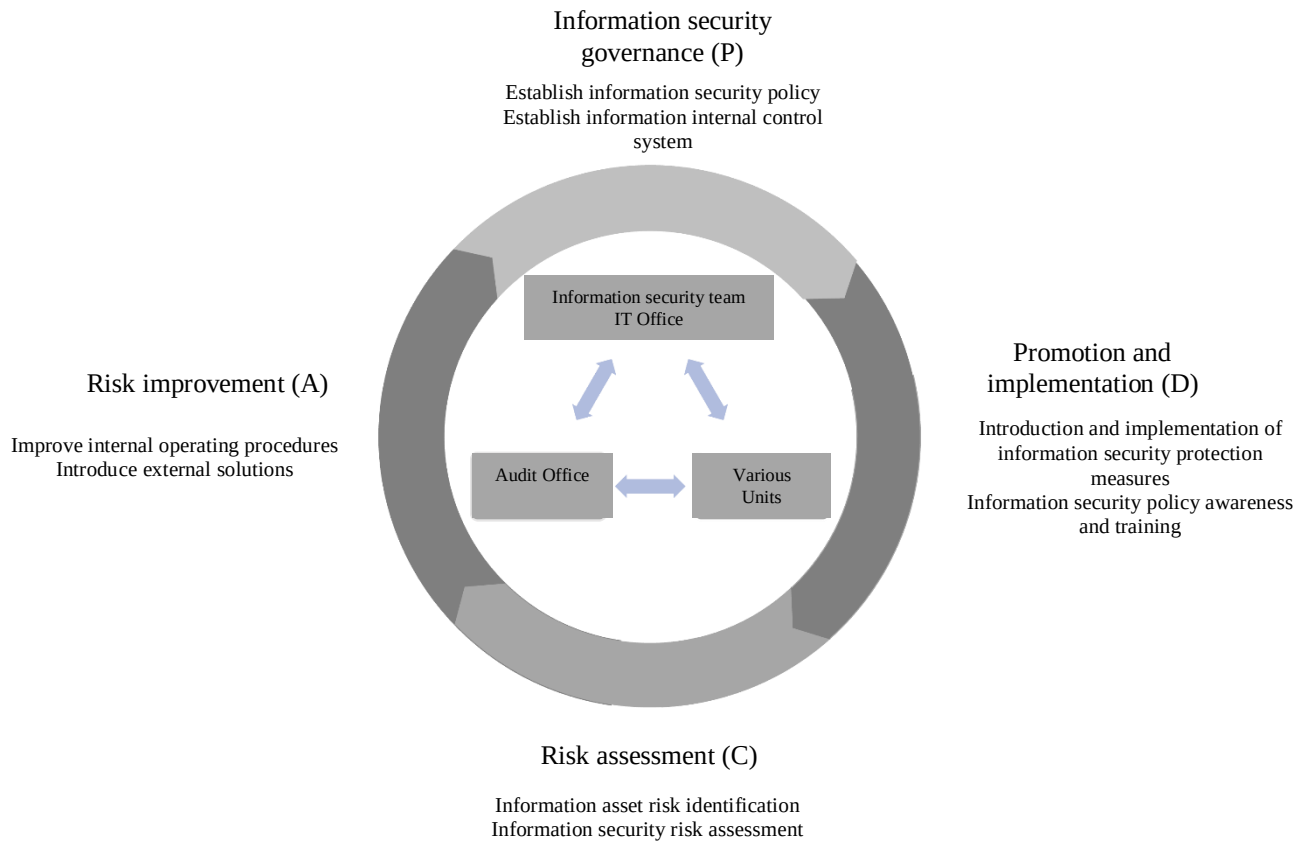
IX. The Company's Information Security Management Policy and Implementation Status in 2025:

(I) Information Security Risk Management Framework

In accordance with the Company's Risk Management Policy, the Company has established a three-level risk management organization, consisting of the Responsible Departments → Audit Office → Board of Directors. Accordingly, the responsible department for information security is the Information Office, which has established an Information Security Team composed of one Information Security Officer and one dedicated information security staff member. This team is responsible for formulating internal information security policies, planning and executing information security defenses, and promoting and implementing information security policies, while periodically disclosing the Company's information security governance status.

1. The Company's Audit Office serves as the supervisory unit for information security monitoring and is responsible for overseeing the implementation of internal information security. If deficiencies are discovered during an audit, the audited unit is immediately required to propose relevant improvement plans

- and specific actions, with the Audit Office conducting regular follow-ups on the effectiveness of improvements to reduce internal information security risks.
2. The operating model adopts regular audits and cyclical management (Plan -> Do -> Check -> Act) to ensure the achievement of reliability objectives and continuous improvement.



Information Security Policy

1. Purpose:

To ensure the continuous, smooth, and stable operation of the Company's business, prevent unauthorized access to, use, control, disclosure, destruction, tampering with, deletion of, or other infringement of information systems or network communication systems, and ensure their confidentiality, integrity, and availability. The Company has established this policy as the guideline for its information security management operations.

2. Applicability:

The matters regulated under this policy apply to the Company's directors, consultants, employees, contractors, outsourced service providers, and organizations connected to the Company's systems, to the extent that they involve the Company's information security assets. All such parties are responsible for complying with this policy.

3. Goal:

- (1) Ensure the confidentiality of information related to the Company's business and protect the security of the Company's business secrets and personal data.
- (2) Ensure the integrity and availability of information related to the Company's business and improve work efficiency and quality.
- (3) Enhance the Company's information security protection capabilities.
- (4) Achieve the objective of continuous business operations of the Company.

4. Strategy:

- (1) The Company shall comply with relevant government laws, such as the Cyber Security Management Act, taking business operation requirements into account, assess information security operation needs, and establish relevant procedures to ensure the confidentiality, integrity, and availability of information assets.
- (2) The Company shall establish an information security risk management framework and define the division of duties and responsibilities to facilitate the subsequent implementation of information and communication security operations.
- (3) The Company shall implement all required measures with reference to the Regulations on Classification of Cyber Security Responsibility Levels promulgated by the government.
- (4) The Company shall establish an information security incident reporting and response mechanism to ensure that information security incidents are properly responded to, controlled, and handled.
- (5) The Company shall conduct information and communication security audits regularly to ensure the implementation of information and communication security management.

5. Scope:

(1) The scope of this information security policy covers the following matters:

- A. Division of functions and responsibilities of the information department.
- B. System development and program modification operations.
- C. Control operations for the preparation of system documentation.
- D. Program and data access control operations.
- E. Data input, processing, and output control operations.
- F. Security control operations for files and equipment.
- G. Control operations for the acquisition, use, and maintenance of computer hardware and system software.
- H. Control operations for system recovery plan systems and testing procedures.
- I. Controls for cyber security inspections.
- J. Controls for operations related to the filing of public information.

(2) The above scope is regulated and implemented under the Company's "Internal Control System" and is also subject to audit review.

6. Incident Reporting and Handling

- (1) When any unit discovers that information assets are subject to security threats, infringement, or attacks, the discoverer shall immediately report the matter to the Information Office. After preliminary assessment and triage by the Information Office's information security team, if the incident is serious enough to affect operations, it shall be escalated in accordance with the designated approval authority, and relevant resources shall be mobilized to handle the matter as soon as possible. Finally, the information security team shall report to the Board of Directors in a timely manner the scope of impact and final handling status. If there is clear damage to rights or interests, the Company may seek compensation through legal channels.
- (2) Upon receiving information regarding an information security incident, the information security team shall carry out front-line prevention and recovery measures. If the matter cannot be resolved internally, external technical support shall be sought as soon as possible, with the objective of minimizing the extent of damage. During the process, specific facts regarding the damage shall be retained as evidence for future verification.

7. Review and Amendment:

This policy shall be reviewed by the Information Office at least once a year, or re-reviewed when there is a major organizational change. Based on the evaluation results, relevant laws and regulations, and the latest developments in technology and business, this policy shall be appropriately revised and announced for implementation after approval by the Board of Directors.

8. Implementation Status in 2025:

- (1) The department responsible for information security is the Information Office, which has established an Information Security Team composed of one Information Security Officer and one dedicated information security staff member. This team is responsible for formulating internal information security policies, planning and executing information security defenses, and promoting and implementing information security policies, while periodically disclosing the Company's information security governance status.
- (2) In December 2025, the Company convened its first formal annual information security meeting.
- (3) The dedicated information security supervisor and dedicated personnel completed the following courses before March 2025: 1.5 hours of "Explanation of the Information and Communication Security Management Guidelines for TWSE/TPEX Listed Companies", 2 hours of "Information Security Awareness: Essential Knowledge and Responsibilities", and 2.5 hours of "Explanation of Information Security Incidents and Preventive Measures". Each of the two participants completed a total of 6 hours of general information security education courses and obtained certificates.
- (4) Based on enterprise network security considerations, all plant networks have introduced information security services provided by network service providers to prevent DDoS attacks and other potential high-risk cyberattacks.
- (5) The Company has established firewall infrastructure for corporate network connections to the Internet to protect enterprise network security and manage access authorization for connection services. In line with updates to the Company's information security policies and regulations, network system administrators adjust system access permissions to reflect the latest status.
- (6) The Company has introduced email security services from its email service provider to reduce information security risks. For various types of phishing emails involving social engineering that have been identified, the Company provides practical email security awareness education to all employees to enhance employees' email security awareness.
- (7) No major information and communication security incidents occurred in the Company in the most recent year.

X. The Company's Workplace Diversity and Gender Equality Policies and

Implementation Status

Formosan Rubber Group Inc. upholds the principle of "Decent Work and Economic Growth", providing equal employment opportunities to individuals of different genders and ages. The Company also protects employment opportunities for other minority groups in accordance with the labor laws established by the R.O.C. government and local government regulations to satisfy the diversity of employees. In addition, the Company complies with Goal 5 of the United Nations Sustainable Development Goals, Gender Equality, as well as the basic principles of the United Nations "Universal Declaration of Human Rights", the "Convention for the Protection of Human Rights and Fundamental

Freedoms", the "Charter of Fundamental Rights of the European Union", and the International Labour Organization "Declaration on Fundamental Principles and Rights at Work". The Company has established a human rights policy and is committed to creating an equal and fair work environment free from discrimination and harassment. The Company does not discriminate in recruitment and employment on the basis of race, nationality, age, gender, marital status, political affiliation, religious belief, or other factors, and expects all employees to be placed in positions suited to their abilities so that they may fully realize their potential.

According to the employee data statistics at the end of the year, as of December 31, 2025, the Company had a total of 190 employees in 2025. In terms of workforce structure, there were 140 male employees, accounting for 73.68%, and 50 female employees, accounting for 26.32%, with female managers accounting for 1.58%. Employees aged 31 to 50 formed the backbone of the Company's workforce, accounting for approximately 41.05%; employees aged 51 and above accounted for approximately 51.58%. The Company also promotes workplace diversity by employing Indigenous peoples, foreign migrant workers, and persons with disabilities. With respect to the employment of persons with disabilities, the Company employed a total of seven employees with disabilities, accounting for 3.68% of total employees, far exceeding the minimum of one person with a disability.

As the Company's operations are mainly in the manufacturing industry, and its plants are relatively labor-intensive, there is a difference in the workforce structure between male and female employees.

The table below sets out the Company's diversity indicators for 2025:

Job category / diverse category		Gender			Age			Other disclosure content determined according to corporate status		
		Male	Female	Others	Under 30 years old	31-50 years old	Over 51 years old	Indigenous peoples	Foreign migrant workers	People with disabilities
Executives	Number of people	19	3	0	0	9	13	0	0	0
(Total 22 people)	Ratio	10.00%	1.58%	0.00%	0.00%	4.74%	6.84%	0.00%	0.00%	0.00%
Employees	Number of people	38	40	0	9	36	33	2	1	1
(Total 78 people)	Ratio	20.00%	21.05%	0.00%	4.74%	18.94%	17.37%	1.05%	0.53%	0.53%
Operators	Number of people	83	7	0	5	33	52	7	8	6
(Total 90 people)	Ratio	43.68%	3.69	0.00%	2.63%	17.37%	27.37%	3.69%	4.21%	3.15%
Including number of staff of diverse category		140	50	0	14	78	98	9	9	7
Ratio of total employees (190 employees)		73.68%	26.32%	0.00%	7.37%	41.05%	51.58%	4.74%	4.74%	3.68%

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

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

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

I. Financial Status Analysis:

Unit: NT\$ thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current Assets	10,127,617	10,661,095	533,478	5.27%
Property, Plant and Equipment	725,526	724,091	(1,435)	-0.20%
Other Assets	4,275,070	4,029,643	(245,427)	-5.74%
Total Assets	15,128,213	15,414,829	286,616	1.89%
Current Liabilities	1,728,438	1,455,890	(272,548)	-15.77%
None Current Liabilities	258,820	475,984	217,164	83.91%
Total Liabilities	1,987,258	1,931,874	(55,384)	-2.79%
Shares	3,035,934	3,035,934	0	0.00%
Capital reserve	449,745	449,745	0	0.00%
Retained Earnings	8,528,654	9,044,961	516,307	6.05%
Other Equity	1,126,622	952,315	(174,307)	-15.47%
Treasury Stock	0	0	0	0.00%
Non-Controlling Interest	0	0	0	0.00%
Total Equity	13,140,955	13,482,955	342,000	2.60%
(I) Analysis of Changes: Non-current liabilities: Mainly due to the increase in long-term borrowings during the current period.				
(II) Future response plans: As the continual sales of finished houses from each project and warehousing logistics growth bring the cash inflow, the received payments will be effectively utilized, invested, repaid bank borrowings and liabilities, and solidify the financial position to safeguard the shareholders' equity.				

II. Financial Performance:

(I) Comparison Analysis of Operation Results:

Unit: NT\$ thousand

Item \ Year	2024	2025	Increase (decrease) Amount	Change %
Operating income	1,481,243	1,443,584	(37,659)	-2.54%
Operation Cost	1,008,435	950,600	(57,835)	-5.74%
Operating margin	472,808	492,984	20,176	4.27%
Operating Expenses	225,062	210,109	(14,953)	-6.64%
Operating Profit	247,746	282,875	35,129	14.18%
Non-Operating Income and Expenses	405,884	305,758	(100,126)	-24.67%
Pre-Tax Income	653,630	588,633	(64,997)	-9.94%
Income Tax Expense	80,170	80,812	642	0.80%
Net Income for Continuing Operation	573,460	507,821	(65,639)	-11.45%

Analysis of Increase and Decrease Changes:

Mainly due to the Company's foreign exchange losses and the decrease in net gains on financial assets measured at fair value through profit or loss.

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

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

III. Cash Flow:

(I) Analysis of cash liquidity in recent years:

Unit: NT\$ thousand

Opening cash balance ①	Net cash from operating activities for the entire year Net cash flow ②	Net cash flow for the entire year Cash flow ③	Cash remaining Amount ① + ② + ③	Remedies for cash deficits	
				Investment plans	Financial plans
710,696	692,123	75,911	1,478,730	-	-

1. Analysis of changes in cash flows this year:
 - (1) Operating activities: Mainly due to the decrease in sales of the Company's development projects compared to the previous period.
 - (2) Investment activities: Mainly due to the disposal of financial assets during the current period.
 - (3) Financing activities: Mainly due to the increase in long-term borrowings in the previous period to pay the construction costs of Longtan Smart Park.
2. Expected remedies for cash deficits and liquidity analysis: Not applicable.

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

Item \ Year	December 31, 2024	December 31, 2025	Increase (decrease) Ratio
Cash Flow Ratio	47.85	47.54	-6.48%
Cash Flow Adequacy Ratio	145.84	98.10	-32.73%
Cash Flow Reinvestment Ratio	2.95	1.75	-40.68%
Analysis of Increase and Decrease Changes: The increase in the cash flow adequacy ratio and the cash reinvestment ratio: The decrease in net cash inflows from operating activities in the current period was mainly due to the decrease in sales of the Company's development projects compared to the previous period.			

(III) Cash liquidity analysis for the coming year

Unit: NT\$ thousand

Opening cash balance ①	Expected net cash flow from operating activities for the entire year ②	Expected net cash flow for the entire year ③	Expected cash balance ① + ② + ③	Expected remedies for cash deficits	
				Investment plans	Financial plans
1,478,730	786,169	(713,899)	1,551,000	-	-

1. Analysis of changes in cash flow in 2026:
 - (1) Operating activities: This is mainly due to the sales of construction projects (land and units) and the income from dividends.
 - (2) Investment and financing activities: This is mainly due to the purchase of financial assets.
2. Expected remedies for cash deficits and liquidity analysis: Not applicable.

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

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

Unit: NT\$ thousand

Project	Actual or expected source of funding	Total funds required	Actual or intended use of funds	
			2024	2025

Construction of Longtan Smart Park	Own capital and bank loans	812,861 (tax included)	436,700	161,661
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(II) Expected benefits

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

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

Description Item	Amount	Policy	Main reason for profit or loss	Improvement plan	Other future investment plans
FRG US CORP.	Investment cost of NT\$1,273,181 thousand	Real estate investment, development and rental	Loss of NT\$5,623 thousand is recognized for the period.	None	None
Banjian Development Co., Ltd.	Investment cost of NT\$560,000 thousand	Investment in financial products	The gain of NT\$51,609 thousand was recognized for the period.	None	None

VI. Risk Analysis:

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

1. Interest rate

- (a) FRG is in the "mature period" of the industry's life cycle characterized by fierce competition; land and property development projects; in accordance with the principles of stable and sustainable operations, the low debt ratio is maintained. Financial expenses in 2025 totaled NT\$22,870 thousand, an increase from 2024.
- (b) In the future, we will continue to upload the aim of business management of staying stable and sustainable management as well as maintaining a low debt ratio. However, in terms of interest trends, we will constantly keep a close eye and collect market information for reference.

2. Exchange rate:

- (a) Exports (most of them in USD and RMB) by FRG account for 64% of total sales in 2025; imports of materials are paid in USD.
- (b) The exchange gains and losses of FRG in the past two years: the exchange gain in 2024: NT\$73,494 thousand, and exchange loss of NT\$38,082 thousand in 2025.
- (c) In the future, we will continue to observe closely on the trends of exchange rates and collect domestic and overseas market information. Use timely foreign exchange and other hedging tools to focus on exchange rate in order to reduce the impact of exchange rate changes on the Company.

3. Inflation

The unstable financial market has resulted in global price fluctuations in raw materials. The Company's main raw materials for rubber and plastic manufacturing (including PVC, DOP, natural rubber, raw fabrics, etc.) have also been affected by the price fluctuation and exchange rate. As a means to handle the

- manufacturing costs considering the market competitiveness, the selling price of the Company's products will be adjusted accordingly in order to ease the impact of cost fluctuation for raw materials. In the future, we will persist on observing the price changes of raw materials and make adjustments to operation strategy any time in a bid to cope with the pressure of rising costs, ensuring a reasonable profit.
- (II) Main reasons and future corresponding measures of policies for engaging in highly risky and highly leveraged investments, lending funds to others, endorsements and guarantees and derivatives transactions:
- (1) Engagement in highly risky and highly leveraged investments
The Company focuses on relevant investments on rubber and plastic manufacturing, construction and warehouses; therefore, is not involved in highly risky and highly leveraged investments.
- (2) "Lending funds to others", "endorsements/guarantees" and "derivatives transaction":
- (a) As required by relevant measures, the Company has established the "Operational Procedures for Lending Funds to Others" and "Handling Procedures of Enforcements/Guarantees" and a dedicated unit is in charge of the risk and control assessment. At the same time, the Company's audit office conducts an assessment on a monthly basis and compiles a report in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Securities and Future Bureau.
- (b) Procedures regarding derivatives transaction have been stipulated in the Company's "Regulations Governing the Acquisition and Disposal of Assets", and the Company's audit office conducts an assessment on a monthly basis and compiles a report.
- (c) In 2025, the Company's "fund loan to others": NT\$247,352 thousand; no "derivative commodity transaction" in existence; balance of "endorsement / guarantee": NT\$341,432 thousand.
- (III) The future R&D plans and estimated R&D investment expenses:
Please refer to Chapter 4, Section 1 (III) "The process of the future R&D plans and estimated R&D investment expenses for Formosan Rubber Group Inc.".
- (IV) Impact on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None.
- (V) Technological changes (including information security management risks) and industrial change on the Company's finance business: The Company continues to monitor market trends and technological advancements in plastic and rubber product development related to the Company's Production Business Department. This will reduce the effects of technological changes. At the same time, in conjunction with the national-level national vehicle manufacturing in Taiwan plan, eco-friendly green building materials, and greenhouse gas reduction policies, the Company actively engages in new product development, equipment updates, and process improvement, while focusing on cost control and cash management to maintain competitiveness and control impacts on its financial business. Technological changes (including information and communication security risks) and industrial changes in the most recent year, as of the publication date of the annual report, have had no material impact on the Company's financial operations.
- (VI) Impact on the company's crisis management of changes in the company's corporate image, and corresponding measures to be taken in response: None.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and corresponding measures being or to be taken: None.
 - (VIII) Expected benefits and possible risks associated with any plant expansion, and corresponding measures being or to be taken: None.
 - (IX) Risks associated with any consolidation of sales or purchasing operations, and corresponding measures being or to be taken: None.
 - (X) Impact upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the company has been transferred or has otherwise changed hands, and corresponding measures being or to be taken: None.
 - (XI) Impact upon and risk to company associated with any change in governance personnel or top management, and corresponding measures being or to be taken: None.
 - (XII) Litigious and non litigious matters; the directors, supervisors, general managers and substantial principals of the Company, the majority shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non litigation or administrative litigation results may have a significant effect on the Company's shareholders' equity or securities price as of the publication of the annual report: None
- I. Get back lands in Nankan and Longtan, Taoyuan City, registered under name of others (the Pseudo Name):
1. It was learnt during the previous inventory for the lands registered under others' names in Nankang and Longtan, Taoyuan, that some lands had be expropriated by the Taoyuan City Government, and such lands are now registered under the name of Taoyuan City Government. However, the who lent his name did not inform the Company the expropriation but received the compensations.
 2. The Company protects its rights by filing lawsuits, including civil lawsuits for "Claiming the land registered in the name of another person from the lender" and "Claiming the expropriation compensation from the lender", and criminal lawsuits for "Claiming the lender for offenses of breach of trust, and criminal conversion".
 3. The civil lawsuit for "Claiming the land registered in the name of another person from the lender" was rejected by the Supreme Court on November 4, 2024. The civil lawsuit for "Claiming the expropriation compensation from the lender" was also rejected by the Supreme Court on February 3, 2025. As a result, the civil portion of the case has reached a final and binding judgment against the Company. Regarding the criminal proceedings, while the New Taipei District Prosecutors Office indicted the nominee for alleged breach of trust and embezzlement on August 6, 2024, the New Taipei District Court rendered a not-guilty verdict (a ruling against the Company) in the first instance on October 22, 2025. The Company filed an appeal within the statutory period; however, the Taiwan High Court dismissed the appeal on February 9, 2026, marking the final defeat in the criminal case. The Company has exhausted all available legal remedies to protect its rights and interests.
 4. On May 20, 2025, the Company received a civil complaint filed by the nominee against the Company. The cause of action is for damages, and the amount of the subject matter of the litigation is NT\$3,191,478. The nominee claims that the Company caused damage to their property and reputation through provisional remedies such as provisional attachment, provisional injunction, and provisional execution, and therefore seeks compensation from the Company. The Company has appointed legal counsel to respond to the lawsuit; currently, this case is undergoing first-instance civil proceedings at the Taiwan Taipei District Court.

(XIII) Other important risks and corresponding measures:

Information security and risk control:

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

In order to strengthen information security management, the Company utilizes advanced network defense systems (ANDs) and DDoS protection for its external network. Firewalls are installed at the internal network entry points, and the Company continuously improves or increases corresponding preventive measures to respond to the constantly evolving potential threats from both internal and external sources.

The Company has established comprehensive backup mechanisms for its operational systems and files. Based on the nature of the data, necessary backups of data (daily), software (weekly), and operating systems (every six months or on the day of an update) are performed regularly. This ensures that in the event of any information security incident, normal operations can be quickly restored to maintain the availability and integrity of the data and systems.

Through annual review and assessment its network safety regulations and procedures, the applicability and effectiveness can be ensured. Though the Company cannot guarantee that it will be spared by new risks and attacks in the constant changing network security threats. From the beginning of 2025 to the publication date of the annual report, FRG has not experienced any cyberattacks or incidents that may have a material adverse impact on its business and operations.

VII. Other Important Matters:

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

1. Allowance for bad debts:

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

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

2. Allowance to reduce inventory to market

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

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

Six. Special Disclosures

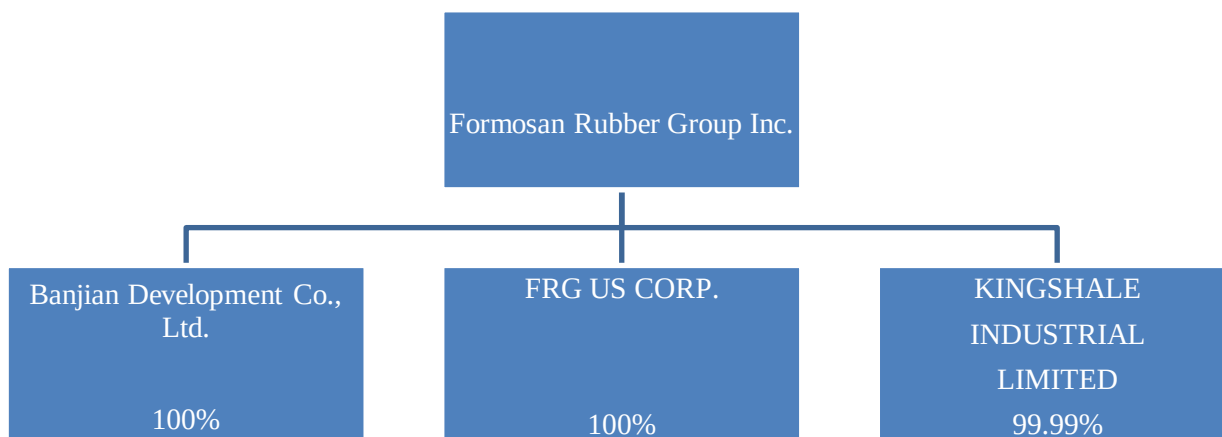
- I. Information relating to the Company's affiliates
- II. Transaction about the company's private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of the publication of the annual report
- III. If any of the situations listed in Article 36,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

Eight. Special Disclosures

I. Information relating to the Company's affiliates:

(I) Consolidated Business Reports of Affiliated Enterprises:

1. Organizational table of affiliates:



2. Basic information of affiliates:

Unit: NT\$ thousand

Company Name	Date of Establishment	Address	Paid-In Capital	Main business or Production
Banjian Development Co., Ltd.	2003.11.07	7th Floor, No. 82, Section 1, Hankou Street, Taipei	560,000	1. Department stores, retails, wholesales, warehouses 2. Development of leases and sales of residential or business buildings 3. Building management consulting 4. Residential and cleaning management services 5. Agency Services
FRG US CORP.	2017.10.20	10750 Johnson Ave, Cupertino, California 95014	1,273,181	Real estate investment, development and rental
KINGSHALE INDUSTRIAL LIMITED	1989.2.14	14/F., Kam Fung Commercial Building, Nos.2-4 Tin Lok Lane, Wanchai, Hong Kong	34	General investment

3. Shareholders presumed to have control and subordinate relationship with the same information: None

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

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

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

Unit: NT\$ thousand; share; %

Company Name	Title	Name or Rep.	Shareholding	
			Number of Shares	Shareholding Ratio
Banjian Development Co., Ltd.	Chairperson/President	Formosan Rubber Group Inc. Representative: Hsu Zhen-Tsai	56,000,000	100%
	Director	Formosan Rubber Group Inc. Representative: Jiang Rui-Tang and Chen Hui-Jin	56,000,000	100%
	Supervisor	Formosan Rubber Group Inc. Representative: Hsiao Zheng-Zhong	56,000,000	100%
FRG US CORP.	Director	Formosan Rubber Group Inc. Representative: Hsu Zhen-Ji	20,812,000	100%
	Director	Formosan Rubber Group Inc. Representative: Hsu Zhen-Xin	20,812,000	100%
KINGSHALE INDUSTRIAL LIMITED	Director	Formosan Rubber Group Inc. Representative: Hsu Zhen-Tsai, Hsu Zhen-Ji, Hsu Zhen-Xin	9,999	99.99%

6. Operational overview of affiliates:

Unit: NT\$ thousand

Company Name	Capital	Total Assets	Total Liabilities	Net income	Operating income	Operating Profit (loss)	Current Profit and Loss (after tax)	EPS (NT\$) (after tax)
Banjian Development Co., Ltd.	560,000	1,543,355	21,312	1,522,043	0	(9,866)	51,609	0.92
FRG US CORP.	1,273,181	956,753	115,811	840,942	2,222	(6,789)	(5,623)	(0.27)
KINGSHALE INDUSTRIAL LIMITED	34	0	0	0	0	0	0	0.00

(II) Consolidated Financial Statements of Affiliated Enterprises: Please refer to “Consolidated Financial Statements of the Parent and Subsidiaries for the most Recent Year as Audited by the CPA” on the Market Observation Post System (MOPS).

(III) Affiliation Report: Not applicable.

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

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

IV. Other matters that require additional explanation: None.

Formosan Rubber Group Inc.

Chairperson: Hsu Zhen-Tsai