

Stock code: 5607

Annual report available on:
<http://mops.twse.com.tw> or
<https://www.ftz.com.tw>



遠雄自貿港投資控股股份有限公司

Farglory Free Trade Zone Investment Holding Co., Ltd.

2024

Annual Report

Published on April 27, 2025

I. Name, designation, contact number, and e-mail of spokesperson and acting spokesperson

Spokesperson

Name: Hsu Chueh-Wei

Designation: Manager of Finance Dept.

TEL: (03)-3992888 ext. 15300

E-mail: joseph.hsu@ftz.com.tw

Acting Spokesperson

Name: Li Yu-Ping

Designation: Assistant Manager of Finance Dept.

TEL: (03)-3992888 ext. 15310

E-mail: pamelalee@ftz.com.tw

II. Address and contact number of the headquarter, branches, and plant sites

(I) Headquarter: 23F.-1, No. 200, Section 1, Keelung Road, Xinyi District, Taipei City, Taiwan

TEL: (02)-27239999

(II) Free Trade Zone and logistics company: No. 101, Hangxiang Rd., Dayuan Dist., Taoyuan City, Taiwan

TEL: (03)-3992888

III. Name, address, website, and contact number of the stock transfer agent

Name: Yuanta Securities Co., Ltd.

Address: B1, No. 67, Section 2, Dunhua South Road, Da'an District, Taipei City, Taiwan

Website: www.yuanta.com.tw

TEL: (02)-25865859

IV. Name of CPA and the name, address, website, and contact number of the accounting firm for the latest financial report

Name: CPA Chih, Ping-Chiun, CPA Liao Fu-Ming

Name of accounting firm: PwC Taiwan

Address: 27F, International Trade Building, No. 333, Section 1, Keelung Road, Taipei City, Taiwan

Website: www.pwc.com.tw

TEL: (02)-27296666

V. Name of overseas exchange where securities are listed, and method of inquiry:
None

VI. Website: <http://www.ftz.com.tw>

Table of Contents

One. Shareholders Report

I.	2024 Annual Operating Results	2
II.	Summary of 2025 business plan.....	4
III.	Future development strategies.....	9
IV.	Impacts of the competitive environment, regulatory environment, and the overall business environment	11

Two. Corporate Governance Report

I.	Background information of directors, independent directors, President, vice presidents, assistant vice presidents, and the heads of various departments and branches	13
II.	Compensation to directors, independent directors, the President, and vice presidents in the latest year	21
III.	Corporate governance.....	28
IV.	Fees of CPAs	72
V.	Change of CPA	72
VI.	The Company's Chairman, President, or manager involved in financial or accounting affairs was employed by the accounting firm or any of its affiliated company in the last year	72
VII.	Details of shares transferred or pledged by directors, supervisors, managers, and shareholders with more than 10% ownership interest in the last year, up until the publication date of this annual report.....	72
VIII.	Disclosure of relationship among the top ten shareholders including spouse and relatives within the second degree of kinship	73
IX.	Investments jointly held by the Company, the Company's directors, independent directors, managers, and enterprises directly or indirectly controlled by the Company, and shareholding in aggregate of the above parties	74

Three. Capital Overview

I.	Capital and outstanding shares	75
II.	Corporate bonds.....	78
III.	Preferred shares	78
IV.	Overseas depository receipts	78
V.	Employee stock warrants.....	78

VI.	Restricted stock awards (RSAs)	78
VII.	Issuance of new shares in connection with merger or acquisition or receiving transfer of shares of another company	78
VIII.	Progress on the planned use of capital	78
Four. Operational Overview		
I.	Business activities	79
II.	Market and sales overview	96
III.	Employees	102
IV.	Contribution to environmental protection	103
V.	Labor-management relations	103
VI.	Cybersecurity management	108
VII.	Major contracts	111
Five. Review and analysis of financial position and business performance, and risk management issues		
I.	Financial position	116
II.	Financial performance	117
III.	Cash flow	118
IV.	Material capital expenditures in the last year and impacts on business performance	118
V.	Causes of profit or loss incurred on business investments in the last year, and any improvement or investment plan for the next year	119
VI.	Analysis of risk issues	120
VII.	Other Important Notes	124
Six. Special Disclosure		
I.	Information on affiliated companies	125
II.	Private placement of securities in the last year up until the publication date of the annual report	128
III.	Other supplementary information	128

One. Shareholders Report

Dear shareholders,

Looking back to 2024, the global inflation has eased. The major central banks have successively cut the interest rates. Besides, the global supply chain obstacles have been mitigated, the manufacturing industry inventory has gradually decreased, and the global economy has demonstrated resilience. However, the uncertainty of the US and China policies, geopolitical tensions and increasing trade restrictions have caused many risks to the global economy and inflation, and the global trade momentum has slowed down accordingly. Meanwhile, in order to disperse the risk of supply chain disruption, various countries have developed localized and digital production models proactively. As a result, the economic growth rate was 2.7% only. In particular, the US economic recovery became sluggish and grew by 2.8%. The energy price was rising in Eurozone with an economic growth rate staying 0.7%. Due to gradual recovering economic activities, Japan has posted an economic growth rate of 1.5%. As for China, the country only exhibited an economic growth rate of 5.0%. Taiwan's export sales were driven by the booming development of the AI supply chain, with the economic growth rate of 4.3%.

Foreign trade has been one of the important momentums to supporting Taiwan's economic growth, with EU, the USA, Japan and China being the primary export/import trade markets; for this reason, performance of the above economies is critical to our import/export performance. For the time being, the high inflation and dispute over termination of the military conflict between Ukraine and Russia poses the main threats to the global economic and trade activities, whereas the rate of recovery varies significantly between regions and industries. Prolonged trade conflict between China and the USA and increased debt risk will all affect the growth of Taiwan's export/import trade. With respect to investment activities, expansion of the local and overseas semiconductor supply chain combined with the AI chip industry and the return of Taiwanese enterprises will all stimulate domestic investments. As for exports, Taiwan should be able to maintain its export momentum thanks to the innovative technology applications and accelerated developments in digital transformations. Farglory Free Trade Zone will take the opportunity to respond to the impact posed by the international supply chain's reform and changes in consumers' behavior structure and exerts its own strength and improves competitiveness.

Looking ahead to 2025, the U.S.A Central Bank and European Central Bank will continue to cut interest rates, and the price of major commodities such as international oil price is weak. The inflation becomes sluggish in various countries to help boost the demand. Besides, the global trade

continues to grow. Therefore, the global economy is expected to grow steadily. Among the other things, the lowering of inflation in the US and a stable labor market will facilitate private investment. Japan is expected to continue loosening its monetary policy, and Europe's economic performance is likely to remain sluggish due to the uncertainty of energy instability and weak external demand. As the pressure of inflation eases, the Fed and major central banks continue the cycle of interest rate cuts. However, the impact of supply chain bottlenecks, inflation pressure, labor shortage, rising geopolitical risks and China's economic slowdown must be closely monitored. According to S&P Global, the expected global economic growth rate is 2.5% this year. Country-wise, the growth rate was estimated as 2.8% for the USA, 0.9% for the Eurozone, and 0.8% for Japan. China's economic growth rate is expected to be 4.2%. Benefiting from opportunities from increased investments in the semiconductor industry and emerging AI applications, Taiwan exhibited an economic growth rate of 3.3%.

The Free Trade Zone keeps growing, continues to strive for more refined services, and vigorously solicits investment from around the world to support the Taoyuan Aerotropolis project. It also continues inviting international and large-scale suppliers to join the Zone while taking advantage of customized warehouses to form industry clusters. Meanwhile, the Company will endeavor to solicit multinational companies and Taiwanese businesses to return through project contracts and strategic alliances, and strive to act as an agent for Chinese and foreign airlines to increase cargo quantity and market share. The Company will utilize its internal and external resources to provide technological and refined services in a bid to continue enhancing its structure and competitiveness. Furthermore, it will strive to make breakthroughs while maintaining stability in order to pursue breakthrough in the stable environment and create a new record for the operating revenue.

I. 2024 Annual Operating Results

Farglory FTZ continued to help its subsidiary, Farglory Free Trade Zone Co., Ltd., solicit import, export, re-export, air cargo, courier and free-trade-zone cargo, and extend lease operations for customized dedicated warehouses, value-added park, cargo terminals and warehouse offices. As a result, it generated operating revenues of NT\$3.465 billion, a net income of NT\$718 million, and EPS of NT\$1.97. In the future, it will continue to optimize the business administration and develop a more efficient and stable business and profit-seeking model in order to increase the long-term interest vested in shareholders, customers, and employees.

(I) Results of business plan implementation (consolidated financial report):

Unit: NTD thousands

Item	2024	2023	Increase (decrease)	Increase (decrease) by %
Operating revenue, net	3,464,767	2,908,011	556,756	19.15
Operating costs	1,829,548	1,477,873	351,675	23.80
Gross profit	1,635,219	1,430,138	205,081	14.34
Operating Expenses	493,670	479,268	14,402	3.00
Operating profit	1,141,549	950,870	190,679	20.05
Non-operating income and expenses	(313,579)	(185,226)	(128,353)	(69.30)
Net profit before tax	827,970	765,644	62,326	8.14
Net profit for the period	717,959	892,203	(174,244)	(19.53)

(II) Budget Implementation Status:

According to the “Regulations Governing the Publication of Financial Forecasts of Public Companies,” it is not necessary for the Company to disclose financial forecasts for 2024. Therefore, no information about budget implementation in 2024 is available.

(III) Analysis on financial revenue and expenditure, and profitability (consolidated financial report):

Unit: NTD / %

Item		2024	2023
Financial position	Liability to total asset ratio (%)	61.07	60.35
	Ratio of long-term capital to property, plant and equipment (%)	771.62	760.83
Solvency	Current ratio (%)	41.38	47.70
	Quick ratio (%)	40.60	46.65
	Interest coverage ratio (time)	3.49	4.44
Profitability	Returns on assets (ROA) (%)	3.79	4.56
	Return on equity (ROE) (%)	7.03	9.93
	Income before tax to paid-capital ratio (%)	22.79	22.76
	Net profit margin (%)	20.72	30.68
	Earnings per share (NTD) (Note)	1.97	2.70

Note: The effect of the capital increase out of issuance of new shares in 2023 has been retrospectively adjusted.

(IV) Performance in Research and Development

The company is an investment holding company. The two subsidiaries owned by it are primarily engaged in the free trade zone and logistics services, respectively, not like the general manufacturing industry which requires R&D and design of new products. Therefore, no dedicated R&D Department needs to be established.

II. Summary of 2025 Business Plan

(I) Business Policy

The company transformed into an investment holding company in 2006. The two subsidiaries owned by it are primarily engaged in the free trade zone and logistics services, respectively, not like the general manufacturing industry which requires R&D and design of new products. The business plan is summarized as follows:

i. Farglory Free Trade Zone Co., Ltd.

1. Proactive solicitation for sources of cargo and garrison of suppliers

- A. In response to the “Taoyuan Aerotropolis project”, “Taoyuan Metro Green Line Construction and Planning” and “Airport Tour Bus”, the company will solidify the traffic network, and strengthen the traffic function in the zone to help solicit customers to reside in the zone for business operation.
- B. Based on the “1002” logistics service policy as the core value, the company will help suppliers deliver 100% of the cargo to their customers all over the world within two days, in order to attract value-added suppliers and international courier service providers to reside in the Zone, increase the proportion of factory offices residing in the zone, the quantity of cargo and operating revenue.
- C. Exercise the advantages vested in the Free Trade Zone, such as “Within National Territory but Outside Customs Territory,” “review, inspection and escort free,” “the processing base inside the airport,” and “foreign shippers exempted from profit-seeking business income tax”, in order to solicit Taiwanese businessmen to return to Taiwan, and foreign suppliers and the industries based in Taiwan to reside in the zone.
- D. The company will strive for the business opportunities derived from the Cross-Strait direct flights, engage in the strategic alliance with international airlines and Mainland China-based airlines, and solicit for airline operations agency.
- E. The company will work with Taipei Port Free Trade Zone to develop the compound transportation model, “connected air and sea logistics service”, to speed up customs clearance and solicit for the sources of air and sea cargo.
- F. In order to explore the new blue ocean for air cargo logistics, with the Free Trade Zone’s exclusive advantages in intellectualization, automated hardware infrastructure and software service, the Company will create differentiated and fine-quality products and increase customers’ dependence and market share of cargo.
- G. The Company will exercise its advantages as a “domestic cargo hub” to market air cargo, courier, re-export, sea-to-air, and transit through free trade zone to create new sources of cargo.

- H. The company will provide airlines with multiple agency services including customer support operations, billing, planning of aircraft units and applications thereof, acquiring, preparation of manifest, control over aircraft units and processing of text, in order to solicit airlines and their cargo to reside in the zone, and improve the operating efficiency of front-office and back-office operations of the warehouse and then shorten the whole operating hours.
- I. The Company will reproduce the successful customized business model for Courier Warehouse No. 2 exclusive for DHL, in order to solicit for the garrison of international and large-scale suppliers. The dedicated KWE warehouse, dedicated ASML warehouse and STARLUX's logistics center have operated officially. Now, the company is working on solicitation for the garrison of international leading suppliers.
- J. The H building in the value-added zone has been completed. Meanwhile, the Company will also expedite the deployment of comprehensive and high-value-adding industry clusters.
2. Maintain safety and rapid circulation of cargo
- A. Generally, air cargo is more expensive and requires timeliness and safety more strictly. With respect to customers who have executed contracts with the company, the company will provide them with fast dedicated warehouses and designate dedicated personnel to help them stock in and stock out. Meanwhile, the company will install a color CCTV system at each warehouse door and in each storage area to conduct the surveillance for 24 hours a day. Security personnel are stationed at various important locations. Automated gate controls are also planned to ensure that the cargo is safe without concerns at the factory premises.
- B. The company also executes the contract with the ground staff company inside the "Taoyuan International Airport", namely TIAS Taiwan Inc.. All of the cargo stock in the main warehouse may be transported to individual warehouses immediately after the plane is landing, and delivered to each customer shortly.
- C. In 2009, the company has received the TAPA-A certification for the safety requirements of the Transported Assets Protection Association. According to the high cargo delivery operating standards, the company ensures the highest-level safety of high-value technological products in the supply chain.
- D. The company has received the ISO 27001 international information security management certification. With its data protection, control room safety and anti-hacker mechanism, as well as complete internal procedures, the company passed the international certification standards and constructed the sound ISMS.

3. Upgrading customer service

- A. The company delegates the personnel dedicated to customer service to accept customers' inquiries about cargo status 24 hours a day. Any abnormal cargo will be notified to the shippers immediately. The company also provides complete data and photos about stock in of the abnormal cargo. In the event of any dispute arising, the company will provide the CCTV video to help identify the liability to be borne by each party.
- B. The company also convenes the business review meeting about operations and services with customers periodically, in order to solve problems for customers and enhance understanding and confidence between both parties in the cooperation.
- C. The company executes the customer satisfaction survey and visiting plan periodically, in order to collect customers' suggestions to the company and potential needs, and improve the service quality and customer satisfaction.
- D. The company sets up an information platform dedicated to processing customers' complaints. It will control and sort out the customers' complaints one by one, in order to improve the service quality.

ii. Farglory Logistics Co., Ltd.

- 1. It establishes the integrated logistics supply chain platform, engages in expanding the business and service domain of Farglory Logistics, and also warehousing, logistics service, transshipment, contracting and customs declaration to provide the complete logistics services.
- 2. By exercising the complete logistics service base, it creates the vertical integration of international logistics industries as the "Taoyuan Air Free Trade Zone".
- 3. It provides domestic and foreign logistics services and arranges for the overall logistics operations.
- 4. As the freight forwarders' logistics service platform, the company supports international logistics integration services.
- 5. It also engages in a strategic alliance with the delivery fleets to provide the fleets with warehousing management resources.
- 6. It also works with domestic and foreign logistics service providers to establish the strategic alliance of professional labor division and vertical integration in nature, in order to provide tailor-made, door-to-door and open all year round services, develop the service domain of Farglory Logistics, and provide end customers with the best logistics solutions.
- 7. It provides the elaboration services upholding "high quality and high efficiency," including OCR and automatic volume measurement, to deepen the maintenance of relations with suppliers, thus driving the logistics agency services of its upstream and downstream dealers.

(II) Sales Volume Forecast and Supporting Basis

i. Farglory Free Trade Zone Co., Ltd.

Among the six sea free trade zones and one air free trade zone in Taiwan, Farglory FTZ takes the most critical position in the process of development. In 2024, the total price of cargo entering the zone amounted to NT\$828.9 billion, accounting for 56.3%. The total price of cargo exiting the zone amounted to NT\$3,027.6 billion, accounting for 85.2%, generating a total trade of NT\$3,856.5 billion, making it a key factor in developing the country's free trade zone. Despite the impact posed by the weak global demand of terminal market, benefiting from the return of Taiwanese businessmen, industry clusters and complete supply chains, and as driven by the domestic industries' demand, the import/export cargo trade is expected to continue growing like last year and may develop and grow stably. Meanwhile, under the "Taoyuan Aerotropolis project" and "Compound Air and Sea Transport", which were proactively boosted by the government, the company has more competitive strengths in the international market. The Company insists that by providing a fair operating environment, soliciting for the garrison of more international leading suppliers, and combining the connected air and sea transport operations, the Company may solicit for more cargo and increase its operating revenue.

ii. Farglory Logistics Co., Ltd.

The company will continue to provide omnibus logistics services and use its best efforts to ally with domestic and foreign renowned logistics service providers, provide foreign companies with logistics and supply chain management services, and develop toward one-stop logistics services. Meanwhile, as a result of the increase in the occupancy rate of the value-added park, the related warehouse rental revenue, transport service revenue and tally service fees will increase significantly.

(III) Important Production and Marketing Policies

i. Farglory Free Trade Zone Co., Ltd.

1. The Company will practice employee training to deal with the cross-border business opportunities and air cargo market growth derived from the "cross-border e-commerce," "Taoyuan Aerotropolis project" and "21st Century Trade Initiative Between Taiwan and the USA," and will strengthen workers' operations and ability in promoting business to train all employees to support marketing operations.
2. The Company will promote the TAPA-A certification, ISO 27001 international information security management certification, "Golden Peak Award, OEMA" of 12th term, "Golden Thumb Awards for Private Management Team of 7th Term" conferred by Public Construction Commission, Executive Yuan and "Excellent Enterprise Award, Taoyuan County," in order to enhance the brand value and awareness of the free trade zone.

3. In response to the global solicitation for investment boosted by Executive Yuan, the company uses the best effort to solicit for investment domestically and overseas altogether, provides the free trade zone with operating niche, and markets the free trade zone.
4. The company solicits for the source of cargo under the “connected air and seal transport” at Taipei Port, and the tally and warehousing of international cargo at Taipei Songshan Airport, in order to increase the quantity, operating revenue and market share of cargo.
5. The Company will continue to provide fine-quality services to DHL, in order to speed up DHL’s processing of courier service after DHL resided in the zone.
6. The Company will innovate its services, strengthen its competitiveness, and develop the air operation agency services. Meanwhile, by offering the incentive to cut airlines’ labor costs, the Company uses the best effort to solicit outsourcing from airlines. So far, it has executed contracts with Aeroflot, Air Macau, Cargolux Airlines International, Polar Air Cargo, SF Airlines and Cebu Pacific. The Company will continue to solicit the other benchmarking airlines to create opportunities for a win-win situation.
7. The company will develop the omnibus service system dedicated to the processing of arrivals and pickup, increase customers’ satisfaction, make adjustment per customers’ need from time to time, demonstrate its professional service spirit, build its goodwill in the industry, and win support from customers via the other large-scale high-tech suppliers, in the spirit of Door to Door Service.
8. The Company also provide customers who designate the stock with professional services, provide the real-time cargo information via the online inquiry system, and utilize the stock-in email and e-fax to respond to the service system automatically, and provide suppliers with the service about cargo status notification for 24 hours, in order to increase customers’ satisfaction and support.
9. The company will use the best to market professional warehousing management services, in order to solicit renowned large-scale enterprises and suppliers to take the company as their logistics location. Meanwhile, by combining the import/export and bonded operations, the company promotes the one-stop air cargo import/export alternative services to increase the scope of warehouses’ operations.
10. Engage in strong marketing targeted at the 30 largest air freight forwarders in the market.
11. Engage in strong marketing targeted at small-size and medium-size air freight forwarders in the market.
12. Use the best efforts to solicit for re-export cargo stock-in to the main warehouse from airlines and air cargo companies.

ii. Farglory Logistics Co., Ltd.

1. By claiming itself as the “Taoyuan Air Free Trade Port Zone” and the hub of the north to Taiwan’s west coast, the company may solicit international physical logistics service providers to set up their operation centers in the north to Taiwan’s west coast.
2. The freight forwarders undertake warehousing and delivery operations from their customers directly and then contract the same to the company.
3. The freight forwarders refer customers to the company directly, and the company pays the business development fees.
4. The company engages in the strategic alliance upholding professional labor division and vertical integration with domestic and foreign logistics service providers, in order to provide sounder services.
5. The company functions as a backup for logistics integrated service providers. The integrated service providers may utilize Farglory Logistics’ complete services as their backup mechanism, at the same time when they are operating their main profession. Therefore, they don’t need to invest large fixed costs any longer, but can enjoy the hedging functions returned by an investment of capital.

III. Future development strategies

Farglory Free Trade Zone Investment Holding Co., Ltd. is committed to auditing and supervising its subsidiaries, namely “Farglory Free Trade Zone Co., Ltd.” and “Farglory Free Trade Zone Co., Ltd.,” and also exercising the parent company’s resources to help its subsidiaries improve organization, sales marketing, operating quality, HR management, procurement management, financial management and computer information management, and integrating the subsidiaries’ resources, in order to help the subsidiaries improve their competitiveness and upgrade their business performance.

Farglory Free Trade Zone Investment Holding Co., Ltd. consolidates resources and allocates them in the most effective manner internally, and develops elaboration services externally, in order to support the free-trade-zone enterprises to support global logistics, production, and marketing. Meanwhile, it helps international logistics integrated service providers develop their global logistics services by combining logistics, business flow, financial flow, and information flow, in order to enable the free trade zone to become the best choice where multinational enterprises and Taiwanese businessmen may set up their headquarters and regional operation centers and practice the holding company’s vision. Further, following the business opportunities derived from the “Taoyuan Aerotropolis project,” the company will evaluate the development of the air cargo logistics industry, and engage in diversified investment projects, in order to strengthen the comprehensive and international operations of Farglory Free Trade Zone Investment Holding Co., Ltd.

Looking forward to 2025, the global economy continues to recover. Taiwan’s economic growth rate continues to be in first place among the Four Asian Tigers. Farglory

Air Free Trade Zone will continue to challenge the operating revenue, quantity of cargo, and occupancy rate of the value-added park and offices, stably and based on its professional service quality, and also in combination with the growth momentum accumulated in the past, hoping to overtake peer companies in the same industry. In order to maintain its marketing force, it will solidify the existing customers and also open new sources of customers, strengthen the solicitation for the garrison of Mainland China/foreign airlines and courier service providers, projects and cross-industry alliance to increase the quantity of cargo and unit price. Meanwhile, it will combine the “cross-border e-commerce” model, “connected air and sea cargo transport” at Taipei Port, “Taoyuan Aerotropolis project” and “21st Century Trade Initiate Between Taiwan and the USA” to build the omnibus logistics service and value-added operating environment. Further, it will provide tailor-made services in the areas not yet developed by it to satisfy residing suppliers’ need for exclusive services. It will also adjust the development orientation of the free trade zone to make the zone’s development more flexible and better in line with the international trend, and make the “1002” policy successful, which requires acceptance of orders in the morning and completion of customs clearance in the afternoon on the same day, and delivery of cargo to customers on next day, so as to urge Farglory’s overall operating revenue and earnings to grow year by year.

The related development strategies are explained as follows:

- (I) In response to the return of Taiwanese businesses: Given the persistent trade and technology war between China and the US, in order to seize business opportunities derived from the return of Taiwanese businessmen to Taiwan, the Company has proactively established value-added zones.
- (II) Zone-wide operation: The company adopts a diversified deployment policy, and will complete the development of the entire zone by late 2024. The fundraising and personnel deployment are planned simultaneously, and the Company will vigorously evaluate the feasibility of participating in the Taoyuan Aerotropolis project.
- (III) Continuing bespoke services: After the DHL, KWE, ASML, and STARLUX logistics center, as well as the FedEx and AI chip dedicated warehouse collaborative projects, the Company has effectively bolstered the development strength of the entire zone and fostered more collaborative opportunities.
- (IV) Insist on keeping up with the times with business models: The Company will include the new business models, including goods to pouch/pouch to pouch/transit through free trade zone, new retail, cross-border e-commerce, cold chain warehousing, smart logistics service, and value-added park, into its planning. Meanwhile, it also plans automatic drive identification, high-quality pallet/container management, full-temperature cold chain facilities, automated warehousing, conveyors ad and automatic towing services, in order to upgrade its services.

IV. Impacts of the competitive environment, regulatory environment, and the overall business environment

As the world's major economies enter the interest rate cut cycle, the demand of the terminal market is expected to rise. With the continued popularity received by the emerging technologies, such as AI, the traditional industry will also recover gradually and is expected to boost Taiwan's exports and production momentum. Meanwhile, benefiting from semiconductor production expansion and capital expenditure expansion resulting from the net-zero transformation, the private investment expands the capital expenditure. Meanwhile, the international leading manufacturers continue to increase their investment in Taiwan. Besides, as driven by multiple factors, such as the stable performance of the labor market and domestic demand, and the expected sluggish inflation, Taiwan's economy is expected to keep growing steadily. The semiconductor manufacturers also continue their investment in advanced production processes. The return of Taiwanese businessmen and investment accelerated by foreign companies in Taiwan also help stabilize the increase in investment. Besides, the government also accelerates the execution of public works and optimizes the investment environment. All of these factors will maintain the entire investment momentum domestically. Notwithstanding, the frequent extreme weather events caused by climate change not only destroy the infrastructure and agricultural production, but also directly cause property losses and indirectly affect the stability of the supply chain, thereby causing the increase in the commodity price and economic losses. The impact posed by climate change on the economy is deep and far-reaching, and all parties need to strengthen their resilience to respond to it appropriately.

In terms of external demand, Taiwan and the US have officially signed a trade initiative and promoted a tax agreement. Business promising developments in 5G communications and AI, manufacturers continue to increase their production capacity allocation in Taiwan, which is expected to drive export growth. However, the unbalanced recovery of industries, the Russia-Ukraine war, the Red Sea crisis, and extreme weather continue to affect the global supply chain. Coupled with China's consumption freeze, the impact on Taiwan must be monitored closely.

Further, the Taoyuan Aerotropolis project is expected to improve the overall service quality at Taoyuan International Airport, build a denser flight network and route layout and also create opportunities for air cargo development. Following the Asian economies' growth, the company will, based on the free trade zone, integrate resources to connect the business activities in the zone with the production and supply chains in industry parks domestically. Then, the company is expected to derive a considerable quantity of cargo and business opportunities and urge the "Farglory Free Trade Zone" to become the bridge for the cross-strait labor divisions in line with the world.

Currently, the “Farglory Free Trade Zone” Project (1st phase) developed by Farglory Group in response to the government’s economic development policy has been completed and operated for 20 years. The “Farglory Free Trade Zone” is the first air free trade zone in Taiwan dedicated to creating an excellent investment and operation environment and promoting engagement from multinational businesses into Taiwan. Upon the launch of the “Taoyuan Aerotropolis project”, Farglory Free Trade Zone will take the opportunity to shape itself as the best logistics, distribution, procurement, shipping, assembly, and testing base for sustainable operations.

Finally, I wish that all of you can continue to extend us the support and encouragement to help us create excellent results to be shared with you. We wish all our shareholders a prosperous future ahead.

Chairman: Yeh Chun-Yao Manager: Lai Chia-Ling Chief of accountant: Hsu Chueh-Wei

Two. Corporate Governance Report

I. Background information of directors, independent directors, President, vice presidents, assistant vice presidents, and the heads of various departments and branches

(I) Directors' background

April 27, 2025

Designation (Note 1)	Nationality or place of domicile	Name	Gender / Age (Note 2)	Date elected / appointed	Term of office	Date first elected (Note 3)	Shareholding as of elected date		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements (Note 4)	Current positions in the Company and other companies	Spouse or relatives with the second degree of kinship acting as a Director, Supervisor, or other managerial officers			Remarks (Note 5)
							Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership			Designation	Name	Relationship	
Chairman	R.O.C.	Yeh Chun-Yao	Male 61-70 years old	June 23, 2022	3 years	June 11, 1993	1,371,000	0.54%	2,010,000	0.55%	--	--	--	--	1. Graduated from EMBA, Air Transport Management Department, Kainan University 2. Graduated from Industrial Engineering, National Taipei University of Technology 3. Taoyuan Airport Engineer	1. Chairman (legal representative), Farglory Free Trade Zone Co., Ltd. 2. Chairman (legal representative), Farglory Logistics Co., Ltd. 3. Supervisor, Lu-Qun Enterprise Co., Ltd. 4. Chairman of TWCSI	None	None	None	None
Director	R.O.C.	Farglory International Investment Co., Ltd. Representative:	Male 61-70 years old	June 23, 2022	3 years	June 27, 2007	43,942,948	17.23%	62,559,137	17.22%	--	--	--	--	1. Graduated from the Department of Public Finance, Feng Chia University 2. CEO, Farglory Group 3. Auditor, Howard Plaza Hotel	1. President, Farglory Group 2. Director, Farglory Land Development Co., Ltd. 3. Supervisor (legal representative), Farglory Dome Co., Ltd. 4. Director (legal representative), KHH Arena Corporation 5. Director (legal representative), Sanxin Outlet Co., Ltd. 6. Chairman (legal representative), Qi-Xing Construction Co., Ltd.	None	None	None	None
		Hsu Chih-Chiang		June 23, 2022		June 27, 2007	27,001	0.01%	231,581	0.06%	--	--	--	--		None	None	None	None	

Designation (Note 1)	Nationality or place of domicile	Name	Gender / Age (Note 2)	Date elected / appointed	Term of office	Date first elected (Note 3)	Shareholding as of elected date		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements (Note 4)	Current positions in the Company and other companies	Spouse or relatives with the second degree of kinship acting as a Director, Supervisor, or other managerial officers			Remarks (Note 5)	
							Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership			Designation	Name	Relationship		
							Director	R.O.C.	Farglory International Investment Co., Ltd. Representative - Hsieh Cheng-Hai	Male 61-70 years old	June 23, 2022 June 23, 2022	3 years	June 27, 2007 June 23, 2022	43,942,948			17.23%	62,559,137	17.22%		--
Director	R.O.C.	Farglory International Investment Co., Ltd. Representative - Liu Ming-Fang	Female 41-50 years old	June 23, 2022 July 28, 2023	3 years	June 27, 2007 July 28, 2023	43,942,948	17.23%	62,559,137	17.22%	--	--	--	--	1. Graduated from Master of Financial and Economic Law, National Chung Cheng University 2. Section Chief, China Network Systems Co., Ltd.	1. Chief Legal Officer, Farglory Group 2. Supervisor (legal representative), Farglory Free Trade Zone Co., Ltd. 3. Supervisor (legal representative), Farglory Logistics Co., Ltd. 4. Supervisor, Qi Xing Development Co., Ltd.	None	None	None	None	None
Independent Director	R.O.C.	Wang Chih-Chung	Male 61-70 years old	June 23, 2022	3 years	June 29, 2016	--	--	-	--	--	--	--	--	1. Graduated from the Department of Accounting and Statistics, National Taipei University of Business 2. Responsible person of Wang Chih-Chung Accounting Office 3. President of Zhong Qing Business Management Consulting Co., Ltd.	1. Responsible person of Wang Chih-Chung Accounting Office 2. President of Zhong Qing Business Management Consulting Co., Ltd.	None	None	None	None	

Designation (Note 1)	Nationality or place of domicile	Name	Gender / Age (Note 2)	Date elected / appointed	Term of office	Date first elected (Note 3)	Shareholding as of elected date		Current shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements (Note 4)	Current positions in the Company and other companies	Spouse or relatives with the second degree of kinship acting as a Director, Supervisor, or other managerial officers			Remarks (Note 5)
							Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership			Designation	Name	Relationship	
							Independent Director	R.O.C.	Lee Mao	Male 81-90 years old	June 23, 2022	3 years	June 27, 2017	--			--	-	--	
Independent Director	R.O.C.	Li Wan-Li	Male 71-80 years old	June 23, 2022	3 years	June 23, 2022	--	--	-	--	--	--	--	Vice Director-General of Civil Aeronautics Administration, Ministry of Transportation and Communications	None	None	None	None	None	

Note 1: The institutional shareholder shall be identified by name and representative (in the case of the institutional shareholder's representative, please specify the institutional shareholder's name) and also complete the following Table 1.

Note 2: Please indicate the actual age which may be expressed in range, e.g., 41-50 years old or 51-60 years old.

Note 3: Please also specify if the initial term of office for the Company's director or supervisor is interrupted.

Note 4: Previous work experiences relating to their current roles; if the person worked in an auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 5: If the Company's Chairman and President or equivalent (the supreme management) of the Company are the same person, spouses or relatives within 1st degree of kinship, disclosed the reason, rationality, necessity and responsive measures (e.g. increasing the seats of independent director, and a majority of directors prohibited from serving as employees or managers concurrently).

Table 1: Major Shareholders of Institutional Shareholders

April 27, 2025

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholder (Note 2)
Farglory International Investment Co., Ltd.	Chao Chen-Shou 31.80%, Chao Wen-Yu 22.73%, Chao Wen-Chia 10.26%, Chao, ShinChing 10.26%、Chao, Tzu-Hsun 6.24%、Chao, Tzu-Ching 6.24%、Chao, O-Yi 4.63%、Chao, O-Chi 3.35%、Chao, O-Chun 4.50%

Note 1: Where the director or supervisor acts as the institutional shareholder's representative, please specify the institutional shareholder's name.

Note 2: Please specify the names of major shareholders of the institutional shareholder (with shareholding ranking Top 10) and the shareholding thereof. Where a major shareholder is a juristic person, please also complete the following Table 2.

Note 3: If the institutional shareholder is not a company, said shareholders' names and shareholdings shall mean the capital contributors' or donors' names (please see announcement of the Judicial Yuan) and the percentage of contribution or donation. Where the donor has passed away, please add "deceased".

Table 2: Major shareholders of major shareholders in Table 1 who are juristic persons

April 27, 2025

Name of juristic person(Note 1)	Major shareholders of juristic person (Note 2)
Not applicable	Not applicable

Note 1: If the major shareholder in Table 1 is a juristic person, the name of the juristic person should be filled in.

Note 2: Please specify the names of major shareholders of the juristic person (with shareholding ranking Top 10) and the shareholding thereof.

Note 3: If the institutional shareholder is not a company, said shareholders' names and shareholdings shall mean the capital contributors' or donors' names (please see announcement of the Judicial Yuan) and the percentage of contribution or donation. Where the donor has passed away, please add "deceased".

(II) Directors' background

1. Information disclosure of professional qualifications of directors and independence of independent directors

Name	Qualification	Independence (Note 2)	Number of other public companies where the independent director concurrently serves as an independent director
	Professional qualifications and experience (Note 1)		
Yeh Chun-Yao	1. Chairman (legal representative), Farglory Free Trade Zone Co., Ltd. 2. Chairman (legal representative), Farglory Logistics Co., Ltd.	Not applicable	None
Representative of Farglory International Investment Co., Ltd.: Hsu Chih-Chiang	1. President, Farglory Group 2. Director, Farglory Land Development Co., Ltd. 3. Supervisor (legal representative), Farglory Dome Co., Ltd. 4. Director (legal representative), KHH Arena Corporation		None
Representative of Farglory International Investment Co., Ltd.: Hsieh Cheng-Hai	Chairman of Yuan-Xiang International Logistics Corporation		None
Representative of Farglory International Investment Co., Ltd.: Liu Ming-Fang	1. Chief Legal Officer, Farglory Group 2. Supervisor (legal representative), Farglory Free Trade Zone Co., Ltd. 3. Supervisor (legal representative), Farglory Logistics Co., Ltd. 4. Supervisor, Qi Xing Development Co., Ltd.		None

Name \ Qualification	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies where the independent director concurrently serves as an independent director
Wang Chih-Chung	1. Responsible person of Wang Chih-Chung Accounting Office 2. President of Zhong Qing Business Management Consulting Co., Ltd.	1. Independent Director 2. Compliance with independence: (1) None of the person	None
Lee Mao	1. Independent Director of Mercuries & Associates Holding, LTD. 2. Remuneration Committee Member & Chairperson of Mercuries & Associates Holding, LTD. 3. Director of Pan German Universal Motors Ltd. 4. Director of Customs Association of the R.O.C. 5. Chairman of Allter Technology Co., Ltd.	and his/her spouse, or relatives within the second degree of kinship serves as a director, supervisor, or employee of the Company or its affiliated company, or hold any shares of the Company.	1
Li Wan-Li	Vice Director-General of Civil Aeronautics Administration, Ministry of Transportation and Communications	(2) Not a director, supervisor or employee of any company engaged in specific relationship with the Company; (3) Has not provided any commercial, legal, financial, accounting or other professional services to the Company or any of its affiliates with consideration in the most recent two years.	None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If the person is a member of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience shall be specified; while stating whether they meet the circumstances provided in Article 30 of the Company Act: Upon investigation, none of the Company's directors meets the circumstances provided in Article 30 of the Company Act for the time being.

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

Note 3: For disclosure methods, please see examples for best practices on the website of the TWSE's Corporate Governance Center.

II. Diversity and independence of the board of directors

(I) Diversification of the Board of Directors: According to Article 20 of the Corporate Governance Best Practice Principles and Article 3 of the Regulations Governing the Election of Directors, the members of the Board of Directors shall have the necessary knowledge, skills and qualifications for performing their duties. The abilities to be possessed by the Board of Directors include the ability to make operational judgments, ability to analyze accounting and financial issues, business administration, crisis management, industry knowledge, vision towards the global market, leadership and decision making, etc. The composition of the Board of Directors shall be determined by taking

diversity into account, and the Board of Directors shall be designed to accommodate the Company's business, business model, and future development trends. The diversity policies shall include basic qualifications and values (e.g., gender, age, nationality, and culture), professional knowledge and skills (e.g., law, accounting, industry, finance, marketing, or technology), and so on. The specific management goals under the Company's diversified policies and status of achievement thereof are stated as follows:

Management goals	Status of achievement
At least one-third of the directors shall have expertise in the shipping industry, marketing or technology.	Achieved
At least one-third of the independent directors have the expertise in law, finance and accounting, or technology.	Achieved

The implementation of the diversity of the Board of Directors is as follows:

Diversity Cores		Gender	Age			Term of Office by Independent Director		Professional Skills								
			Under 60 years old	61~70 years old	70 years old and above	Under 9 years	9 years and above	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions	
Name of Director																
Chairman	Yeh Chun-Yao	Male		V					V		V	V	V	V	V	V
Director	Hsu Chih-Chiang	Male		V					V	V	V	V	V	V	V	V
Director	Hsieh Cheng-Hai	Male		V					V		V	V	V	V	V	V
Director	Liu Ming-Fang	Female	V						V	V	V	V	V	V	V	V
Independent Director	Wang Chih-Chung	Male		V		V			V	V	V	V	V	V	V	V
Independent Director	Lee Mao	Male			V	V			V		V	V	V	V	V	V
Independent Director	Li Wan-Li	Male			V	V			V		V	V	V	V	V	V

Note1: The Board of Directors currently consists of 7 directors (including 3 independent directors), all of whom are experienced professionals with expertise in leadership decision-making, business management, operational judgment, crisis management, industry knowledge, and international market perspective. 3 independent directors have expertise in law, economics, and commercial and industrial management, while the other 4 directors have expertise in finance, accounting, technology, and industrial marketing. The implementation of the diversity policy for the Board members helps improve corporate governance performance and business management performance.

Note2: Distribution of term of office and years of service of independent directors: None of the independent directors has held more than 3 terms of office consecutively. All the Company's directors are nationals of Taiwan, consisting of 3 independent directors, 1 female director (accounting for 42.9% and 14.3% of all directors), and 5 directors attaining the age under 70 years old and 2 directors over 70 years old. In the future, the Company will also take the gender equality into consideration and increase female directors. All independent directors have complied with the requirements of the Securities and Futures Bureau, Financial Supervisory Commission regarding the qualifications of independent directors. For relevant information on the educational background, gender, professional qualifications, work experience and other information, please refer to Two. Corporate Governance Report II(I) Directors' background.

(II) Board independence:

The Company's current board consists of 7 members, including 3 independent directors and 4 general directors. As of the end of 2024, all independent directors met the criteria for independent directors set by the Securities and Futures Bureau, Financial Supervisory Commission. All directors and independent directors did not meet the circumstances provided in Paragraphs 3 and 4 of Article 26-3 of the Securities and Futures Act. The Company's board is deemed to be independent. For academic qualifications, gender and work experience of individual directors, please refer to information on directors in this annual report.

When a director or other juristic person they represent is an interested party in relation to an agenda item that shall comply with the recusal requirements, they shall state the important matters concerning their interests at the current Board of Directors meeting. If there is the likelihood that such a relationship would prejudice the interests of the Company, such person may not participate in the discussion and vote on that item. Meanwhile, they shall recuse themselves from the discussion and voting, and shall not exercise voting rights on behalf of other directors.

The Company has established a performance evaluation system for the Board of Directors, and conducts an internal self-assessment on the Board of Directors and a self-assessment on the Board members every year. The performance evaluation on the Board of Directors consists of five major aspects: (1) participation in the Company's operations; (2) the quality of the Board of Directors' decision making; (3) the composition and structure of the Board of Directors; (4) the election and continuing education of directors; and (5) internal control, etc. The self-assessment of the Board members consists of six major aspects: (1) mastery of the Company's goals and missions; (2) awareness of the Board of Directors' responsibilities; (3) participation in the Company's operations; (4) internal relationship management and communication; (5) the directors' professionalism and continuing education; and (6) internal control, etc. After said self-assessment results were submitted to the Board of Directors, they were disclosed in the Company's annual report and on the Company's official website.

Meanwhile, in order to enable the investors to fully understand the other operations of the Board of Directors, the relevant information has been disclosed in the annual report and on the official website or MOPS: (1) The attendance of the Board members at meetings (2) The motions and resolutions of the Board (3) The continuing education of the Directors (4) The changes in shareholdings of the Directors (including the shareholding ratio, share transfer and creation of pledge) (please refer to the MOPS).

(II) Background Information of the President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

Background Information of the President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

April 27, 2025

Designation	Nationality	Name	Gender	Date elected / appointed	Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Main career (academic) achievements	Concurrent positions in other companies	Spouse or relatives within the second degree of kinship acting as managers			Remarks
					Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership			Designation	Name	Relationship	
President	R.O.C.	Lai Chia-Ling	Female	November 6, 2013	167,114	0.05%	--	--	--	--	1. Ming Chuan University 2. Shipping clerk of Korea Air 3. Assistant Vice President of Farglory Logistics Co., Ltd.	None	None	None	None	None
Vice President	R.O.C.	Chen Sung-Tsao	Male	August 16, 2018	60,000	0.02%	--	--	--	--	1. Graduate Institute of Building & Planning, National Taiwan University 2. Research Associate of Council for Economic Planning and Development	None	None	None	None	None
Head of Auditing Dept.	R.O.C.	Lin Hui-Lin	Female	December 12, 2006	23,978	0.01%	--	--	--	--	1. Department of International Business, Feng Chia University 2. Business Analysis Deputy Manager of Hannspree	None	None	None	None	None
Head of Business Management Planning Dept.	R.O.C.	Chen Sung-Tsao	Male	May 19, 2008	60,000	0.02%	--	--	--	--	1. Graduate Institute of Building & Planning, National Taiwan University 2. Research Associate of Council for Economic Planning and Development	None	None	None	None	None
Head of MIS Planning Dept.	R.O.C.	Li An-Tsung	Male	July 1, 2024	86,542	0.02%	--	--	--	--	1. Graduate Institute of Information Management, National Central University 2. Assistant Manager, Farglory Free Trade Zone Co., Ltd.	None	None	None	None	None
Head of Human Resource Dept.	R.O.C.	Lai Chia-Ling	Female	November 6, 2013	167,114	0.05%	--	--	--	--	1. Ming Chuan University 2. Shipping clerk of Korea Air 3. Assistant Vice President of Farglory Logistics Co., Ltd.	None	None	None	None	None
Head of Financial Manager	R.O.C.	Hsu Chueh-Wei	Male	September 12, 2005	71,817	0.02%	--	--	--	--	1. Graduate Institute of Business Management, University of Hull 2. Project Manager, Finance Dept. of Seednet	None	None	None	None	None
Head of Safety & Health Dept.	R.O.C.	Lai Chia-Ling	Female	November 6, 2013	167,114	0.05%	--	--	--	--	1. Ming Chuan University 2. Shipping clerk of Korea Air 3. Assistant Vice President of Farglory Logistics Co., Ltd.	None	None	None	None	None

Note 1: Includes information on the President, Vice President, Assistant Vice President, heads of various departments and branches, and anyone of equivalent authority to the above, regardless of their job titles.

Note 2: Previous work experiences relating to their current roles; if the person worked in an auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 3: If the Company's Chairman and President or equivalent (the supreme management) of the Company are the same person, spouses or relatives within 1st degree of kinship, please disclose the reason, rationality, necessity and responsive measures (e.g. increasing the seats of independent director, and a majority of directors prohibited from serving as employees or managers concurrently).

(III) If the Chairman and President or equivalent (the supreme management) of the Company are the same person, spouses or relatives within 1st degree of kinship, disclosed the reason, rationality, necessity and responsive measures: None.

II. Compensation to directors, independent directors, the President, and vice presidents in the latest year

(1-1) Compensation to Directors and Independent Directors (disclosure of individual director's name and compensation)

December 31, 2024 (Unit: NT\$ thousand)

Designation	Name	Compensation to directors								Sum of A, B, C, and D and percentage of net income (Note 10)		Employee compensation received by directors						The sum of A, B, C, D, E, F, and G and a percentage of net income (Note 10)		Compensation from investees other than subsidiaries or parent company (Note 11)		
		Remuneration (A) (Note 2)		Retirement Pension (B)		Director remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Retirement pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	Cash	Stock	Cash	Stock		The Company	All companies included in the consolidated statements
Chairman	Yeh Chun-Yao	5,500	5,500	0	0	739	739	120	120	6,359 0.89%	6,359 0.89%	0	0	0	0	0	0	0	0	6,359 0.89%	6,359 0.89%	None
Director	Representative of Farglory International Investment Co., Ltd.: Hsu Chih-Chiang	0	0	0	0	239	239	120	120	359 0.05%	359 0.05%	0	0	0	0	0	0	0	0	359 0.05%	359 0.05%	None

Designation	Name	Compensation to directors								Sum of A, B, C, and D and percentage of net income (Note 10)		Employee compensation received by directors								The sum of A, B, C, D, E, F, and G and a percentage of net income (Note 10)		Compensation from investees other than subsidiaries or parent company (Note 11)
		Remuneration (A) (Note 2)		Retirement Pension (B)		Director remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Retirement pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements (Note 7)	The Company	All companies included in the consolidated statements (Note 7)	Cash	Stock	Cash	Stock	The Company	All companies included in the consolidated statements	
Director	Representative of Farglory International Investment Co., Ltd.: Hsieh Cheng-Hai	0	0	0	0	239	239	120	120	359 0.05%	359 0.05%	0	0	0	0	0	0	0	0	359 0.05%	359 0.05%	None
Director	Representative of Farglory International Investment Co., Ltd.: Liu Ming-Fang	0	0	0	0	239	239	120	120	359 0.05%	359 0.05%	0	0	0	0	0	0	0	0	359 0.05%	359 0.05%	None
Independent Director	Wang Chih-Chung	240	240	0	0	239	239	230	230	709 0.10%	709 0.10%	0	0	0	0	0	0	0	0	709 0.10%	709 0.10%	None
Independent Director	Lee Mao	240	240	0	0	239	239	250	250	729 0.10%	729 0.10%	0	0	0	0	0	0	0	0	729 0.10%	729 0.10%	None
Independent Director	Li Wan-Li	240	240	0	0	239	239	250	250	729 0.10%	729 0.10%	0	0	0	0	0	0	0	0	729 0.10%	729 0.10%	None

1. Please state the policies, systems, standards and structure of compensation to independent directors and the relations between the compensation and the job responsibility, risk and engagement hours borne by the independent directors:
According to Article 32 of the Articles of Incorporation, the Board of Directors is authorized to determine the level of remuneration to directors based on their engagement in and contribution to the Company's operations and in reference to peer companies' pay. Furthermore, Article 36 of the Articles of Incorporation provides that if the Company retains earnings (i.e., the income before tax and before allocating remuneration to employees and directors) at the end of the fiscal year, it is required to allocate no less than 1% thereof as the remuneration to employees and no more than 2% thereof as the remuneration to directors. Remuneration to directors is paid in accordance with the Company's "Guidelines Governing Distribution of Remuneration and Return to Directors and Supervisors."

2. Compensation received by Directors for providing service to any company included in the Consolidated Financial Statements (e.g., consultancy service without an employee's title) in the last year except those disclosed in the above table: None.

(1-2-2) Compensation brackets table

Breakdown of compensation to directors (NT\$)	Directors' names			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the consolidated statements (Note 9) H	The Company (Note 8)	All companies included in the consolidated statements (Note 9) I
Below NT\$1,000,000	Hsu Chih-Chiang Hsieh Cheng-Hai Liu Ming-Fang Wang Chih-Chung Lee Mao Li Wan-Li	Hsu Chih-Chiang Hsieh Cheng-Hai Liu Ming-Fang Wang Chih-Chung Lee Mao Li Wan-Li	Hsu Chih-Chiang Hsieh Cheng-Hai Liu Ming-Fang Wang Chih-Chung Lee Mao Li Wan-Li	Hsu Chih-Chiang Hsieh Cheng-Hai Liu Ming-Fang Wang Chih-Chung Lee Mao Li Wan-Li
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	None	None	None	None
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	None	None	None	None
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	Yeh Chun-Yao	Yeh Chun-Yao	Yeh Chun-Yao	Yeh Chun-Yao
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	None	None	None	None
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	None	None	None	None
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	None	None	None	None
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None	None	None
NT\$100,000,000 and above	None	None	None	None
Total	7	7	7	7

Note 1: Directors' names shall be identified one by one (institutional shareholders shall be identified by the name and representative individually), and the various payments shall be summarized and then disclosed. Any director who serves as the President or Vice President concurrently shall be disclosed in this table and the following Table (3-1) or (3-2).

Note 2: The remuneration to directors in the most recent year (including director's salary, duty allowance, severance pay, bonus and reward, et al.).

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

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

Note 5: Any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles and in-kind benefits that the director received in the last year for assuming the role of the Company's employee (including President, Vice President, manager or other employees). 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 in salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment." Amounts including employee stock options, RSAs and subscription to cash issues are treated as compensation.

Note 6: If the directors who acted as employees concurrently (including President, vice president, managerial officer and employee) received employee remuneration (including stocks and cash) in the most recent year, please disclose the employee remuneration approved by the Board of Directors prior to the motion for earnings distribution submitted to the shareholders' meeting in the most recent year. If it is impossible to attribute the same, the amount to be distributed this year shall be based on that actual distributed amount last year. Please also complete Table 1-3.

Note 7: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's directors.

Note 8: The aggregate of the compensation to directors by the Company, and the names of such directors, should be disclosed in the relevant space of the table.

Note 9: The aggregate of the compensation to directors of the Company from the companies included in the consolidated financial reports (including the Company), and the names of such directors, should be disclosed in the relevant space of the table.

Note 10: Net income refers to that in the most recent year. If IFRSs have been adopted, net income shall refer to the amount of after-tax profit shown in the most recent parent company only or consolidated report.

Note 11: a. This field represents all forms of compensation the director has received from the Company's invested businesses other than subsidiaries.

b. For directors who receive compensation from invested businesses other than subsidiaries, amounts received from these invested businesses shall be added to column "I" of the compensation brackets table.

c. Compensation refers to any remuneration or return (including compensations received as an employee, director and supervisor) and professional service fees which the Company's directors received for serving as directors, supervisors or managers in invested businesses other than subsidiaries.

* The basis of compensation 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 purposes.

(3-1) Compensation to the President and Vice Presidents (individual disclosure by name and amount)

December 31, 2024 (Unit: NT\$ thousand)

Designation	Name (Note 1)	Salary (A) (Note 2)		Retirement Pension (B)		Salaries, Bonuses and Allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				Sum of A, B, C, and D and percentage of net income (%) (Note 8)		Compensati on from investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the consolidated statements (Note 5)	The Company	All companies included in the consolidated statements (Note 5)	The Company	All companies included in the consolidated statements (Note 5)	The Company		All companies included in the consolidated statements (Note 5)		The Company	All companies included in the consolidated statements	
								Cash	Stock	Cash	Stock			
President	Lai Chia-Ling	2,008	2,008	108	108	1,503	1,503	265	-	265	-	3,884 0.54%	3,884 0.54%	None
Vice President	Chen Sung-Tsao	1,545	1,545	92	92	715	715	139	-	139	-	2,491 0.35%	2,491 0.35%	None

(3-2-2) Compensation brackets table

Breakdown of compensation to President and Vice Presidents	Name	
	The Company (Note 6)	All companies included in the financial statements (Note 7) E
Below NT\$1,000,000	None	None
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (exclusive)	None	None
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (exclusive)	Chen Sung-Tsao	Chen Sung-Tsao
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (exclusive)	Lai Chia-Ling	Lai Chia-Ling
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (exclusive)	None	None
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	None	None
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (exclusive)	None	None
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (exclusive)	None	None
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (exclusive)	None	None
NT\$100,000,000 and above	None	None
Total	2	2

Note 1: The names of President and Vice Presidents shall be identified one by one (institutional shareholders shall be identified by the name and representative individually), and the various payments shall be summarized and then disclosed. Any director who serves as the President or Vice President concurrently shall be disclosed in this table and said Table (1-1) or (1-2).

Note 2: Please specify the salaries, duty allowances and severance pay paid to the President and Vice Presidents in the most recent year.

Note 3: Please specify other remuneration such as bonus, incentives, travel allowances, special allowances, other allowances, accommodation, dormitory and corporate vehicles or other in-kind benefits made to the President and Vice Presidents in the most recent year. 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 in salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment." Amounts including employee stock options, RSAs and subscription to cash issues are treated as compensation.

Note 4: It refers to the amount of employee remuneration distributed to the President and Vice Presidents (including stocks and cash), which the Board of Directors has passed as part of the most recent earnings appropriation. If it is impossible to impute the same, the amount to be distributed this year shall be based on that actually distributed last year, and please also complete Table 1-3.

Note 5: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's President and Vice Presidents.

Note 6: The aggregate of the compensation to the President and Vice Presidents by the Company, and the names of such President and Vice Presidents, should be disclosed in the relevant space of the table.

Note 7: The aggregate of the compensation to the President and Vice Presidents of the Company from the companies included in the consolidated financial reports (including the Company), and the names of such Presidents and Vice Presidents, should be disclosed in the relevant space of the table.

Note 8: Net income refers to the amount of after-tax profit shown in the most recent parent company only or consolidated report.

Note 9: a. This field represents all forms of compensation the President and Vice Presidents have received from the Company's invested businesses other than subsidiaries.

b. For the President/Vice Presidents who receive compensation from invested businesses other than subsidiaries, the amount of compensation from these invested businesses shall be added to column E of the compensation brackets table, in which case column E will be renamed "all invested businesses."

c. Compensation refers to any remuneration or return (including remuneration received as an employee, director and supervisor) and professional service fees which the Company's President and Vice Presidents received for serving as directors, supervisors or managers in invested businesses other than subsidiaries.

* The basis of compensation 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 purposes.

(4-1) Compensation to Top 5 senior managers (individual disclosure by name and amount)

December 31, 2024 (Unit: NT\$ thousand)

Designation	Name (Note 1)	Salary (A) (Note 2)		Retirement Pension (B)		Salaries, Bonuses and Allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				Sum of A, B, C, and D and percentage of net income (%) (Note 6)		Compensation from investees other than subsidiaries or parent company
		The Company	All companies included in the consolidated statements (Note 5)	The Company	All companies included in the consolidated statements (Note 5)	The Company	All companies included in the consolidated statements (Note 5)	The Company		All companies included in the consolidated statements (Note 5)		The Company	All companies included in the consolidated statements	
								Cash	Stock	Cash	Stock			
President	Lai Chia-Ling	2,008	2,008	108	108	1,503	1,503	265	-	265	-	3,884 0.54%	3,884 0.54%	None
Vice President	Chen Sung-Tsao	1,545	1,545	92	92	715	715	139	-	139	-	2,491 0.35%	2,491 0.35%	None
Head of Financial Manager	Hsu Chueh-Wei	1,317	1,317	77	77	511	511	86	-	86	-	1,991 0.28%	1,991 0.28%	None

Note 1: The “Top 5 Senior Managers” refer to the Company’s management. The standards governing the identification of the management shall be subject to the requirements applicable to the “management” referred to in the letter of Securities and Futures Commission, Ministry of Finance under Letter Tai-Cai-Zheng-III-Zi No. 0920001301 dated March 27, 2003. The principles for calculating remuneration to the “top 5 senior managers” are based on the total of the Salaries, Retirement Pension, Bonuses and Allowances received by the managers from the companies included in the consolidated financial companies and the employment remuneration received by them (namely, the sum of A+B+C+D). Then, the top 5 senior managers are identified as the top 5 managers receiving the highest remuneration in order. Any directors who serve as said managers concurrently shall be disclosed in this table and said Table (1-1).

Note 2: Please specify the salaries, allowances, and severance pay made to the top 5 senior managers in the most recent year.

Note 3: Please specify other compensation such as bonus, incentives, travel allowances, special allowances, other allowances, accommodation, dormitory and corporate vehicles or other in-kind benefits made to the top 5 senior managers in the most recent year. 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 in salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - “Share-based Payment.” Amounts including employee stock options, RSAs and subscription to cash issues are treated as compensation.

Note 4: It refers to the amount of employee remuneration distributed to the Top 5 senior managers (including stocks and cash), which the Board of Directors has passed as part of the most recent earnings appropriation. If it is impossible to impute the same, the amount to be distributed this year shall be based on that actually distributed last year, and please also complete Table 1-3.

Note 5: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the top 5 senior managers.

Note 6: Net income refers to the amount of after-tax profit shown in the most recent parent company only or consolidated report.

Note 7: a. This field represents all forms of remuneration the top 5 senior managers have received from the Company’s invested businesses other than subsidiaries or parent company. (If none, please specify “None”.)

* The basis of compensation 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 purposes.

Names of managers receiving employee remuneration, and state of distribution

December 31, 2024 (Unit: NT\$ thousand)

	Job Title (Note 1)	Name (Note 1)	Stock	Cash	Total	The sum as percentage of net income (%)
Manager	President	Lai Chia-Ling	-	265	265	0.04%
	Vice President	Chen Sung-Tsao	-	139	139	0.02%
	Head of Financial Manager	Hsu Chueh-Wei	-	86	86	0.01%

Note 1: Please disclose the name and job title individually, while the distribution of earnings may be summarized and then disclosed.

Note 2: It refers to the amount of employee remuneration distributed to the managers (including stocks and cash), which the Board of Directors has passed as part of the most recent earnings appropriation. If it is impossible to impute the same, the amount to be distributed this year shall be based on that actually distributed last year. Net income refers to that in the most recent year. If IFRSs have been adopted, net income shall refer to the amount of after-tax profit shown in the most recent parent company only or consolidated report.

Note 3: The scope of managers shall be defined in the following manner, as per the Commission’s decree under Letter Tai-Cai-Zheng-III-Zi No. 0920001301 dated March 27, 2003:

- (1) President and equivalents;
- (2) Vice President and equivalents;
- (3) Assistant Vice President and equivalents;
- (4) Chief of Financial Dept.;
- (5) Chief of Accounting Dept.;
- (6) Any other persons in charge of the Company’s affairs and entitled to sign instruments on behalf of the Company.

Note 4: If any director, President or Vice President has received employee remuneration (including stocks and cash), please complete table 1-2 and also this table.

(IV) Total of the compensation paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company’s directors, supervisors, President, and Vice Presidents, and their respective proportions to the net income referred to in the parent company only or individual financial report, as well as the policies, standards and packages by which the compensation was paid, the procedures through which compensation was determined, and their association with business performance and future risk:

1. Compensation paid in the most recent two years by the Company to the Company’s Directors, Supervisors, President, and Vice Presidents as a percentage of net income:

Item	2024	2023
Compensation to directors (A)	9,603	10,220
Compensation to supervisors (B)	0	0
Compensation to President and Vice Presidents (C)	6,375	7,580
Total D=A+B+C	15,978	17,800
As percentage of net income (D/net income)	2.2	2.0

2. Compensation paid in the most recent two years by the companies included into the consolidated financial statements to the Company’s Directors, Supervisors, President, and Vice Presidents as a percentage of net income:

Item	2024	2023
Compensation to directors (A)	9,603	10,220
Compensation to supervisors (B)	0	0
Compensation to President and Vice Presidents (C)	6,375	7,580
Total D=A+B+C	15,978	17,800
As percentage of net income (D/net income)	2.2	2.0

3. Policies, standards, and packages by which the compensation was paid:

The compensation to directors and supervisors was paid in accordance with the Company’s “Guidelines Governing Distribution of Remuneration to Directors and Supervisors.” The salary and bonus to the President and Vice President were paid according to the Company’s employee salary and bonus rates and based on the pay level adopted by peer companies.

4. Procedures through which compensation was determined:

The compensation to directors and supervisors was determined subject to the earnings distribution and based on the distribution percentage set forth in the Articles of Incorporation, and then upon resolution of the Board of Directors. The salary and bonus to the President and Vice President were determined in accordance with the Company’s employee salary and bonus rates. Since 2012, said compensation would be reported to the Remuneration Committee for discussion and then proposed to the Board of Directors for resolution. The Company would also review the compensation system subject to the overview of business and according to related laws timely, in order to seek the balance between corporate sustainability and risk control.

5. Positive correlation with the business performance:

Article 36 of the Articles of Incorporation provides that if the Company retains earnings (i.e., those before the income before tax earned for the current year less the remuneration to employees and remuneration to directors/supervisors) at the end of the fiscal year. The Company is required to allocate no less than 1% thereof as the remuneration to employees and no more than 2% thereof as the remuneration to directors/supervisors.

The compensation to directors, supervisors, President and Vice President was determined based on their participation in the Company’s operations and the value of their contribution to the Company. It already took the Company’s business performance into consideration.

III. Corporate governance

(I) Functionality of Board of Directors

(1) Information about Functionality of Board of Directors

A total of 9 Board meetings (A) were held in the most recent years. Below are the directors'/supervisors' attendance records:

Designation	Name (Note 1)	Actual presence (attendance) (times)	Presence by proxy (times)	Percentage of actual presence (attendance) rate (%)(Note 2)	Remarks
Chairman	Yeh Chun-Yao	9	0	100	Re-elected on June 23, 2022
Director	Representative of Farglory International Investment Co., Ltd.: Hsu Chih-Chiang	3	0	33	Re-elected on June 23, 2022
Director	Representative of Farglory International Investment Co., Ltd.: Hsieh Cheng-Hai	9	0	100	New director elected June 23, 2022
Director	Representative of Farglory International Investment Co., Ltd.: Liu Ming-Fang	3	0	33	Assumed duty following the reappointment of representative by the corporate director on July 28, 2023 New representative
Independent Director	Wang Chih-Chung	8	1	89	Re-elected on June 23, 2022
Independent Director	Lee Mao	9	0	100	Re-elected on June 23, 2022
Independent Director	Li Wan-Li	9	0	100	New director elected June 23, 2022

Other remarks:

- For Board of Directors meetings that meet any of the following descriptions, state the date, session, contents of the motions, independent directors' opinions and how the Company has responded to such opinions:
(1) Conditions described in Article 14-3 of the Securities and Exchange Act:

Board of Directors	Contents of the motions and Followup	Article 14-3 of the Securities and Exchange Act	Objected or reserved by independent directors
17th Meeting of the 12th Board January 31, 2024	1. Proposal for distribution of 2023 year-end bonus to the Chairman and managers.	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None.		
	Resolution: Chairman Yeh Chun-Yao recused himself for conflict of interest. The motion was approved by the other present directors unanimously.		
18th Meeting of the 12th Board March 12, 2024	1. The Company's 2023 employee and director remuneration distribution plan.	V	
	2. The Company's 2023 business report and financial statements and consolidated financial statements.	V	
	3. The Company's 2023 earnings distribution plan.	V	
	4. The Company's appointment of CPAs to audit or review its 2024 financial statements, and their remuneration.	V	
	5. Amendments to the Company's "Articles of Incorporation."	V	
	6. The amendments to the Company's "Audit Committee Charter."	V	
	7. Amendments to the Company's "Rules for Procedure of Board of Directors' Meetings."	V	
	8. The amendments to the Company's "Directions for the Implementation of Continuing Education for Directors."	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None.		
Resolution: Passed by all present directors unanimously.			

Board of Directors	Contents of the motions and Followup	Article 14-3 of the Securities and Exchange Act	Objected or reserved by independent directors
19th Meeting of the 12th Board April 9, 2024	1. Changes to the Company's 2023 earnings distribution plan.	V	
	2. Capitalization of retained earnings by issuance of new shares.	V	
	3. Amendments to the Company's "Articles of Incorporation."	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None. Resolution: Passed by all present directors unanimously.		
20th Meeting of the 12th Board May 8, 2024	1. The proposal for the 2024 raise of the Company's Chairman and managers.	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None.		
	Resolution: Chairman Yeh Chun-Yao recused himself for conflict of interest. The motion was approved by the other present directors unanimously.		
	2. The Company's plan to invest capital in Farglory Logistics Co., Ltd.	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None. Resolution: Passed by all present directors unanimously.		
21st Meeting of the 12th Board July 5, 2024	1. Establishment of the Company's "Operating Procedure for Preparation and Verification of Sustainability Report."	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None.		
	Resolution: Passed by all present directors unanimously.		
22nd Meeting of the 12th Board August 7, 2024	1. The report on the Company's and subsidiaries' consolidated financial statements for Q2 2024.	V	
	2. The amendments to the Company's "Internal Control System" and "Enforcement Rules of Internal Audit".	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None.		
	Resolution: Passed by all present directors unanimously.		
23rd Meeting of the 12th Board October 15, 2024	1. The Company's plan to increase the shares acquired from Farglory Logistics Co., Ltd.	V	
	2. Amendments to the Company's "Corporate Governance Best-Practice Principles."	V	
	Independent Director's opinion: None.		
	The Company's response to independent director's opinion: None. Resolution: Passed by all present directors unanimously.		

(2) Any other resolution(s) by the Board of Directors meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

2. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed:

Date of Meeting	Directors' names	Contents of the motions	Reason of Recusal for Conflict of Interest	Participation in Voting
17th Meeting of the 12th Board January 31, 2024	Yeh Chun-Yao	Chairman and manager Proposal for 2023 distribution of year-end bonus	Proposal for reviewing on the distribution of year-end bonus to the Chairman	Not Participating in Voting
20th Meeting of the 12th Board May 8, 2024	Yeh Chun-Yao	Proposal for 2024 raise of Chairman and managers.	Proposal for reviewing on raise of the Chairman	Not Participating in Voting

3. The TWSE/TPEX-listed company shall disclose the evaluation cycle and period, the scope of evaluation, method and contents of evaluation about the Board of Directors' self (or peer) performance evaluation, and specify the status of evaluation conducted by the Board of Directors in the Schedule 2(2) attached hereto: The 2024 performance evaluation has been completed. The performance evaluation result was reported to the Board of Directors on January 22, 2025 and also posted on the Company's website.
4. Enhancement of the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, the improvement of information transparency, etc.) and the respective progress reports:

- (1) In order to improve the exchange of experience and professional competency of directors and supervisors, the Company provided the information about continuing education programs periodically to practice the corporate governance system effectively.
- (2) The Company has established the “Regulations Governing Board Performance Evaluation”, and executed the self-evaluation periodically each year to improve the Board of Directors’ functions.
- (3) In order to enhance the transparency of information and strictly execute and follow up the Board resolutions, the Company has posted the motions discussed in the Board meetings in the most recent year on the Company’s website.
- (4) The Company’s Board of Directors executed its functions fairly in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”.

Note 1: Where the director is a juristic person, please disclose the institutional shareholder’s name and its representative’s name.

Note 2: (1) Before the end of the year, if a director resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence (attendance) rate (%) should be calculated based on how often the Board meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

(2) If the re-election of directors/supervisors had taken place prior to the close of the financial year, old and new directors/supervisors are listed, in which case, the remarks column would specify whether they are former directors, newly elected or re-elected, and the date of the reelection. The actual presence (attendance) rate (%) will be calculated based on how often the Board meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

(2) Status of the Board of Directors Performance Evaluation

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Method of Evaluation (Note 4)	Contents of Evaluation (Note 5)
Once per year	From January 1, 2024 until December 31, 2024	Board’s Performance Evaluation	Board’s Internal Self-Evaluation	<ol style="list-style-type: none"> 1. Participation in the Company’s operation 2. Improvement of the Board decision-making quality 3. Composition and structure of Board 4. Election and continuing education of directors 5. Internal control
Once per year	From January 1, 2024 until December 31, 2024	Individual Board Member’s Performance Evaluation	Board Member’s Self-Evaluation	<ol style="list-style-type: none"> 1. Alignment with the goals and mission of the Company 2. Knowledge of the directors’ duties 3. Participation in the Company’s operation 4. Management of internal relationship and communication 5. Professionalism and continuing education of directors 6. Internal control
Once per year	From January 1, 2024 until December 31, 2024	Audit Committee’s Performance Evaluation	Audit Committee Member’s Self-Evaluation	<ol style="list-style-type: none"> 1. Participation in the Company’s operation 2. Knowledge of Audit Committee’s duties 3. Improvement of Audit Committee’s decision-making quality 4. Composition and member election of the Audit Committee 5. Internal control
Once per year	From January 1, 2024 until December 31, 2024	Remuneration Committee’s Performance Evaluation	Remuneration Committee Member’s Self-Evaluation	<ol style="list-style-type: none"> 1. Participation in the Company’s operation 2. Knowledge of Remuneration Committee’s duties 3. Improvement of Remuneration Committee’s decision-making quality 4. Composition and member election of the Remuneration Committee 5. Internal control

Note 1: To specify the Board’s performance evaluation cycle, e.g. once per year.

Note 2: To specify the Board’s performance evaluation period, e.g., the Board’s performance evaluation conducted from January 1, 2024 to December 31, 2024.

Note 3: The scope of evaluation covers the Board of Directors, individual Board members and functional committees.

Note 4: The methods of evaluation include Board’s internal self-evaluation, Board members’ self-evaluation, peer evaluation, external professional organization’s evaluation, and performance evaluation by experts or in any other adequate manners.

Note 5: The contents of evaluation shall consist of, at least, the following elements, subject to the scope of evaluation:

(1) Board’s performance evaluation: To cover, at least, participation in the Company’s operation, improvement of the Board decision-making quality, composition and structure of the Board, election and continuing education of directors, and internal control, et al..

(2) Individual Board Member’s Performance Evaluation: To cover, at least, alignment with the goals and mission of the Company, knowledge of the directors’ duties, participation in the Company’s operation, management of internal relations and communication, professionalism and continuing education of directors, and internal control, et al.

(3) Functional committees’ performance evaluation: Participation in the Company’s operation, knowledge of functional committees’ duties, improvement of functional committees’ decision-making quality, composition and member election of the functional committees, and internal control, et al..

Note 6: The 2024 Board’s, Board members’, Audit Committee’s, and Remuneration Committee’s performance evaluations have been conducted in accordance with the “Regulations Governing Board Performance Evaluation.” The evaluation results were reported to the Board of Directors on January 22, 2025 and posted on the Company’s website.

(II) Audit Committee operations, or supervisors’ involvement in the Board’s operations: In the most recent year and by the date of publication of the annual report.

(1) Information about Functionality of Audit Committee

A total of 9 Audit Committee meetings (A) were held in the most recent years. Below are the members’ attendance records:

Designation	Name	Actual presence (attendance) (times) (B)	Presence by proxy (times)	Percentage of actual presence (attendance) rate (%) [B/A] (Note 1, Note 2)	Remarks
Convener	Wang Chih-Chung	8	1	88.9	Convener
Member	Lee Mao	9	0	100	
Member	Li Wan-Li	9	0	100	

Other remarks:

1. For Audit Committee meetings that meet any of the following descriptions, state the date, session, contents of the motions, independent directors’ dissenting opinions, qualified opinions or major recommendations, the results of the Audit Committee resolutions and how the Company has responded to Audit Committee’s opinions:

(I) Conditions described in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Contents of the motions and Followup	Article 14-5 of the Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors
15th Meeting of the 1st Audit Committee March 12, 2024	1. The Company’s 2023 business report and financial statements and consolidated financial statements.	V	
	2. The Company’s appointment of CPAs to audit or review its 2024 financial statements, and their remuneration.	V	
	3. The amendments to the Company’s “Articles of Incorporation.”	V	
	4. The amendments to the Company’s “Audit Committee Charter.”	V	
	5. Amendments to the Company’s “Rules for Procedure of Board of Directors’ Meetings.”	V	
	6. The amendments to the Company’s “Directions for the Implementation of Continuing Education for Directors.”	V	

	7. The Company's 2023 internal control system self-assessment.	V	
	8. The evaluation on effectiveness of the Company's 2023 internal control system.	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		
16th Meeting of the 1st Audit Committee April 9, 2024	1. Capitalization of retained earnings by issuance of new shares.	V	
	2. Amendments to the Company's "Articles of Incorporation."	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		
17th Meeting of the 1st Audit Committee May 8, 2024	1. The Company's plan to invest capital in Farglory Logistics Co., Ltd.	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		
18th Meeting of the 1st Audit Committee July 5, 2024	1. Establishment of the Company's "Operating Procedure for Preparation and Verification of Sustainability Report."	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		
19th Meeting of the 1st Audit Committee August 7, 2024	1. The report on the Company's and subsidiaries' consolidated financial statements for Q2 2024.	V	
	2. The amendments to the Company's "Internal Control System" and "Enforcement Rules of Internal Audit".	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		
20th Meeting of the 1st Audit Committee October 15, 2024	1. The Company's plan to increase the shares acquired from Farglory Logistics Co., Ltd.	V	
	2. Amendments to the Company's "Corporate Governance Best-Practice Principles."	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		
21st Meeting of the 1st Audit Committee November 7, 2024	1. The Company's 2025 audit plan.	V	
	Dissenting opinions, qualified opinions, or major recommendations of independent directors: None.		
	Resolution of the Audit Committee: Passed by all members of the Audit Committee and reported to the board of directors.		
	The Company's response to the Audit Committee's opinions: The opinion was unanimously approved by all directors present at the meeting.		

(II) Other than the foregoing, resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.

II. For independent directors' avoidance of motions which involves conflict of interest, the names of independent directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed: None.

III. Communication between independent directors and internal auditing officers and CPAs:

(I) Method of communication between the independent directors and internal auditing officers and CPAs:

The independent directors of the Company have direct access to the internal auditing officers and the CPAs. In accordance with the regulations of the competent authorities, the Company conducts regular audits of its finance, business and condition, and communicates directly with the management and governance units.

1. The internal audit officers of the Company communicate the audit report results with the members of the Audit Committee on a regular basis, and an internal audit report is prepared at each meeting of the Audit Committee. If there are special circumstances, it will be reported to the members of the Audit Committee in a timely manner. There were no such special circumstances in 2024. The communication between the Audit Committee and the internal audit officers is good.

2. The Company's CPAs report to the Audit Committee on a quarterly basis the results of the audit or review of the financial statements of the current quarter and other communication matters required by relevant laws and regulations. Under special circumstances, they will also report to the members of the Audit Committee in a timely manner. There were no such special circumstances in 2024. The communication between the Audit Committee and the CPAs is good.

(II) Communication between independent directors and internal auditing officers has been productive. No other recommendation was raised by independent directors.

(III) Communication between independent directors and CPAs has been productive. No other recommendation was raised by independent directors.

Note 1: Before the end of the year, if a member resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence (attendance) rate (%) should be calculated based on how often the Audit Committee meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

Note 2: If the re-election of members had taken place prior to the close of the financial year, previous and the current members are listed; in which case, the remarks column would specify whether the member was elected in the previous board, the new board, or both. The actual presence (attendance) rate (%) will be calculated based on how often the Audit Committee meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

(III) Status of corporate governance and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof:

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies”?	V		The Company has established its own “Corporate Governance Best-Practice Principles” and disclosed the same on the Company’s website and MOPS.	No deviation.
II. Shareholding Structure and Shareholders’ Equity of the Company (I) Does the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	V		To be accepted and handled by the spokesperson (or deputy spokesperson) and the Company’s Finance Dept. The Company has established its own “Corporate Governance Best-Practice Principles” to govern shareholders’ proposals, principles for the right to nominate, review standards and operating procedures. The Company also encouraged shareholders to participate in corporate governance and set up a stakeholder zone to provide contact information on the Company’s website.	No deviation.
(II) Does the Company possess the list of the Company’s major shareholders of ultimate controllers and the list of the ultimate controllers of the major shareholders?	V		Reports on changes in the shareholding of directors, supervisors, managers, and major shareholders are made on a monthly basis.	No deviation.
(III) Does the Company establish and implement the risk control and firewall mechanism with the related parties?	V		The Company has set forth the related controls in the Company’s internal control system and “Rules Governing Financial and Business Matters Between the Company and its Affiliated Enterprises” pursuant to laws. Meanwhile, the Company also ensured compliance with laws and related regulations via internal and external audits.	No deviation.
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		The Company has established its “Operating Procedure for Prevention of Insider Trading” to prohibit insiders from trading securities based on non-public information. The Operating Procedure has been posted on the Company’s website.	No deviation.

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the board of directors formulated a diversity policy, specific management objectives and are they implemented?</p>	V		<p>The Company has established its “Corporate Governance Best-Practice Principles” and set forth the diversification policy in Chapter 4 “Improvement of Board of Directors’ Functions,” therein. The Board members are nominated and elected in accordance with the Articles of Incorporation. The director candidate nomination system adopted by the Company evaluates various candidates’ academic background and working experience. Also, it complies with the “Regulations Governing Election of Directors/Supervisors” and “Corporate Governance Best-Practice Principles” to ensure the Board members’ diversification and independence. Subject to the Company’s business development scale, the Company appoints seven directors (including three independent directors) now. Meanwhile, the Company also sets forth adequate diversification policies based on its own operating and development needs. The Board of Directors discusses and passes annual business plans periodically and also follows up on whether the Board’s resolutions are executed precisely. The Company’s 12th Board members consist of 7 directors; 6 of whom are male and 1 of whom is female. All of whom possess the knowledge, skill and qualification needed to perform their duties, e.g. the ability to make operational judgments, ability to analyze accounting and financial issues, business administration, crisis management, industry knowledge, vision towards the global market, leadership and decision making, etc. Chairman Yeh Chun-Yao serves as the Chairman of Farglory air cargo & logistic business units. Director Hsu Chih-Chiang serves as the President of Farglory Group. Director Liu Ming-Fang serves as the Chief Legal Officer of Farglory Group. Director</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>Hsieh Cheng-Hai serves as the Chairman of Yuan-Xiang International Logistics Corporation. Independent Director Wang Chih-Chung holds a bookkeeper and tax agent certificate issued by the Ministry of Finance. Independent Director Lee Mao used to serve as the Director-General of Customs Administration, Ministry of Finance. Independent Director. Li Wan-Li used to serve as the Vice Director-General of the Civil Aeronautics Administration at the Ministry of Transportation and Communications. They are all good at advising the Company on finance, business, industry knowledge and public welfare events.</p> <p>The Board member diversification policy set forth by the Board is disclosed on the Company's website and MOPS.</p>	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?	V		<p>The Company has established the Remuneration Committee and Audit Committee in accordance with the law, and has not established any other functional committees. The Company will evaluate the establishment of other functional committees subject to laws, the Company's business scale and management needs in the future.</p> <p>In addition, the Company has established a unit to promote sustainable development and information security to assess and manage various risks during operation.</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
(III) Has the Company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly, at least on an annual basis, and submitted the performance evaluation result to the Board and applied the same as reference for remuneration to individual directors and nomination?	V		<p>The Company has established its own "Regulations Governing Board Performance Self-Evaluation." The Board of Directors should conduct internal performance evaluation at least once per year, in order to evaluate whether the Board members have performed their duties loyally and with due diligence, attended the related corporate governance continuing education courses during their term of office, and strengthened the knowledge and skills needed by them to perform their duties to achieve the corporate governance goals.</p> <p>In order to practice the corporate governance and improve the Board of Directors' functions, the 2024 Board's, Audit Committee's and Remuneration Committee's performance evaluations and the 2024 Board's, Board members', Audit Committee members' and Remuneration Committee members' performance evaluations have been conducted in accordance with the "Regulations Governing Board Performance Self-Evaluation." The evaluation results were reported to the Board of Directors on January 22, 2025 and posted on the Company's website.</p>	No deviation.
(IV) Does the Company have the independence of the independent auditor evaluated regularly?	V		<p>To improve the reliability of the Company's financial report, the Company should periodically evaluate the independent auditors' independence and competence periodically (at least once per year). A motion to evaluate the independent auditors' independence has been proposed to the Board meeting on December 20, 2024. The CPAs retained by the Company all satisfied the independence requirements. The Company evaluates the independent auditors' independence and competency periodically each year, in reference to Article 29 of the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies, Article 6, Article 47 and Article 61 of the Certified Public Accountant Act, and AQIs.</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>Assessment criteria:</p> <ol style="list-style-type: none"> 1. Audit the Company's financial position and internal controls periodically (legal source: Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies) 2. Propose concrete corrective actions or anti-corruption opinions against any abnormal situations or deficiencies found and disclosed during the audit (legal source: Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies) 3. The Company has not replaced the CPAs, or the CPAs have never received any sentence to punishment or injured their independence, for 7 consecutive years (legal source: Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Article 61 of the Certified Public Accountant Act) 4. Whether have been disciplined by being barred from practice as a CPA (legal source: Article 6 of the Certified Public Accountant Act) 5. Whether violating Article 47 of the Certified Public Accountant Act. 6. AQIs items. 	

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
IV. Whether the Company assigns an adequate number of competent corporate governance officers and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.)?	V		(I) The Company's Business Management Planning Dept. is responsible for corporate governance-related affairs. On June 24, 2021, the board of directors appointed vice president of Business Management Planning Dept. Chen Sung-Tsao as the Company's governance supervisor. (II) The corporate governance practices referred to in the preceding paragraph shall, at least, include the following: 1. Organization of the Board of Directors meetings and shareholders' meetings, and assistance to the Company in compliance with laws governing board meetings and shareholders' meetings. 2. Preparation of board meeting and shareholders' meeting minutes. 3. Assistance to directors in holding office and continuing education. 4. Provision to directors the information they need to perform their duties. 5. Assistance to directors in compliance. 6. Any other matters defined in the Articles of Incorporation or contract.	No deviation.
V. Has the Company provided proper communication channels and created an investor relations section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	V		(I) The Company has set up the stakeholder section on the Company's website. (II) The stakeholders related to the Company's operations are defined as including employees, customers, investors, suppliers, contractors, government agencies, communities and neighbors. The Company provides the explanation in terms of concerned issues, communication methods (channels) and contact persons.	No deviation.
VI. Does the Company engage a Shareholders Service Agency to handle Shareholders' Meeting affairs?	V		The Company has appointed Yuanta Securities Co., Ltd. as the Company's shareholders service agency to assist in the processing of shareholders affairs.	No deviation.

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
VII. Information disclosure (I) Does the Company have a website setup and the Company's business, finance and corporate governance information disclosed?	V		The Company has set up a website to disclose the business, finance, and corporate governance information. Company website: http://www.ftz.com.tw	No deviation.
(II) Does the Company adopt 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 investor conference on the Company's website, etc.)?	V		The Company appoints dedicated personnel to collect and disclose the Company's information, and also delegates the spokesperson and deputy spokesperson to speak on behalf of the Company, in order to strengthen the information disclosure. The investor conference presentations, in Chinese and in English, are also posted on the Company's website.	No deviation.
(III) Whether the Company announces and reports the annual financial report within two months at the end of each fiscal year, and the financial report for Q1, Q2 and Q3 and monthly operation overview before the prescribed time limit?	V		The Company's quarterly and annual financial reports and monthly operations are completed within the timeframe required by law.	No deviation.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of Directors/Supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?	V		(I) Employee rights: The Company follows the Labor Standards Act, and sets the complaining channel for employees to protect the employees' interest and rights. (II) Employee care: The Company sets forth various welfare systems which provide protection, living support and benefits in nature, e.g. medical care, learning and visits, and social events, etc., and provides complete education and training programs by function, in order to train the employees to learn comprehensive skills and establish mutual trust and reliance relationship with the employees. (III) Investor relations: The Company discloses the financial report and important business messages on the MOPS and its official website pursuant to	No deviation.

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>laws periodically to provide investors with full knowledge about the Company's business development and status and to realize the maximum shareholders' interest.</p> <p>(IV) Supplier relations: The Company executes the supplier management in accordance with the existing procurement and payment internal control systems and performs related rights and obligations pursuant to the contract or purchase order.</p> <p>(V) Stakeholders' interests: The Company engages in trading or communication with stakeholders in accordance with various internal control regulations and delegates related units to process the opinions from various sectors and fulfill its corporate social responsibility.</p> <p>(VI) Continuing education of Directors/Supervisors: According to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," the Company shall have an understanding of the educational background, work experience, and professional expertise of all of its directors and supervisors, and make appropriate arrangements for the continuing education for each person as required, by taking into consideration the Company's main operational focus and main directions of business development. Meanwhile, the directors/supervisors may voluntarily attend continuing education, and the Company would advise the directors/supervisors on any issues to be noted adequately. Please refer to the attached schedule for the continuing education programs the Company's directors/supervisors attended in 2023.</p>	

Assessment criteria	Status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>(VII) Implementation of risk management policies and risk measurements: The Company has established a sound internal control system, executed the system effectively, and checked it periodically, in accordance with the “Regulations Governing the Establishment of Internal Control Systems by Public Companies,” in order to respond to the transformation inside/outside the Company and ensure continuing validity of the system design and execution.</p> <p>(VIII) Implementation of customer policy: The Company has set up the service hotline and appointed dedicated departmental customer service workers responsible for processing questions from customers. Meanwhile, the Company would conduct the customers’ satisfaction survey on a semi-annual basis and work with related departments to review and improve deficiencies based on the indicators receiving lower satisfaction from customers to improve the service quality and customers’ satisfaction.</p> <p>(IX) The Company’s purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and supervisors at its expenses since 2019, and reported the 2025 liability insurance for directors to the Board of Directors on May 13, 2025.</p>	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not required for the companies excluded from the evaluation)	V		<p>(I) The Company has completed corporate governance self-assessment for 2024, and devised improvement goals for indicators that did not meet standards.</p> <p>(II) Priority enhancements and measures: Proposal to make additional disclosure in the Sustainability Report.</p>	No deviation.

Note: Always provide explanations in the summary description column, regardless of whether the status is ticked “Yes” or “No.”

Continuing education attended by the Company’s directors/ independent Directors in 2024:

Job Position	Attendee	Date	Name of Training Course	Hours	Organizer
Director	Yeh Chun-Yao	May 3, 2024	Sustainable Development Practices Promotional Conference	3 hours	Securities and Futures Institute
		July 3, 2024	2024 Cathay Sustainable Finance and Climate Change Summit	6 hours	Taiwan Stock Exchange Corporation
Director	Hsu Chih-Chiang	July 9, 2024	Discussion about the strategy and application of the tools for the remuneration to the employees of enterprises	3 hours	Taiwan Corporate Governance Association
		August 20, 2024	How enterprises should respond to the coming of the “Carbon Emission with Pay” era	3 hours	Taiwan Corporate Governance Association
Director	Liu Ming-Fang	July 3, 2024	2024 Cathay Sustainable Finance and Climate Change Summit	6 hours	Taiwan Stock Exchange Corporation
Director	Hsieh Cheng-Hai	July 3, 2024	2024 Cathay Sustainable Finance and Climate Change Summit	6 hours	Taiwan Stock Exchange Corporation
Independent Director	Wang Chih-Chung	June 3, 2024	Forum for Institutional Investors’ Perspectives	3 hours	Securities and Futures Institute
		July 3, 2024	2024 Cathay Sustainable Finance and Climate Change Summit	3 hours	Taiwan Stock Exchange Corporation
Independent Director	Lee Mao	June 11, 2024	Discussion about the strategy and application of the tools for the remuneration to the employees of enterprises	3 hours	Taiwan Corporate Governance Association
		June 27, 2024	New Types of Securities Crimes and Market Manipulation of “Corporate Governance”	3 hours	Taiwan Securities Association
		August 29, 2024	How directors and supervisors review internal controls and internal audits	3 hours	Taiwan Corporate Governance Association
		October 7, 2024	Case study on the indicators to analyze the operational practices of the Board of Directors and Shareholders’ Meeting	3 hours	Taiwan Corporate Governance Association
Independent Director	Li Wan-Li	June 3, 2024	Forum for Institutional Investors’ Perspectives	3 hours	Securities and Futures Institute
		July 3, 2024	2024 Cathay Sustainable Finance and Climate Change Summit	6 hours	Taiwan Stock Exchange Corporation

(IV) Composition, responsibilities, and functionality of the Remuneration Committee

(1) Information of the Remuneration Committee Members

Identity (Note 1)	Qualification Name	Professional qualifications and experience (Note 2)	Independence (Note 3)	Number of positions as Remuneration Committee member in other public companies
Independent Director	Wang Chih-Chung	1. Responsible person of Wang Chih-Chung Accounting Office 2. President of Zhong Qing Business Management Consulting Co., Ltd.	(1) Not employed by the Company or any of its affiliated companies. (2) Not a director or supervisor of the Company or any of its affiliated companies.	None
Independent Director	Lee Mao	1. Director-General of Customs Administration, Ministry of Finance 2. Independent Director of Mercuries & Associates Holding, LTD. 3. Director of Pan German Universal Motors Ltd.	(3) Does not hold more than 1% of the company's outstanding shares in their own names or under the name of spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company. (4) Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship of the managers described in Item (1) or persons described in Item (2) and Item (3). (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 Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (6) A majority of the Company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor, or employee of that other company. (7) The chairman, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are not the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	1

Identity (Note 1)	Qualification		Independence (Note 3)	Number of positions as Remuneration Committee member in other public companies
	Name	Professional qualifications and experience (Note 2)		
Independent Director	Li Wan-Li	Vice Director-General of Civil Aeronautics Administration, Ministry of Transportation and Communications	(8) Not 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) Not 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 an affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or an affiliated company of the Company for which the provider in the past 2 years has received compensation. (10) Not a spouse or relative within the second degree of kinship of any other directors.	None

Note 1: Please specify in the table the years of work, professional qualifications and experience and independence of each member of the Remuneration Committee. If the member is an independent director, please indicate in a note for relevant contents (e.g., please refer to Table 1 for information on directors and supervisors on p.OO). For identify, please fill in “independent director” or “other” (please specify for a convener).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of each Remuneration Committee member.

Note 3: State of independence: The state of independence of members of the Remuneration Committee must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 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); and amount of remuneration received for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

Note 4: For disclosure methods, please see examples for best practices on the website of the TWSE’s Corporate Governance Center.

(2) Information about Functionality of Remuneration Committee

I. The Company’s Remuneration Committee consists of 3 members.

II. Term of office held by the current Committee members: from June 23, 2022 to June 22, 2025.

The Remuneration Committee held 4 meetings (A) in 2024. Details of members’ eligibility and attendance are as follows:

Designation	Name	Actual presence (times) (B)	Presence by proxy (times)	Actual attendance rate (%) (B/A)(Note)	Remarks
Convener	Wang Chih-Chung	3	1	75%	-
Member	Lee Mao	4	0	100%	-
Member	Li Wan-Li	4	0	100%	-

Other remarks:

- I. Should the Board rejects or modifies the suggestions from the Remuneration Committee, the following should be stated: date of the Board meeting, term of the Board, contents of the motions, resolutions of the Board and the Company's handling of the Remuneration Committee's opinion. (If the remuneration approved by the Board are better than that suggested by the Remuneration Committee, the difference and the reason thereof should be stated): None.
- II. Should any resolution(s) by the Remuneration be passed but with member voicing opposing or qualified opinions on the record or in writing: please describe the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.
- III. The Remuneration Committee shall perform its duty by assisting the Board of Directors to execute and evaluate the Company's overall remuneration and welfare policies and remuneration to managers.
- IV. Important resolutions made by the Remuneration Committee in the most recent year until the date of publication of the annual report:

Item No.	Name of Meeting	Date of Meeting	Important Resolution
1	Remuneration Committee	January 31, 2024	Passed the proposal for distribution of 2023 year-end bonus to the Chairman and managers.
2	Remuneration Committee	March 12, 2024	Passed the Company's 2023 employee and directors/supervisors remuneration distribution plan.
3	Remuneration Committee	May 8, 2024	Passed the proposal for the 2024 raise of the Company's' Chairman and managers.
4	Remuneration Committee	August 7, 2024	1. Passed the Company's 2023 employee and directors/supervisors remuneration distribution plan. 2. Passed the Company's 2023 employee remuneration distributed to managers.

- V. Information on members of the nomination committee and its state of operation: The Company has not yet established a nomination committee.

Note:

- (1) Before the end of the year, if a Remuneration Committee member resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated according to how often the Remuneration Committee meeting was convened (times) and his/her actual attendance (times) during his/her term of office.
- (2) If the re-election of Remuneration Committee members had taken place prior to the close of the financial year, members of both the previous and the current Remuneration Committee are listed; in which case, the remarks column would specify whether the committee member was elected in the previous board, the new board, or both. The percentage of actual presence rate (%) will be calculated based on how often the Remuneration Committee meeting was convened (times) and his/her actual attendance (times) during his/her term of office.

(V) Status of the implementation of sustainable development, and deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof												
	Yes	No	Summary													
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	V		<p>1. The Company established an ESG Task Force in December 2021. The Company's board meeting held on March 25, 2022 passed the establishment of its own "Sustainable Development Best Practice Principles" and disclosed the same on the Company's website and MOPS.</p> <p>2. The Company set up the sustainable development promotion unit. The Business Management Planning Dept. should be responsible for proposing and executing sustainable development policies, systems or related management policies, promotional plans, and reporting to the Board of Directors periodically (at least once per year).</p> <p>3. Report on the Execution of 2024 Sustainable Development Related Matters</p> <table border="1"> <thead> <tr> <th>Date of Meeting</th> <th>Company Reports</th> </tr> </thead> <tbody> <tr> <td>July 5, 2024</td> <td>Propose to establish the Company's "Operating Procedure for Preparation and Verification of Sustainability Report" in accordance with the letter under Letter Tai-Zheng-Zhi-Li-Zi No. 11300016611 issued by TWSE on January 29, 2024.</td> </tr> <tr> <td>August 7, 2024</td> <td>Report on the completion of 2023 Sustainability Report</td> </tr> <tr> <td>December 20, 2024</td> <td>Report on the results of the 2023 greenhouse gas inventory</td> </tr> <tr> <td>December 20, 2024</td> <td>Report on the progress of the 2024 Greenhouse Gas Inventory</td> </tr> <tr> <td>December 20, 2024</td> <td>Report on the implementation of risk management for 2024</td> </tr> </tbody> </table>	Date of Meeting	Company Reports	July 5, 2024	Propose to establish the Company's "Operating Procedure for Preparation and Verification of Sustainability Report" in accordance with the letter under Letter Tai-Zheng-Zhi-Li-Zi No. 11300016611 issued by TWSE on January 29, 2024.	August 7, 2024	Report on the completion of 2023 Sustainability Report	December 20, 2024	Report on the results of the 2023 greenhouse gas inventory	December 20, 2024	Report on the progress of the 2024 Greenhouse Gas Inventory	December 20, 2024	Report on the implementation of risk management for 2024	No deviation.
Date of Meeting	Company Reports															
July 5, 2024	Propose to establish the Company's "Operating Procedure for Preparation and Verification of Sustainability Report" in accordance with the letter under Letter Tai-Zheng-Zhi-Li-Zi No. 11300016611 issued by TWSE on January 29, 2024.															
August 7, 2024	Report on the completion of 2023 Sustainability Report															
December 20, 2024	Report on the results of the 2023 greenhouse gas inventory															
December 20, 2024	Report on the progress of the 2024 Greenhouse Gas Inventory															
December 20, 2024	Report on the implementation of risk management for 2024															

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
II. Whether the Company conducts the risk assessment on the environment, society and corporate governance issues related to the Company's operation and adopts related risk management policies or strategies? (Note 2)	V		<ol style="list-style-type: none"> 1. The Company has prepared the Report in accordance with the GRI Standards (2021) published by Global Reporting Initiative (GRI), and the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," to cover the material issues of concern to the stakeholders, as well as the Company's specific performance in economic, environmental, social and governance aspects. The scope of disclosure covers the entities included in the consolidated financial statements of the Company. 2. The survey was conducted through the internal impact level questionnaire and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, which requires a company to evaluate the potential risks and opportunities of climate change on the present and future of the company. The material topics include operational performance, customer relationship, customer privacy and rights protection, talent development and training, occupational health and safety, labor-management relations, market position, employee remuneration and benefits, and climate change governance. 3. Material topics management policy (Please refer to Note 4.) 	No deviation.
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial characteristics?	V		<ol style="list-style-type: none"> 1. The Company has improved the identification of and response to the climate risk and opportunity, established the governance strategy on climate risks and opportunities and strengthened the climate change management, in reference to the Task Force on Climate Related Financial Disclosures (TCFD) announced by the Financial Stability Board (FSB), and based on the disclosure frameworks including "governance," "strategy," "risk management" and "indicator and goal." 2. The Company has included the energy conservation, carbon reduction, greenhouse gas reduction, water resources and waste reduction into its policy. In order to mitigate the impact on the natural environment, the Company has commissioned qualified professional contractors to dispose of the generated wastewater, and general and industrial waste. The Company also conducts annual operating environment inspections as required by law, to grasp the status of the 	No deviation.

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
			labor work environment and assess the exposure of workers.	
(II) Is the Company committed to improving the utilization efficiency of energy, and using the recycled materials that have a low impact on the environmental load?	V		<p>In order to improve the resource utilization efficiency:</p> <ol style="list-style-type: none"> 1. Adoption of more efficient transportation methods: The Company has adjusted its industrial vehicle types in line with the airport policy, and changed its oil-powered vehicles to electric vehicles that are suitable for warehouse use. They will be replaced and updated in response to the policy year by year. 2. Adoption of a more efficient production and distribution process: The Company adopts the automated equipment to improve the optimization of the material handling process and reduce the use of power-consuming machinery and materials, and waste generation, thereby increasing productivity and optimizing the storage area. <ul style="list-style-type: none"> (1) Plan to establish the 2nd-phase ASRS automated warehouse equipment. (2) Installation of additional automatic disk brakes and vertical elevators in the export warehouse. 	No deviation.
(III) Whether the Company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to climate issues?	V		The Company follows the TCFD announced by the FSB and also the four major frameworks, namely governance, strategy, risk management, indicators and goals to disclose the Company's key climate risks and opportunities. (Please refer to Note 5.2.)	No deviation.
(IV) Whether the Company gathers the statistics about the annual GHG emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, GHG reduction, reduction of water consumption or management of exhaust gas and other waste goods?	V		<ol style="list-style-type: none"> 1. The Company and its subsidiaries mainly source their greenhouse gas emissions from the electricity consumption (Scope 2), followed by the Scope 1, including public vehicle oil (including gasoline and diesel), generator diesel, stacker diesel, and refrigerant fugitive emissions. The Scope 3 covers the indirect emissions generated from employee business travel, outsourcing waste disposal and downstream leasehold assets. 2. The statistics on the total weight of the greenhouse gas emissions, waste and water consumption of the Company and its subsidiaries in the past two years are as follows: Greenhouse gas emission equivalent (tons of CO₂e/year) 	No deviation.

Promotion	Status (Note 1)		Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof																							
	Yes	No																								
			<table border="1"> <thead> <tr> <th colspan="2">2023</th> </tr> </thead> <tbody> <tr> <td>Scope 1</td> <td>2,366.2269</td> </tr> <tr> <td>Scope 2</td> <td>13,642.0424</td> </tr> <tr> <td>Scope 3</td> <td>8,976.1208</td> </tr> </tbody> </table> <p>Note: The Group has organized its boundaries according to the ISO 140641:2018, and has conducted its first greenhouse gas inventory in 2023. The inventory boundaries include Farglory FTZ Investment Holdings and its subsidiaries.</p> <p>Waste output structure (tons)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Recycling</td> <td>967.23</td> <td>818.98</td> </tr> <tr> <td>Incineration</td> <td>1,634.59</td> <td>1,946.92</td> </tr> </tbody> </table> <p>Total water withdrawal (in million liters)</p> <table border="1"> <thead> <tr> <th></th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Total water withdrawal</td> <td>310.037</td> <td>370.226</td> </tr> </tbody> </table> <p>Note: The above water withdrawal includes the water consumption by the lessee.</p> <p>3. In order to improve the efficient use of various resources, the Company and its subsidiaries continue to implement the concept about sustainable operation in the work environment through various energy-conservation and carbon reduction measures.</p> <p>A. Control the energy expenses by replacement with energy-conservation lamps and loop cutset for the lighting equipment at the factory premises.</p> <p>B. Utilize water-saving valves to control water bills and improve water resource utilization.</p> <p>C. Build a rainwater reclamation pond, and use recycled rainwater to irrigate plants at the factory premises.</p> <p>D. Analyze the correlation of the three major circulating systems, namely air conditioning system pumps, compressors, and cooling towers, to define the air conditioning system energy conservation framework, divided into equipment improvement strategies and optimized system operation strategies.</p> <p>E. Adopt the air conditioning energy conservation strategies, namely the operating strategy for cool water host, optimization of setting value for cool water temperature, and setting of the chilling water tower's activation volume adjustable in response to changes of the temperature</p>	2023		Scope 1	2,366.2269	Scope 2	13,642.0424	Scope 3	8,976.1208		2022	2023	Recycling	967.23	818.98	Incineration	1,634.59	1,946.92		2022	2023	Total water withdrawal	310.037	370.226
2023																										
Scope 1	2,366.2269																									
Scope 2	13,642.0424																									
Scope 3	8,976.1208																									
	2022	2023																								
Recycling	967.23	818.98																								
Incineration	1,634.59	1,946.92																								
	2022	2023																								
Total water withdrawal	310.037	370.226																								

Promotion	Status (Note 1)		Summary	Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof										
	Yes	No												
			<p>outside; control the air conditioning temperature and water/power controls to practice energy conservation in offices, analyze the overall cost-benefit effects and reduce CO₂ emission at the same time.</p> <p>F. Practice E-operations to reduce the generation of mass waste paper products, adopt strict garbage classification policy, and practice recycling precisely.</p> <p>G. The equipment of the stacking machine has been changed to the electric stacking machine, which is expected to reduce the carbon emissions by 12,056kg/year per unit of the machine.</p>											
<p>IV. Social issues</p> <p>(I) Has the Company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?</p>	V		<p>The Company protects the legal rights of employees in accordance with labor laws and regulations, supports and complies with the “Universal Declaration of Human Rights,” “The United Nations Global Compact,” and “ILO Declaration on Fundamental Principles and Rights at Work,” and other international human rights conventions, to ensure that all people in the Company can be treated equally and respectfully.</p> <p>The Company’s “Human Rights Policy” and “Human Rights Concrete Management Plan” are summarized as follows:</p> <table border="1"> <thead> <tr> <th>Human rights policy</th> <th>Human rights concrete management plan</th> </tr> </thead> <tbody> <tr> <td>Protection of the human rights at workplace</td> <td> <ul style="list-style-type: none"> ◆ Prohibition of forced Labor and child labors ◆ Elimination of sexual harassment and unlawful discrimination to ensure equal work opportunities </td> </tr> <tr> <td>Provision of a healthy and safe workplace</td> <td> <ul style="list-style-type: none"> ◆ Provision of a healthy and safe work environment ◆ Assistance to employees in maintaining physical and mental health and work-life balance </td> </tr> <tr> <td>Promotion of the labor-management harmony</td> <td>Provision of diversified communication channels</td> </tr> <tr> <td>Partner collaboration</td> <td>Work with suppliers, contractors, and business partners who meet the Company’s sustainability management philosophy</td> </tr> </tbody> </table>	Human rights policy	Human rights concrete management plan	Protection of the human rights at workplace	<ul style="list-style-type: none"> ◆ Prohibition of forced Labor and child labors ◆ Elimination of sexual harassment and unlawful discrimination to ensure equal work opportunities 	Provision of a healthy and safe workplace	<ul style="list-style-type: none"> ◆ Provision of a healthy and safe work environment ◆ Assistance to employees in maintaining physical and mental health and work-life balance 	Promotion of the labor-management harmony	Provision of diversified communication channels	Partner collaboration	Work with suppliers, contractors, and business partners who meet the Company’s sustainability management philosophy	No deviation.
Human rights policy	Human rights concrete management plan													
Protection of the human rights at workplace	<ul style="list-style-type: none"> ◆ Prohibition of forced Labor and child labors ◆ Elimination of sexual harassment and unlawful discrimination to ensure equal work opportunities 													
Provision of a healthy and safe workplace	<ul style="list-style-type: none"> ◆ Provision of a healthy and safe work environment ◆ Assistance to employees in maintaining physical and mental health and work-life balance 													
Promotion of the labor-management harmony	Provision of diversified communication channels													
Partner collaboration	Work with suppliers, contractors, and business partners who meet the Company’s sustainability management philosophy													

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			In the future, the Company will continue to focus on human rights protection issues and promote related education and training to improve human rights protection awareness and reduce the possibility of occurrence of relevant risks.	
(II) Whether the Company adopts and implements a reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately?	V		<p>The Company adopts the employee remuneration and vacation systems according to the Labor Standards Act. Also, it sets forth multiple benefit and remuneration policies superior to those prescribed by the Labor Standards Act, which, in combination with the Company's operating performance or results, are reflected in the remuneration to employees adequately.</p> <p>Meanwhile, according to the Articles of Incorporation, if the Company retains earnings (i.e., those before the income before tax earned for the current year less the remuneration to employees and remuneration to directors/supervisors) at the end of the fiscal year. The Company is required to allocate 1% thereof as the remuneration to employees (including no less than 70% to be distributed as the remuneration to the entry-level employees).</p>	No deviation.
(III) Does the Company provide employees with a safe and healthy work environment and regularly provide safety and health education to employees?	V		<p>The Company has set up Safety & Health Dept. to take charge of the occupational safety & health operations throughout the Company and build a safe and healthy working environment for the employees. The following refers to the measures already implemented by the Company:</p> <ol style="list-style-type: none"> 1. Invite a professional service provider to measure the indoor CO₂ concentration at the factory premises once per six months. A total of 68 checking points are set at the whole factory premises. The average test value is 499ppm (CO₂ concentration permitted by law is 5000ppm). The test results satisfy the requirements under the Occupational Safety and Health Act. 2. In order to provide the employees and customers with a safe workplace, the Company has planned and installed the AED at 9 sites within the factory premises and organized CPR+AED first-aid education and training courses regularly. The Company has applied for the safe workplace CPR+AED certification, and received the safe workplace logo certification from the Ministry of Health and Welfare successfully. 3. In response to the government's initiative to build a friendly workplace, the Company has 	No deviation.

Promotion	Status (Note 1)		Summary	Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No		
			<p>set up a nursing room to provide female employees and resident customers with a fair environment and space.</p> <p>4. To ensure the health of its workforce, the Company invites the qualified medical professionals from hospitals to conduct health checkups which are favorable than those prescribed by laws for employees regularly. Based on the outcomes of the checkup report, the stationed nurses would follow up on employees who exhibit health concerns, and arrange to have them undergo medical consultation with physicians, so that they may receive proper health guidance and knowledge given their levels of health risk.</p> <p>5. In order to protect the employees' safety, the Company prepares a budget to acquire safe protective gear for employees. For example, the onsite workers would receive safe footwear, waist protection and slip-free gloves, and also warm clothing and woolen cap in winter to ensure the employees' safety and health.</p> <p>6. In order to improve the employees' safety, health and expertise, the Company would arrange the education and training courses on safety and health, safe machine and equipment operation, fire safety, aviation security and hazardous goods, and health service seminars et al. periodically each year, in order to enable the employees to learn adequate knowledge about safety and health and also protect themselves adequately.</p> <p>7. The occupational disasters occurred in 2024 are as follows: Number of cases: 5 Number of people: 5 Percentage to the total employees: 0.82% Related improvement measures: (1) The removal of the seams of the conveyor belt to prevent the workers' fingers from being caught in the operation. (2) The machine is set as the manual mode to prevent it from activating automatically when the worker is operating the machine. (3) The employees' work areas shall keep clean and tidy.</p> <p>8. No fire disaster has occurred in 2024.</p>	
(IV) Does the Company have an effective career capacity development training program	V		In order to improve the employees' competitiveness, the Company planned the diversified and plentiful learning channels and development resources, such as orientation	No deviation.

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies and causes thereof																				
	Yes	No	Summary																					
established for employees?			<p>training, in-service training, advanced training, internal trainers' training, new horizon classroom, labor safety training, aviation security training, anti-smuggling training, and middle and senior and grassroots management training.</p> <p>Education and training implementation results in 2024:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Consensus Academy</th> <th>Management Academy</th> <th>Professional Academy</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Number of people</td> <td>1,801</td> <td>190</td> <td>2,811</td> <td>4,802</td> </tr> <tr> <td>Hours</td> <td>3,920</td> <td>2,846</td> <td>6,188</td> <td>12,954</td> </tr> <tr> <td>Round</td> <td>74</td> <td>7</td> <td>157</td> <td>238</td> </tr> </tbody> </table>	Item	Consensus Academy	Management Academy	Professional Academy	Total	Number of people	1,801	190	2,811	4,802	Hours	3,920	2,846	6,188	12,954	Round	74	7	157	238	
Item	Consensus Academy	Management Academy	Professional Academy	Total																				
Number of people	1,801	190	2,811	4,802																				
Hours	3,920	2,846	6,188	12,954																				
Round	74	7	157	238																				
(V) Whether the Company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling issues for its products and services, and adopts related consumer or customer protection policy and complaining procedures?	V		<p>The Company handled its products and services in accordance with Air Cargo Entrepot Management Rules, Regulations Governing the Customs Management of Import and Export Warehouses (e.g. Customs Anti-smuggling Act) and Act for the Establishment and Management of Free Trade Zones, in order to ensure that all operations comply with laws and regulations. The Company obtained TAPA grade "A" certification.</p> <p>The Company has set up the customer service hotline and appointed the dedicated department responsible for processing questions from customers. Meanwhile, the Company would conduct the customers' satisfaction survey periodically and work with related departments to review and improve deficiencies based on the indicators receiving lower satisfaction from customers to improve service quality and customer satisfaction.</p> <p>The Company has set up the stakeholder section on the Company's website to provide customers with communication methods, channels and contact persons.</p>	No deviation.																				
(VI) Whether the Company adopts any specific suppliers' management policy demanding that the suppliers comply with the related regulations governing environmental protection, occupational safety and health or laborers' human rights, and how the policy is implemented?	V		<p>The Company would convene the meeting with suppliers from time to time in order to listen to their feedback and tutor the suppliers' upgrading. Before the meeting, the Company would evaluate whether the suppliers had any record involving adverse impact to the environment and society and avoid trading with those acting against the Company's corporate social responsibility policies. Further, in order to manage the suppliers effectively, the Company also created a roster of qualified suppliers.</p> <p>The contracts executed by the Company with any major supplier would include the corporate social responsibility policy to be followed by both parties, and the clauses requiring that if</p>	No deviation.																				

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			suppliers are suspected of violating the policy and thereby cause significant impact to the environment and society in the community of supply source adversely, the Company may terminate or rescind the contracts at any time. The contracts would also include the safety work agreement with contractors, stating that both parties agree to comply with related safety and health laws and regulations.	
V. Whether the Company prepares the report disclosing the Company's non-financial information, such as a Sustainability on the guidelines or directions for preparing reports internationally? Whether said report has been assured or guaranteed by a third-party certification unit?	V		Driven by the mission to foster sustainable growth of the economy, the environment, and society, the Company has made the commitment to prepare sustainability reports according to the GRI Standards 2021 published by Global Reporting Initiative (GRI) and "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" as a way to disclose to stakeholders the strategies, contributions, and performance of Farglory Free Trade Zone Investment Holding Co., Ltd. with respect to sustainability development. The Company is currently in the midst of preparing its 2024 sustainability report, which is scheduled to be presented to the board of directors for approval in August 2025.	No deviation.
VI. If the Company has established its own sustainable development in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies," please describe the current practices and any deviations of its practices from said Principles set forth by it: The Company has set forth its "Sustainable Development Best-Practice Principles" and posted the same on the Company's website. There is no deviation of its practices from said Principles set forth by it.				
VII. Other information useful to the understanding of sustainable development:				
(I) Environmental protection: The Company would go through the evaluation conducted by the working environment inspection organization recognized by the Ministry of Labor, Executive Yuan, periodically each year. The organization would also issue the qualified environmental inspection report to the Company. The waste generated by the Company would be disposed of by qualified professional service providers. Further, the Company used the best effort to work with Taoyuan International Airport Corporation Ltd. about the wastewater treatment in the free trade zone park, purchase recycled ink and recycled toner cartridge, and also encouraged suppliers to research and develop green products and practice the environment protection thoroughly.				
(II) Community Participation: The Company upheld the principle for "local development for supply nearby," in order to create employment opportunities and economic prosperity locally. Meanwhile, the Company sponsored Songbohui in Dayuan Dist., community villagers and Taoyuan International Airport correspondents' club from time to time to fulfill its social responsibility.				
(III) Social contribution, social service and public welfare: 1. Sponsorship of expenses for National Taiwan Sport University. 2. Sponsor the expenses related to the flight security promotional event organized by Taoyuan International Airport. 3. Sponsor the expenses related to TWCSI.				

Promotion	Status (Note 1)			Deviation from Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			<p>4.Sponsor the expenses related to the energy-conservation and carbon reduction promotion campaign in Binhai Village, Luzhu District.</p> <p>5. In response to the industry-academia cooperation 2024, the Company offered technical training and internship opportunities to a total of 11 students from Vanung University, Kainan University, China University of Science and Technology, and Taipei University of Marine Technology.</p> <p>6.“A Gift that Saves Lives” is always one of the public welfare events promoted by the Company proactively. The Company would invite Hsinchu Blood Center to organize the blood donation event at the Company’s premises periodically on a yearly basis. The Center also awarded the Company the certificate for enterprises actively engaged in charity events. In 2024, a total of 3 blood donation events were organized (on January 30, June 4, and October 22), collecting a total of 387 bags of blood.</p> <p>7.The 2024 Farglory Volunteer Group, including sponsorship in private organizations and aid to disadvantaged groups, responded to Farglory Group’s public welfare activities in 2024, including:</p> <p>(1)“December 12 Farglory Christmas Charity Gift Package event,” in which the organization gave out 100 gifts for the 8th consecutive year.</p> <p>(IV) Consumer protection: The Company has set up the customer service hotline and appointed dedicated departmental service workers responsible for processing questions from customers. Meanwhile, the Company would conduct the customers’ satisfaction survey periodically and work with related departments to review and improve deficiencies based on the indicators receiving lower satisfaction from customers to improve service quality and customer satisfaction.</p> <p>(V) Human rights and safety & health: The Company executed the regulations governing employment relationships and conditions precisely to protect the employees’ interests and rights. It has also set up the Safety & Health Dept. responsible for the overall planning of occupational safety and health operations throughout the Company, focusing on and continuing employees’ safety & health education training and drill, and communicating to employees about the working environment, equipment and hazardous substance management education and training, in order to protect the employees’ safety and health at work. Meanwhile, the contracts executed with suppliers would also include the safety work agreement with contractors, which states that both parties agree to comply with related safety and health laws and regulations and also protect contractors’ safety and health at work.</p>	

Note 1: If “Yes” is selected for the implementation, please explain the key policies, strategies and measures taken and their implementation; if “No” is selected for the implementation, please provide the difference and reason for “difference from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof” column, and explain any policy, strategy and measure planned for the future.

Note 2: “Materiality principle” refers to environmental, social and corporate governance issues that are of material impact to the Company’s investors and stakeholders.

Note 3: For disclosure methods, please see examples for best practices on the website of the TWSE’s Corporate Governance Center.

Note 4: Material topics management policy

Material Topic	Policy and Commitment
Operating performance	In order to establish a good corporate governance system and implement corporate governance, the Company has established the “Corporate Social Responsibility Best Practice Principles.”
Customer relationship, customer privacy and protection of customer rights	<ol style="list-style-type: none"> 1. To enhance the operation quality and improve the satisfaction with customer services, the Company re-examines the quality management mechanism for storage and transportation to maintain good interaction with the customers and improve the customer trust and loyalty. Through the tracking and processing mechanism for false cases, the Company hopes to make immediate improvements in its operations and achieve zero losses. 2. In order to protect the privacy of the concerned party and the safety of its personal data, the Company uses the personal data files fairly and maintains the same in a proper manner to ensure that all operations comply with the provisions of the “Personal Data Protection Act” and related laws and regulations. Meanwhile, to implement the requirements of the Company’s personal data management system, the Company establishes the “Personal Data Management Operating Guidelines” for the Company to follow consistently.
Climate change governance	Focus on the climate change issues, and consider how to minimize the impact posed on the environment during the operations; formulate suitable climate strategies and environmental protection goals; create a harmonious win-win situation for the environment and the economy through optimized energy/resource utilization efficiency and eco-friendly operation methods to contribute to a sustainable environment.
Talent development and training	<ol style="list-style-type: none"> 1. Train outstanding talent with due diligence and continue to plan and implement improvements. 2. Value each employee’s career planning, and makes the best effort to arrange comprehensive capacity development and training, in order to enable each employee to apply what they have learned, exercise their potential to the utmost and improve the overall competitiveness.
Occupational health and safety	Establish a safe and healthy organizational culture, and achieve and maintain the vision of zero corporate disasters. Value safety and discipline, and implement the full participation, and promise to continue to improve the policies, in order to achieve the goal of “personal safety, safety of goods and preservation of safety.”
Employment relations, market position, employee remuneration and benefits	<ol style="list-style-type: none"> 1. The Company has an Employee Welfare Committee in place, elected by the employees through open balloting. The Employee Welfare Committee allocates funds for employee benefits and provides employees with a diversified welfare system that enables them to maintain work-life balance and caters for the different needs of employees at various stages. 2. The remuneration mechanism is linked to performance, and in reference to the market and peers, in order to create a win-win solution. 3. The Company has established the Labor Pension Fund Supervisory Committee, which is responsible for managing and allocating the pension fund. For the employees who choose to apply the old system, the Committee will contribute the pension fund to the Central Trust of China on a monthly basis; for those who choose to apply the new system, the Committee will contribute the pension fund to the employees’ personal pension accounts pursuant to the Labor Pension Act on a monthly basis.

Note 5: Implementation of climate-related information

Item	Implementation Status
<p>1. Describe the supervision and management of the Board of Directors and the management on the climate-related risks and opportunities.</p>	<p>To ensure proper management of climate-related risks and opportunities, the Company has established a Sustainable Development Promotion Committee, with the Chairman serving as the steering member, the President as the Committee chairman, and the heads of various departments and offices of the Group as the Committee members. The Executive Secretary is appointed under the direction by the Committee to assist the operation of the Committee and report the progress of the overall risk management to the Board of Directors regularly, to supervise the effective execution of the risk management precisely. The Risk Management Promotion Team shall submit the risk management report to the Sustainable Development Promotion Committee at least once a year or from time to time.</p>
<p>2. Describe the identified climate risks and opportunities and how they affect the business, strategy and finance of the Company (short-term, mid-term, and long-term).</p>	<p>The Company follows the TCFD announced by the FSB and also the four major frameworks, namely governance, strategy, risk management, indicators and goals to disclose the Company's key climate risks and opportunities.</p> <p><u>Governance</u></p> <p>(1)The Sustainable Development Promotion Committee under supervision by the Board of Directors is the supreme body of Farglory F T Z to respond to climate change.</p> <p>(2)The Sustainable Development Promotion Committee is established, with the Chairman serving as the steering member, the President as the Committee chairman, and the heads of various departments and offices of the Group as the Committee members. The Executive Secretary is appointed under the direction by the Committee to assist the operation of the Committee and report the progress of the overall risk management to the Board of Directors regularly.</p> <p><u>Strategy</u></p> <p>(1)According to the target management schedule of Farglory FTZ, define short-term (0~3 years), mid-term (3~10 years), and long-term (over 10 years) climate-related risks and opportunities.</p> <p>(2)Assess the potential impact posed by climate risk factors on the Company's strategic, operational and financial planning.</p> <p><u>Risk management</u></p> <p>(1)The Risk Management Promotion Team has identified the risks and opportunities of climate change based on the TCFD framework.</p> <p>(2)Formulate response strategies and key development plans based on the results of climate risk identification.</p> <p>(3)Incorporate climate change issues into the Company's risk management.</p> <p><u>Indicators and goals</u></p> <p>(1)Scope 1 Greenhouse Gas Emissions in 2023: 2,366.22 (tons of CO₂e/year)</p> <p>(2)Scope 2 Greenhouse Gas Emissions in 2023: 13,642.04 (tons of CO₂e/year)</p> <p>(3)Scope 1 and Scope 2 emissions in 2024 reduced by 1% from the previous year.</p>

Item	Implementation Status
<p>3. Describe the impacts of extreme weather and transformation on the financial position.</p>	<ul style="list-style-type: none"> ◆ Transformation risk: Increase in the pricing of greenhouse gas emissions, climate change-related laws and policies, the cost of low-carbon technology transformation, and cooperating customers' focus on the carbon reduction performance. ◆ Physical risks: The increase in the severity of extreme weather events (typhoons, flooding and storm, etc.), and the rising average temperature. <p>Potential impact on the Company:</p> <ol style="list-style-type: none"> (1) In response to the carbon tax issue, the Company will continue to care various regulations. It is expected that operating costs will rise. (2) According to the regulations of the Ministry of Economic Affairs, energy-heavy industries shall file the energy report every year and reduce the consumption by 1% each year. The Company currently has two customers subject to the control regulations. (3) The development and application costs needed to increase the amount of renewable energy used, improve the energy storage technology capability and process energy efficiency during the low-carbon economy transformation process. (4) Customers' demand for low-carbon products and strict environmental protection audits are increasingly stringent. If the Company fails to provide the products or meet customer requirements, it might lose the shipment of a small amount of cargo and even suffers goodwill impairment. (5) Drought, flooding, typhoons or landslides that lead to power and water outages, or deterioration of water quality (increasing the viscosity of raw water) affect the water consumed in the Zone. The personnel's living function in the Zone will be affected adversely, and the operating costs are expected to rise. (6) Typhoon and flooding events cause the failure of machine and equipment. The storm will destroy buildings or machinery and equipment, thereby causing an increase in repair costs and also operating costs. (7) The unstable power supply causes the automated warehousing equipment to malfunction. (8) It is likely to lead to fire and difficulty in cooling of equipment, which may result in the malfunction of the equipment. (9) The average temperature rise, the poor heat resistance of air conditioning equipment, and the poor efficiency of air conditioner main unit all result in the increase in energy consumption.
<p>4. Describe the identification, assessment and management procedures for climate risks and how they are integrated into the overall risk management system.</p>	<ol style="list-style-type: none"> (1) Collection of climate-related risk and opportunity issues: Collect the relevant climate-related risk and opportunity issues based on the organizational operation type. (2) Training and inventory: The relevant implementation units shall verify the definition of each climate risk and opportunity, analyze domestic and foreign regulations, market and technology trends, and further discuss various issues. Based on the factors, such as the possibility of impact, impact level and occurrence time, the impact and influence posed by climate issues on Farglory FTZ are verified.

Item	Implementation Status
	<p>(3) Identification of major risks and opportunities: Identify the overall major climate risks and opportunities of the Company based on the degree of impact (including the evaluation indicators, such as finance, operation, and goodwill) and the impact period (short-term, mid-term, and long-term) to identify the Company's overall major climate risks and opportunities and take an inventory of the potential impact posed by the climate-related risks and opportunities and management strategies thereof.</p> <p>(4) Confirmation by the senior management: The identified result shall be reported to the senior management and integrate into the Company's overall risk management for control.</p>
<p>5. If the scenario analysis is used to assess the resilience to the climate change risks, the scenarios, participation, assumptions, analysis factors and major financial impacts shall be explained.</p>	<p>Under planning.</p>
<p>6. If there is any transformation plan responding to the climate-related risks, please specify the contents of the plan and the indicators and goals used to identify and manage the physical risks and transformation risks.</p>	<p>Under planning.</p>
<p>7. If the internal carbon pricing is used as the planning tool, the basis of price determination shall be explained.</p>	<p>Under planning.</p>
<p>8. If climate-related goals are set, the activities covered, scope of greenhouse gas emissions, planning schedule and progress of each year shall be explained. If carbon offset or renewable energy certificates (RECs) are used to achieve the relevant goals, the carbon reduction amount and source or the number of RECs shall be explained.</p>	<p>Under planning.</p>

Item	Implementation Status
<p>9. Greenhouse gas inventory, assurance, reduction goals, strategies, and concrete action plans.</p>	<p><u>Greenhouse gas inventory</u> The Group has organized its boundaries according to the ISO 140641:2018, and has conducted its first greenhouse gas inventory in 2023. The inventory boundaries include Farglory FTZ Investment Holdings and its subsidiaries. The greenhouse gas emissions are primarily generated from the electricity consumption (Scope 2), followed by the Scope 1, including public vehicle oil (including gasoline and diesel), generator diesel, stacker diesel, and refrigerant fugitive emissions. The Scope 3 covers the indirect emissions generated from employee business travel, outsourcing waste disposal and downstream leasehold assets.</p> <p><u>Greenhouse Gas Assurance Information</u> Under planning.</p> <p><u>Greenhouse gas reduction goals, strategies, and concrete action plans.</u></p> <ol style="list-style-type: none"> 1. The Company has adjusted its industrial vehicle types in line with the airport policy, and changed its oil-powered vehicles to electric vehicles that are suitable for warehouse use. They will be replaced and updated in response to the policy year by year. 2. The Company adopts the automated equipment to improve the optimization of the material handling process and reduce the use of power-consuming machinery and materials, and waste generation, thereby increasing productivity and optimizing the storage area. <ol style="list-style-type: none"> (1) Plan to establish the 2nd-phase ASRS automated warehouse equipment. (2) Installation of additional automatic disk brakes and vertical elevators in the export warehouse.

(VI) Status of ethical management, and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations

Implementation of ethical management

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
<p>I. Ethical Management Policies and Plans</p> <p>(I) Has the Company stated in its Articles of Incorporation or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies?</p>	V		<p>The Company has set forth the “Ethical Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct.” Business Management Planning Dept. was responsible for establishing and supervising the execution of the ethical management policy and prevention program and reporting to the Board of Directors periodically. The Company upheld the management philosophy, namely integrity, transparency and responsibility, to establish the ethics-based policy subject to the approval of the Board of Directors. Meanwhile, the Company established fair corporate governance and risk control mechanism to create the management environment for corporate sustainability. The Company demanded that directors and senior management should issue the declaration for compliance with the ethical management policy and defined in the employment conditions that employees should comply with the ethical management policy. The Company also disclosed this information through annual reports, company website and MOPS.</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(II) Whether the Company establishes the assessment mechanism for unethical conduct to analyze and assess the operating activities with a higher risk of unethical conduct in the scope of business periodically, and adopts the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?	V		<p>The Company has developed systematic practices for evaluating risks of unethical conduct, and regularly analyzes and evaluates business activities that are susceptible to higher risk of unethical conduct. Prevention Programs are then developed accordingly with appropriateness and effectiveness reviewed on a regular basis.</p> <p>The Company is advised to establish the prevention program based on the standards or directions applicably domestically and overseas, which should at least cover the following:</p> <ol style="list-style-type: none"> 1. Prohibition of Offering and Acceptance of Bribe. 2. Prohibition of Illegal Political Contribution. 3. Prohibition of Unjustified Charity Donation or Sponsorship. 4. Prohibition of Unreasonable Gifts and Treats, or Other Unjustified Benefit. 5. Prohibition of infringement upon business secrets, trademark right, patent right, copyright and other intellectual property rights. 6. Prohibition of unfair competition. 7. Prohibition of impairment on consumers’ or other stakeholders’ right, health and safety, direct or indirectly, in the process of R&D, procurement, production, supply or sale of products and services. <p>The Company would also communicate the ethical management policies to employees and directors/supervisors via internal meetings and education & training courses.</p> <p>◆ The relevant regulations are posted on the Company’s website/in the investor section/corporate governance section.</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
(III) Whether the Company expressly states the SOP, guidelines for conduct and reward & punishment and grievance systems as part of its unethical conduct prevention program, implements the same precisely, and reviews amendments to said program?	V		<p>The Company has set forth the “Procedures for Ethical Management and Guidelines for Conduct” to be followed by employees. The Company has set forth ten major moral disciplines, expressly prohibiting transaction with suppliers without following the Company’s procurement procedure, or acceptance of bribes or any favors from the suppliers.</p> <p>The unethical conduct referred to in the Procedure and Guidelines for Conduct means that the Company’s personnel provide, accept, promise or ask for any unjustified benefit, directly or indirectly, in order to seek or maintain certain interest, or engage in any other activities against ethics, laws or fiduciary obligation, in the process of performing their job duties.</p> <p>With respect to operating activities with a higher risk of unethical conduct, the Company already adopted the policies to prohibit offering and accepting bribes and illegal political contributions. The policies have been included in the “Procedure for Ethical Management and Guidelines for Conduct”.</p> <p>The Company has set forth the regulations governing whistle-blowing against unethical conduct (including the scope of unethical conduct, accepted whistle-blowing, whistle-blower’s incentives, whistle-blowing principles, whistle-blowing methods, the responsible unit and mailbox for acceptance of whistle-blowing, operating procedure for investigation, document management, and whistle-blower’s confidentiality and protection measures, et al.).</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
<p>II. Implementation of ethical management</p> <p>(I) Does the Company evaluate the integrity of all counterparts it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p>	V		<p>When executing a contract with another person, the Company should have full knowledge of the other party's ethical management status and include compliance with the Company's ethical policy into the contractual terms and conditions. The contract shall also expressly state the following at least:</p> <ol style="list-style-type: none"> 1. Upon awareness of any person's violation of the contract terms and conditions prohibiting the acceptance of commission, rebate or other unjustified benefits, either party shall honestly advise the other party of the person's identity and methods applied by the person to provide, promise, ask for or accept the commission, rebate or benefit, and amount thereof, and provide related evidence in response to the other party's investigation. Either party suffering damages therefor may claim the damages against the other party, and withhold the damages in full from the contract price payable. 2. Where either party is involved in any unethical conduct in business activities, the other party may terminate or rescind the contract unconditionally at any time. 3. To set forth specific and reasonable payment terms, including the payment location and method in line with related tax laws and regulations. <p>The Company would conduct investigation and evaluation on suppliers and other trading counterparts periodically in order to practice the Company's ethical management policy.</p>	No deviation.
<p>(II) Whether the Company establishes a unit dedicated to promoting ethical corporate management under the supervision of the Board of Directors which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevention program to the Board of Directors</p>	V		<p>The Company delegates the Business Management Planning Dept. to act as the dedicated unit subordinated to the Board of Directors, equipped with sufficient resources and competent personnel, to process the amendments to, and execution and interpretation of the Procedure and Guidelines for Conduct, and consulting service and registration & documentation of reports, and supervise execution thereof, and report to the Board of Directors periodically (at least once per year).</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
periodically (at least for once per year)?				
(III) Has the Company developed policies to prevent conflicts of interest, provided adequate channels for communication, and substantiated the policies?	V		The Company's "Rules of Procedure for Board Meeting" expressly state the system for directors' recusal from conflict of interest. Where any motions submitted to the Board meeting involve a conflict of interest with any director himself/herself or the juristic person represented by him/her and, therefore, it is likely to impair the interest of the Company, the director may state his/her own opinion and answers but shall recuse himself/herself from discussion and voting, and also be prohibited from exercising the voting right on behalf of another director.	No deviation.
(IV) Whether the Company fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program or appoints a CPA to conduct the audits?	V		In order to enforce ethical management, the Company has established effective accounting system and internal control system. Internal auditors should audit compliance with the system referred to in the preceding paragraph periodically and submit the audit report to the Board of Directors. Meanwhile, the Company may retain CPAs to conduct external audit, with the assistance of other professionals retained by the Company, if necessary.	No deviation.
(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	V		The Company arranges corporate governance courses for its directors each year. Communicate the importance of ethical management to employees via the employee meeting, corporate culture general education and training, in-service training, and monthly meeting to enable them to have the full knowledge of the Company's determination, policy, and prevention program about ethical management. Externally, promote the Company's ethical management regulations before trading and executing contracts with suppliers (contractors). The Company organized internal education and training on ethical management on January 21, January 22 and January 23, 2025, attended by a total of 302 workers.	No deviation.

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
<p>III. Implementation of the Company's whistle-blowing system</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient whistle-blowing channel established, and a responsible staff designated to deal with the whistle-blown individual?</p>	V		<p>The Company has set forth the "Regulations Governing Whistle-Blowing Against Unethical Conduct" and posted the same on the Company's website. Meanwhile, the employee service manual also expressly states the grievance & whistle-blowing channels, procedures and methods. The handling personnel includes the sales officers, audit officers and human resource officers. Adequate dedicated personnel would be delegated subject to the contents and status of the grievance and whistle-blowing.</p> <p>Any colleague whose voluntary grievance results in improvement of the Company's constitution and reduction of unnecessary loss may receive an adequate reward, i.e. 0.001 of the damages suffered by the Company, but no more than NT\$100,000, if the grievance is proven.</p>	No deviation.
<p>(II) Whether the Company defines the standard operating procedure, follow-up measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of the whistle-blown case as accepted?</p>	V		<p>The whistle-blowing accepted by the Company would be reviewed by the Auditing Dept. or together with related units. Where the unethical conduct is proven, an investigation will be launched therefor. If necessary, they may access related information or inquire about related personnel, and the investigation result should be submitted to the Chairman. The Company's Auditing Dept. is responsible for accepting the whistle-blowing. Where any material misconduct is found or the Company is likely to suffer material damages, or the whistle-blowing involves directors or senior management, upon investigation, it should produce the report and apply Article 23 of the Company's "Ethical Management Best-Practice Principles" and Article 21 and Article 22 of the "Procedure for Ethical Management and Guidelines for Conduct." After the grievance (whistle-blowing) accepted by the Company is proven, the Company would demand that the counterpart should cease the related activities and impose adequate punishment subject to the circumstances. If the case is considered material, the Company's relevant requirements shall apply, and the Company</p>	No deviation.

Assessment criteria	Status (Note 1)			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the causes of such deviations
	Yes	No	Summary	
			would initiate a complaint or action with the judicial and investigation authorities through the civil, criminal or administrative procedures under laws.	
(III) Does the Company take proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	V		In order to protect the concerned parties' interests and rights, whistleblowers are asked to describe the details about related persons, facts, time, place, and object, and identify the real names, telephone numbers, or contact numbers to help communication, processing, and investigation. The Company would keep such information in confidence strictly. Whistle-blowers would never be treated inadequately due to the whistle-blowing. In order to ensure that the whistle-blowers are left undisturbed, any anonymous grievance documents would be processed subject to the facts of grievance.	No deviation.
IV. Enhanced information disclosure Has the Company disclosed its integrity principles and progress onto its website and Market Observation Post System (MOPS)?	V		The Company has set forth the "Ethical Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct." The contents and progress thereof have been posted on the Company's website and MOPS.	No deviation.
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the Principles: The Company has set forth the "Ethical Management Best Practice Principles," "Procedure for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Moral Disciplines," and also practiced the ethical management philosophy and comply with the requirements set forth by the government. There is no deviation of its practices from said Principles.				
VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company? The Company has set forth the Code of Ethical Conduct, Ethical Management Best-Practice Principles, Procedure for Ethical Management and Guidelines for Conduct, Corporate Governance Best-Practice Principles and Corporate Social Responsibility Best-Practice Principles. ◆ Please view the MOPS\Summary Table\Corporate Governance\Company Organization/Structure\Corporate Governance-Related Rules\Listed\Search\5607\Farglory FTZ, ◆ or the Company's website at http://www.ftz.com.tw .				

Note 1: Always provide explanations in the summary description column, regardless of whether the status is ticked "Yes" or "No."

(VII) Other information material to the understanding of corporate governance within the Company: The Company has set forth the Operating Procedure for Handling Material Insider Information as the basis for the Company's material message processing and disclosure mechanism. Meanwhile, the Company would update related regulations pursuant to the latest laws and regulations from time to time. The Procedure is posted on the Company's website, accessible by the Company's insiders and employees, and communicated to related workers accessing the Procedure due to job duty. The Company also encourages insiders to study related laws and promotional handouts.

(VIII) Execution of internal control system

(1) Declaration of Internal Control System:

◆ Please view the MOPS\Single Company\Corporate Governance\Company Regulations\Internal Control\Declaration of Internal Control\Listed\Search\5607\Farglory FTZ.

(2) Audit report by CPA retained to review the internal control system: None.

(IX) Major resolutions made by the Shareholders' Meeting and the Board of Directors in the most recent year up until the date of publication of the annual report

1. Important resolutions of the annual general meeting on June 25, 2024, and execution thereof

Item No.	Important Resolution	Execution progress
1	Acknowledged the Company's 2023 financial statements.	Relevant financial statements are recorded.
2	Acknowledged the 2023 earnings distribution plan	Legal reserves totaling NT\$92,175,678 were provided as part of the 2023 earnings distribution. Shareholder dividends for the current period have been proposed at NT\$1.7 per share, including NT\$0.9 per share of cash dividends (totaling NT\$302,739,309) and NT\$0.8 per share of stock dividends (totaling NT\$269,101,608; i.e. 80 shares per thousand shares held).
3	Passed the amendment to the Company's Articles of Incorporation	Change of registration was approved by the Ministry of Economic Affairs on August 1, 2024 and announced on the Company's website.
4	Approved the Company's capitalization of retained earnings by issuance of new shares	Change of registration was approved by the Ministry of Economic Affairs on August 23, 2024 and announced on the Company's website.

2. Important resolutions made by the Board of Directors in 2024 and 2025 until the date of publication of the annual report

Item No.	Name of Meeting	Date of Meeting	Important Resolution
1	Board of Directors	January 31, 2024	<ol style="list-style-type: none">1. Passed the proposal for distribution of the 2023 year-end bonus to the Chairman and managers as reviewed by the Company's Remuneration Committee.2. Passed the proposal to establish a list of pre-approved non-assurance services that CPAs, the CPA firm, and related enterprises may provide to the Company and subsidiaries.
2	Board of Directors	March 12, 2024	<ol style="list-style-type: none">1. Passed the Company's 2023 employee and director remuneration distribution plan.2. Passed the Company's 2023 business report and financial statements and consolidated financial statements.3. Passed the Company's 2023 earnings distribution plan.4. Passed the Company's change of the Company's independent auditors.5. Passed the Company's appointment of CPAs to audit or review its 2024 financial statements, and their compensation.6. Passed the amendment to the Company's "Articles of Incorporation".7. Passed the amendment of the Company's "Audit Committee Charter."8. Passed the amendments to the Company's "Rules for Procedure of Board of Directors' Meetings."9. Passed the amendment to the Company's "Directions for the Implementation of Continuing Education for Directors."

Item No.	Name of Meeting	Date of Meeting	Important Resolution
			<p>10. Passed the Company's proposal to apply for a guarantee for issuance of the promissory note with China Bills Finance Corporation.</p> <p>11. Passed the Company's 2023 internal control system self-assessment.</p> <p>12. Passed the evaluation of effectiveness for the 2023 internal control system issued by the Company and the "Declaration of Internal Control."</p> <p>13. Passed the date, time, place and agenda of the Company's 2024 annual general meeting.</p> <p>14. Passed the acceptance of shareholders' proposals at the Company's 2024 annual general meeting.</p>
3	Board of Directors	April 9, 2024	<p>1. Passed changes to the Company's 2023 earnings distribution plan.</p> <p>2. Approved the Company's capitalization of retained earnings by issuance of new shares.</p> <p>3. Passed the amendment to the Company's "Articles of Incorporation".</p> <p>4. Passed amendments to the date, time, place and agenda of the Company's 2024 annual general meeting.</p> <p>5. Passed the Company's proposal to apply for the credit facility with Mega International Commercial Bank.</p> <p>6. Passed the Company's proposal to apply for a mandatory guarantee for issuance of the promissory note with Ta Ching Securities Co., Ltd.</p>
4	Board of Directors	May 8, 2024	<p>1. Passed the report on the Company's and subsidiaries' consolidated financial statements for Q1 2024.</p> <p>2. Passed the proposal for the 2024 raise of the Company's Chairman and managers.</p> <p>3. Passed the acceptance of shareholders' proposals.</p> <p>4. Passed the Company's plan to invest capital in Farglory Logistics Co., Ltd.</p>
5	Board of Directors	July 5, 2024	<p>1. Passed the ex-dividend dates for cash/stock dividends distributed from 2023 earnings.</p> <p>2. Passed the establishment of the Company's "Operating Procedure for Preparation and Verification of Sustainability Report."</p>
6	Board of Directors	August 7, 2024	<p>1. Passed the report on the Company's and subsidiaries' consolidated financial statements for Q2 2024.</p> <p>2. Passed the proposal for distribution of 2023 remuneration to directors and employee remuneration to managers as reviewed by the Company's Remuneration Committee.</p> <p>3. Passed the Company's proposal to apply for the facility for issuance of the promissory note with Taiwan Cooperative Bank.</p> <p>4. Passed the Company's 2023 Sustainability Report.</p> <p>5. Passed the amendments to the Company's "Internal Control System" and "Enforcement Rules of Internal Audit".</p>
7	Board of Directors	October 15, 2024	<p>1. Passed the Company's plan to increase the shares acquired from Farglory Logistics Co., Ltd. (hereinafter referred to as "Farglory Logistics").</p> <p>2. Passed the amendments to the Company's "Corporate Governance Best-Practice Principles."</p>
8	Board of Directors	November 7, 2024	<p>1. Passed the report on the Company's and subsidiaries' consolidated financial statements for Q3 2024.</p> <p>2. Passed the Company's proposal to apply for a guarantee for issuance of the promissory note with Mega Bills.</p> <p>3. Passed the Company's 2025 audit plan.</p>

Item No.	Name of Meeting	Date of Meeting	Important Resolution
9	Board of Directors	December 20, 2024	<ol style="list-style-type: none"> 1. Passed the Company's 2025 business plan. 2. Passed the Company's 2024 assessment on the independent auditor's independence.
10	Board of Directors	January 22, 2025	<ol style="list-style-type: none"> 1. Passed the proposal for distribution of the 2024 year-end bonus to the Chairman and managers as reviewed by the Company's Remuneration Committee.
11	Board of Directors	March 12, 2025	<ol style="list-style-type: none"> 1. Passed the Company's 2024 employee and director remuneration distribution plan. 2. Passed the Company's 2024 business report and financial statements and consolidated financial statements. 3. Passed the Company's 2024 earnings distribution plan. 4. Passed the discussion on the Company's capital surplus converted to issuance of new stock. 5. Passed the Company's appointment of CPAs to audit or review its 2025 financial statements, and their compensation. 6. The approval of the Company's proposal to apply for the credit facility with Mega International Commercial Bank is presented for resolution. 7. Passed the Company's proposal to apply for a mandatory guarantee for issuance of the promissory note with Ta Ching Securities Co., Ltd. 8. Passed the Company's proposal to apply for a guarantee for issuance of the promissory note with China Bills Finance Corporation. 9. Passed the amendment to the Company's "Articles of Incorporation". 10. Passed the amendment to the Company's "Regulations Governing Election of the Board". 11. Passed the periodic evaluation on the scope of entry-level employees of the Company and its subsidiaries. 12. Passed the Company's 2024 internal control system self-assessment 13. Passed the evaluation of effectiveness for the 2024 internal control system issued by the Company and the "Declaration of Internal Control" 14. Passed the amendments to the Company's "Internal Control System" and "Enforcement Rules of Internal Audit". 15. Passed the re-election of the Company's directors. 16. Passed the restriction on competition for the Company's new directors. 17. Passed the date, time, place and agenda of the Company's 2025 annual general meeting. 18. Approval of the acceptance of shareholders' proposals at the Company's 2025 annual general meeting is presented for resolution. 19. Passed the proposal for whether the nomination of shareholders is included in the list of candidates for the 2025 annual general meeting of shareholders.

(X) The main contents of important resolutions of the Board passed but with directors or supervisors voicing opposing opinions on the record or in writing during the most recent year and up to the date of publication of the annual report: None.

IV. Fees of CPAs

- (I) The amounts of audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services:

Information about External Auditor's Professional Fee

Unit: NTD thousand

Name of CPA Firm	Name of Accountant	CPA Audit Period	Audit Fee	Non-Audit Fee	Total	Remarks
PwC Taiwan	Chih Ping-Chiun	2024	1,220	2,740	3,960	Audit fee: NT\$1,160 thousand for financial certification and NT\$60 thousand for capital increase out of earnings. Non-audit fees: NT\$200 thousand for tax certification, NT\$45 thousand for commercial and industrial registration, NT\$100 thousand for correction of tax return, NT\$380 thousand for transfer pricing, NT\$1,463 thousand for ESG report, and NT\$552 thousand for greenhouse gas inventory.
	Liao Fu-Ming	2024				

Note 1: If there is any change of auditor or accounting firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks column. Any audit and non-audit fee paid to CPAs should also be disclosed separately. A note and further details shall be provided for non-audit fees.

- (II) If a change of CPA firm resulted in a lower audit fee for that year compared to the previous year, the amount, percentage, and reason for the reduction before and after the change must be disclosed: N/A.
- (III) If the audit fee was reduced by more than 10% from the previous year, the actual amount, proportion, and reasons for the reduction must be disclosed: None.

V. Change of CPA: None.

VI. The Company's Chairman, President, or manager involved in financial or accounting affairs was employed by the accounting firm or any of its affiliated company in the last year: None.

VII. Details of shares transferred or pledged by directors, supervisors, managers, and shareholders with more than 10% ownership interest in the last year, up until the publication date of this annual report. If the counterparty of equity transfer or pledge is a related party, the name of the counterparty, the relationship with the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares, and the number of shares acquired or pledged shall be disclosed:

- ◆ Please view the MOPS\Summary Table\Changes in Equity\Issuance of Securities\Statistics on Directors and Supervisors' Equity Changes\Changes in Shareholding Percentages by Directors, Supervisors, Management and Shareholders with 10% Ownership or More>Listed\Search\5607\Farglory FTZ.

VIII. Disclosure of relationship among the top ten shareholders including spouse and relatives within the second degree of kinship

Disclosure of relationship among the top ten shareholders

April 27, 2025

Name (Note 1)	Shareholding under own name		Shares held by spouse and underage children		Shares held in the names of others		Disclosure of information on related parties or spousal relationship or relations within the second degree of kinship, among top ten shareholders, including their names or designations, and relationships (Note 3)		Remarks
	Shares	% of Ownership	Shares	% of Ownership	Shares	% of Ownership	Name	Relationship	
Far East Land Development Co., Ltd. Responsible Person: Chao Wen-Chia	123,114,429 649,135	33.89% 0.18%	-- --	-- --	-- --	-- --	Farglory International Investment Co., Ltd. Shin Yu Investment Co., Ltd.	The Chairman is served by the same person.	--
Farglory International Investment Co., Ltd. Responsible Person: Chao Wen-Chia	62,559,137 649,135	17.22% 0.18%	-- --	-- --	-- --	-- --	Far East Land Development Co., Ltd. Shin Yu Investment Co., Ltd.	The Chairman is served by the same person.	--
Shin Yu Investment Co., Ltd. Responsible Person: Chao Wen-Chia	9,540,254 649,135	2.63% 0.18%	-- --	-- --	-- --	-- --	Farglory International Investment Co., Ltd. Far East Land Development Co., Ltd.	The Chairman is served by the same person.	--
Yun Xing International Ltd. Responsible Person: Chiang Sue-Fen	6,087,000 --	1.68% --	-- --	-- --	-- --	-- --	Wonderful Assets Co., Ltd. Tien Chiang International Ltd.	The Chairman is served by the same person.	--
Chao Teng-Hsiung	5,649,814	1.56%	--	--	--	--	Far East Land Development Co., Ltd. Farglory International Investment Co., Ltd. Shin Yu Investment Co., Ltd.	The person-in-charge is a relative within the second degree of kinship	--
Rong Chiang International Ltd. Responsible Person: Wu Sheng-Yi	5,391,920 --	1.48% --	-- --	-- --	-- --	-- --	Wonderful Assets Co., Ltd. Tien Chiang International Ltd.	Affiliated company	--
Wonderful Assets Co., Ltd. Person: Chiang Sue-Fen	5,024,000 --	1.38% --	-- --	-- --	-- --	-- --	Yun Xing International Ltd. Tien Chiang International Ltd.	The Chairman is served by the same person.	--
Tien Chiang International Ltd. Person: Chiang Sue-Fen	3,799,120 --	1.05% --	-- --	-- --	-- --	-- --	Wonderful Assets Co., Ltd. Yun Xing International Ltd.	The Chairman is served by the same person.	--
Gu Yuan-Wen	2,129,120	0.59%	--	--	--	--	None	None	--
Huang Li-Hsiang	2,053,229	0.57%	--	--	--	--	None	None	--

Note 1: All top ten shareholders should be enumerated as a whole. In case of institutional shareholders, the names of all such institutional shareholders and their representatives should be enumerated respectively.

Note 2: The shareholdings are calculated based on the shares held by oneself, spouses or underage children, or in the name of another person, respectively.

Note 3: The relationship among said shareholders, including juristic persons and natural persons, should be disclosed based on the regulations governing the issuers' financial reports.

IX. Investments jointly held by the Company, the Company's directors, independent directors, managers, and enterprises directly or indirectly controlled by the Company, and shareholding in aggregate of the above parties:

Consolidated shareholding percentage

December 31, 2024

Investees (Note)	Held by the Company		Directors, independent directors, managers and the entities directly or indirectly controlled		Consolidated shareholding	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
Innotech Logistics Co., Ltd.	7,700,000	9.63%	0	0	7,700,000	9.63%
Farglory Free Trade Zone Co., Ltd.	461,000,000	100%	0	0	461,000,000	100%
Farglory Logistics Co., Ltd.	50,000,000	100%	0	0	50,000,000	100%

◆ **Note: Represents investments accounted for using the equity method.**

Three. Capital Overview

I. Capital and outstanding shares

(I) Source of Capital Stock

Unit: Thousand Shares/NTD Thousand

Month/ Year	Issuance price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital Stock	Offset Share Capital Via Properties Other Than Cash	Others
June 1991	10	80,000	800,000	35,000	350,000	Establishment	--	--
December 1992	10	80,000	800,000	60,000	600,000	Cash issue	--	(81) Tai-Cai-Zheng-(I) No. 03206
September 1994	10	80,000	800,000	80,000	800,000	Cash issue	--	(83) Tai-Cai-Zheng-(I) No. 32678
November 1997	10	80,000	800,000	60,000	600,000	Capital reduction and capital increase	--	(86) Tai-Cai-Zheng-(I) No. 81307
September 1999	10	80,000	800,000	69,000	690,000	Capitalization of earnings	--	(88) Tai-Cai-Zheng-(I) No. 85178
July 2000	10	90,000	900,000	82,800	828,000	Capitalization of earnings	--	(89) Tai-Cai-Zheng-(I) No. 64762
July 2001	10	100,000	1,000,000	95,220	952,200	Capitalization of earnings	--	(90) Tai-Cai-Zheng-(I) No. 145628
July 2005	10	110,000	1,100,000	104,742	1,047,420	Capitalization of earnings	--	(94) Jin-Guan-Zheng-I-Zi No. 0940129398
August 2006	10	110,000	1,100,000	109,979	1,099,791	Capitalization of earnings	--	(95) Jin-Guan-Zheng-I-Zi No. 0950137292
March 2007	10	150,000	1,500,000	149,979	1,499,791	Cash issue	--	(96) Jin-Guan-Zheng-I-Zi No. 0960003613
August 2008	10	200,000	2,000,000	169,979	1,699,791	Cash issue	--	(97) Jin-Guan-Zheng-I-Zi No. 0970036215
July 2010	10	230,000	2,300,000	169,979	1,699,791	Amendments to Articles of Incorporation	--	MOEA Letter under Jing-Shou-Shang-Zi No. 09901141160
July 2019	10	300,000	3,000,000	229,979	2,299,791	Cash issue	--	Jin-Guan-Zheng-Fa-Zi No. 1080323747
February 2022	10	300,000	3,000,000	254,979	2,549,791	Acquisition of shares	--	Tai-Zheng-Shang-I-Zi No. 1111800095
November 2022	10	300,000	3,000,000	273,979	2,739,791	Issuance of new shares for share conversion	--	Tai-Zheng-Shang-I-Zi No. 1111803929 The registration of change was completed approved by MOEA Letter under Jing-Shou-Shang-Zi No. 11101201490.
June 2023	10	500,000	5,000,000	273,979	2,739,791	Amendments to Articles of Incorporation	--	MOEA Letter under Jing-Shou-Shang-Zi No. 11230115650
August 2023	10	500,000	5,000,000	301,377	3,013,770	Capitalization of earnings	--	The registration of change was completed approved by MOEA Letter under Jing-Shou-Shang-Zi No. 11230157250.
September 2023	10	500,000	5,000,000	336,377	3,363,770	Cash issue	--	Jin-Guan-Zheng-Fa-Zi No. 1120355902
August 2024	10	500,000	5,000,000	363,287	3,632,872	Capitalization of earnings	--	Jin-Guan-Zheng-Fa-Zi No. 11330143840

March 31, 2025 (unit: shares)

Type of share	Authorized capital stock			Remarks
	Outstanding shares (Note)	No shares issued	Total	
Registered common stock	363,287,170	136,712,830	500,000,000	Public-listed shares

Information related to the shelf registration: None.

(II) Roster of major shareholders

April 27, 2025

Name of Major Shareholder	Shares held	Shareholding percentage
Far East Land Development Co., Ltd.	123,114,429	33.89%
Farglory International Investment Co., Ltd.	62,559,137	17.22%
Shin Yu Investment Co., Ltd.	9,540,254	2.63%
Yun Xing International Ltd.	6,087,000	1.68%
Chao Teng-Hsiung	5,649,814	1.56%
Rong Chiang International Ltd.	5,391,920	1.48%
Wonderful Assets Co., Ltd.	5,024,000	1.38%
Tien Chiang International Ltd.	3,799,120	1.05%
Gu Yuan-Wen	2,129,120	0.59%
Huang Li-Hsiang	2,053,229	0.57%

(III) Dividend Policy and the Status of Implementation

1. Dividend policy set forth in the Articles of Incorporation:

The industry in which the Company is engaged is changeable, and the Company is still growing in its life cycle. Therefore, the allocation of dividends shall consider the Company's future capital needs and long-term financial planning.

If the Company retains earnings upon final account of any fiscal year, it shall first make up any accumulated losses (including adjustment of undistributed earnings), and then make contribution of 10% as the legal reserve, unless the legal reserve has reached the amount of the Company paid-in capital. Subsequently, the Company shall contribute or reverse special reserve pursuant to laws or the competent authority's requirements. The surplus, if any, plus the undistributed earnings at the beginning of the year (including adjustment of undistributed earnings), shall be allocated as bonus or dividend to shareholders per the motion for distribution of earnings proposed by the Board of Directors as resolved by a shareholders' meeting, provided that adequate earnings may be retained and undistributed subject to the contemporary and future conditions.

The dividends to shareholders may be allocated in the form of stock dividends and cash dividends, subject to the proportion decided based on the current investment plans and capital structure. Notwithstanding, the cash dividend shall be no less than 20% of the total dividends, which is adjustable per resolution made by a shareholders' meeting.

2. Dividend distribution proposed for the next annual general meeting:

The Company's Board of Directors passed the 2024 earnings distribution plan on March 12, 2025, which proposed the distribution of dividends to shareholder (at NT\$1.3 per share), including NT\$1.1 per share of cash dividends totaling NT\$399,615,891 and

NT\$0.2 per share of stock dividends totaling NT\$72,657,430 (the distribution of NT\$0.2 per share is equivalent to the distribution of 20 bonus shares per thousand shares).

Upon approval of the annual general meeting on June 25, 2025, the Board of Directors will be authorized to set the ex-dividend date and resolve other matters.

3. Expected material change in dividend policy:

In principle, the dividend policy and execution thereof should be decided per the resolution of a shareholders' meeting. No significant changes have been generated.

(IV) Impacts of proposed distribution of bonus shares on the Company's business performance and earnings per share

Item		2025 (projected)
Paid-up capital, beginning		NT\$3,632,871,700
Stock or cash dividend for this year	Cash dividend per share (Note 1)	NT\$1.1
	Number of shares allotted per thousand shares for capitalization of earnings (Note 1)	20 shares
Changes in operating performance	Operating profit	Note 2
	Increase (decrease) in operating income YoY	
	Net income after tax	
	Increase (decrease) in net income after tax YoY	
	Earnings Per Share (EPS)	
	Increase (decrease) in earnings per share YoY	
Annual average return on investment (annual average earning yield)		
Pro forma earnings per share and price-earnings ratio	If the capitalization of earnings is replaced with payout of cash dividends	Imputed earnings per share (NT\$)
		Pro forma annual average return on investment

Note 1: Passed under the resolution of the Board meeting dated March 12, 2025.

Note 2: The Company did not release 2025 financial forecast, and therefore is not required to disclose information relating to the 2025 forecast.

(V) Remuneration to employees, directors and supervisors

1. Information about percentage or scope of remuneration to employees and directors/supervisors referred to in the Articles of Incorporation

Article 36 of the Company's Articles of Incorporation provides that if the Company retains earnings (i.e. those before income before tax earned for the current year less remuneration to employees and directors) at the end of the fiscal year, the Company is required to allocate 1% thereof as remuneration to employees and no more than 2% thereof as remuneration to directors. However, when the Company still has accumulated losses (including adjustment of undistributed earnings), an amount equivalent to said losses shall be reserved to make up for the loss in advance. The remuneration to employees referred to in the preceding paragraph may be paid in the form of stock or in cash. The recipients entitled to receive the remuneration include the employees of parents or subsidiaries of the Company meeting certain specific

requirements. The remuneration to directors referred to in the preceding paragraph may be paid in cash only. The matters referred to in the preceding two paragraphs shall be resolved by the Board of Directors, and reported to a shareholders' meeting.

2. The basis for estimating the amount of remuneration to employees and directors/supervisors, basis for calculating the number of shares to be distributed as a stock dividend,

and accounting treatment of any discrepancy between the actual distributed amount and the estimated figure

The remuneration to the Company's employees, directors and supervisors shall be estimated based on the current pre-tax profit at the percentage set forth in the Articles of Incorporation and stated as the current operating expenses. If the estimated amount is different from that resolved by the Shareholders' Meeting, it shall be stated as the income in the year of resolution.

3. Remuneration passed by the board of directors
 - (1) Remuneration distributed to employees and directors/supervisors in cash or in the form of stock. If there is a difference between the estimated amount and the actual amount of expense, disclose the value, the reason for the difference and response: The Board resolved to appropriate NT\$7,244,067 as employee remuneration. There is no difference between the estimated amount and the actual amount for 2024.
 - (2) The amount of stock dividend paid to employees in proportion to the sum of the net income as stated in the parent company only or individual financial statements and the total remunerations to employees: Not applicable, as the Company did not pay out any stocks as remunerations to employees.
4. Actual payment of employee/director/supervisor remuneration in the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies)

Unit: New Taiwan Dollars

2023 earnings	Proposed amount passed by the Board of Directors	Actual amount distributed per resolution by the shareholders' meeting	Variance
Remuneration to employees in cash	9,270,960	9,270,960	None
Remuneration distributed to directors and supervisors	2,781,288	2,781,288	None

(VI) The Company's buy-back of its shares: None.

- II. Corporate bonds: None.
- III. Preferred shares: None.
- IV. Overseas depository receipts: None.
- V. Employee stock warrants: None.
- VI. Restricted stock awards (RSAs): None.
- VII. Issuance of new shares in connection with merger or acquisition or receiving transfer of shares of another company: None.
- VIII. Progress on the planned use of capital: None.

Four. Operational Overview

I. Business activities

(I) Scope of Business

1. Farglory Free Trade Zone Investment Holding Co., Ltd.

(1) Major Business Activities

- A. General investment.
- B. Industry-specific holding company.

(2) Weight of business activities:

Unit: NT\$ Thousand

Item	2024	Business Proportion
Revenue from Contracts with Customers	36,120	4.85%
Share of gain from subsidiaries accounted using the equity method	708,782	95.15%
Total	744,902	100.00%

(3) The company's current product and service items: N/A.

(4) New products (services) planned to be developed: N/A.

2. Farglory Free Trade Zone Co., Ltd.

(1) Major Business Activities

- A. Warehousing
- B. Industrial Factory Buildings Lease Construction and Development
- C. Specialized Field Construction and Development
- D. Real Estate Leasing.
- E. Machinery Installation Construction.
- F. Air Cargo Entrepot
- G. All business items that are not prohibited or restricted by law, except those that are subject to special approval
- H. Civil Air General agent

(2) Weight of business activities:

Unit: NT\$ Thousand

Item	2024	Business Proportion
Revenue from Contracts with Customers	2,363,454	69.09%
Rental revenue	1,057,336	30.91%
Total	3,420,790	100.00%

(3) The company's current product and service items

- A. Domestic import, export, re-export, air cargo, courier, pouch to pouch, transit through free trade zone, and free trade zone cargo warehousing services
- B. Airline container/pallet custody services
- C. Office leasing services
- D. Warehouse leasing services
- E. Air cargo agency services
- F. Value-added factory premises leasing services
- G. Work with TRADE-VAN.COM/Universal EC Inc. to provide global cargo tracking and inquiry services
- H. Aviation-related industry logistics center

- (4) New Products (Services) Planned to be Developed
 - A. Cold chain logistics & storage/circulation services
 - B. Cross-border e-commerce diversified logistic services
 - C. Dormitory for single migrant workers and managers' suite within the FTZ
 - D. Commercial zone and lifestyle services for value-added park (2nd phase)

3. Farglory Logistics Co., Ltd.

(1) Major Business Activities

- A. Warehousing
- B. Industrial Factory Buildings Lease Construction and Development
- C. Specialized Field Construction and Development
- D. Investment, development and construction in public construction.
- E. New towns, new community development.
- F. Real Estate Leasing.
- G. Metal container manufacturing.
- H. Tally packaging.
- I. Department stores.
- J. Conference and exhibition services
- K. All business items that are not prohibited or restricted by law, except those that are subject to special approval

(2) Weight of business activities:

Unit: NT\$ Thousand

Item	2024	Business Proportion
Rental revenue	54,113	66.24%
Revenue from Contracts with Customers	27,575	33.76%
Total	81,688	100.00%

(3) The company's current product and service items

- A. Factory premises leasing services
- B. Bonded warehouse leasing services

(4) New Products (Services) Planned to be Developed

- A. Provide warehousing/tally services for cargo operated by free-trade-zone enterprises
- B. Provide warehousing and free-trade-zone enterprises with transportation services
- C. Provide domestic/foreign suppliers and air freight forwarders with warehousing/tally services
- D. Provide transportation and delivery services
- E. Provide custom broker/accounting management services
- F. Operation and management of FTZ import/export warehouses for Farglory Free Trade Zone

(II) Industry Overview

1. Farglory Free Trade Zone Investment Holding Co., Ltd.

The company governs its subsidiaries' operations by investment holding, in order to improve subsidiaries' operating performance and efficiency and achieve the purpose of internal control.

2. Farglory Free Trade Zone Co., Ltd.

(1) Industry Overview and Development

A. International Situation

1. Since February, the Trump government announced the imposition of additional tariffs on China, Canada, Mexico, and the products including steel, aluminum, chips, drugs and cars (the imposition of tariffs on Canada and Mexico are suspended for 30 days upon the negotiation), the global economic and trading activities have been affected and the overall economic uncertainty intensified accordingly. According to the latest forecast by Oxford Economics in February, though the United States has successively announced the imposition of tariffs, it might slow down or narrow the scope of the tariff. At present, the actual impact posed by the policy on various countries' economy is expected to be limited. According to the forecast, the the global economic growth will be 2.7% in 2025 (adjusted by 0.1% downward from the prediction in November 2024). Among the other things, the forecast about advanced and emerging economies grows by 1.7% and 4.0% (adjusted by 0.2% downward and remaining unchanged), respectively.
2. The US labor market remains stable and supports the continued growth of consumption and investment. Notwithstanding, the tariffs policy has produced the pressure about rising commodity price. It is expected that the economic growth in 2025 will be 2.4% (adjusted by 0.2% downward).
3. The risk over trade protectionism in rising in Europe, which is unfavorable to exports and corporate investment confidence and affects the economic outlook adversely. According to the forecast, Germany, France and the United Kingdom are expected to grow by 0.1% (adjusted by 0.5% downward), 0.6% (adjusted by 0.2% downward) and 1.0% (adjusted by 0.4% upward), respectively, in 2025.
4. China is expanding its fiscal impulse and quantitative easing power and restates the importance of private enterprises' development. Therefore, it is expected that the economic momentum may be boosted. Notwithstanding, the weak consumer confidence, sluggish real estate market and the ongoing conflict between the USA and China, the growth slows down. According to the forecast, the growth rate will be 4.6% (adjusted by 0.2% upward) in 2025.
5. Oxford Economics also forecast that the economy will grow by 1.6% for South Korea (adjusted by 0.3% downward), 2.8% for Singapore (adjusted by 0.1% upward), 2.1% for Hong Kong (adjusted by 0.1% upward), and 1.1% for Japan (adjusted by 0.1% downward) in 2025.

B. Forecast about domestic economy in 2025

Both the nominal and real GDP sizes for 2025 are adjusted upward. Notwithstanding, as the economic performance in Q4 of 2024 appears to be significantly better than expected, the annual economic growth rate for 2024 was adjusted by 0.32% upward until 4.59%, as the base was raised. According to the forecast, the economic growth rate will be 3.14% in 2025, adjusted by 0.15% downward from the forecast in November 2024. The CPI grew by 1.94%.

1. Foreign trade

- (1) In January, the International Monetary Fund (IMF) made a forecast that global trade volume should be 3.2% in 2025, down from the 3.4% growth rate in 2024. Notwithstanding, AI technology and related applications are expanding rapidly, the computing power demand remains strong. Besides, Taiwan's complete and advantageous local industry supply chain is expected to continue to boost the export momentum. According to the forecast, the export sales of commodities will reach US\$508.6 billion, an annual growth rate by 7.08%. The increase in tourists to Taiwan will also boost the service exports. After taking into consideration the sale of products and services while eliminating commodity price factors, real export growth has been estimated at 7.61% (adjusted by 1.13% upward).
- (2) For imports, affected by the export sales and investment solicitation needs, the import of commodities will reach US\$419.5 billion, an annual growth rate by 6.38% in 2025. After taking into consideration the sale of products and services while eliminating commodity price factors, real import growth has been estimated at 7.22% (adjusted by 0.26% upward).

2. Private consumption

Given the stable domestic job market benefiting the ongoing growth of salary to help the household disposable income, and the continuing cross-border tourism boom (offset by service import and does not affect GDP), the private consumption growth momentum is expected to sustain. In 2025, private consumption should achieve a real growth of 2.12% (adjusted by 0.03% upward).

3. Fixed investments

- (1) In terms of private investment, semiconductor manufacturers continue to proactively expand their advanced production process and high-end packaging and testing capacity in response to the AI business opportunities. Meanwhile, airlines' purchase of additional aircrafts in response to the cross-border tourism and cargo demand also supports the investment growth and offset the impact posed by geopolitical and foreign trade uncertainties. According to the forecast, the growth rate will be 6.18% (adjusted by 0.61% upward) in 2025.
- (2) After including public investments, fixed investments are expected to grow by 6.03% in real terms in 2025 (adjusted by 0.15% upward).

4. Commodity price

- (1) Based on international institutions' forecast and recent oil price trend, the OPEC oil price is set at US\$74.0 per barrel in 2025, adjusted by US\$0.1 downward from the forecast in November 2024.
- (2) Consumer Price Index (CPI): The recent international agricultural and labor raw material prices have had mixed results recently, but the crude oil price stays low and volatile. Besides, the price of fruit and vegetable is expected to recover gradually, thereby helping maintain the stability of the commodity price. In terms of the commodity price in the service

category, the domestic salary continues to rise, and the pressure produced by the increasing costs for eating out and medical care continues. The house rent also stays high. However, the base is high too. According to the forecast, the CPI will grow by 1.94% (adjusted by 0.01% upward) in 2025.

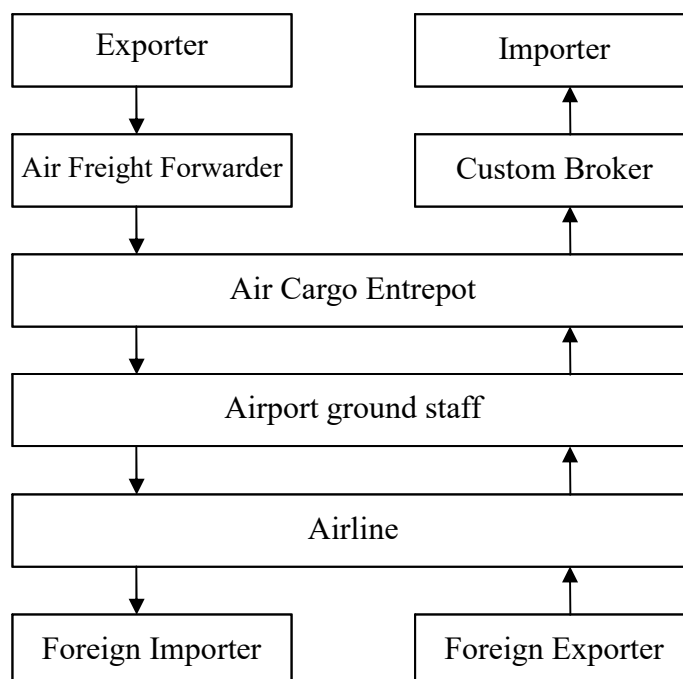
C. Main uncertain factors

1. The US tariffs strategy and various countries’ response to the strategy, and the impact posed on the global economic and trading activities, inflation and supply chain therefor.
2. The development and application of information technologies such as AI, etc., and the corresponding changes in hardware requirements.
3. The peaceful development progress of geopolitical conflicts (Middle East and the Russia-Ukraine War), and the impact posed on the global economic growth boost and mitigation of the pressure of rising raw material and supplies price.
4. Economic performance of Mainland China and its effect on the global economy.
5. Various countries’ monetary policy movement, and the impact posed by it on the global financial market and real economy.

(2) The Correlation of Upstream, Midstream, and Downstream

An air cargo entrepot is established in response to the transportation and storage of air cargo. Therefore, it engages in very close interaction with airlines, importers/exporters (shippers), air freight forwarders and customs brokers. Their correlation is stated as follows:

Chart of Correlation of Upstream, Midstream and Downstream Dealers with the Air Cargo Entrepot



Export:	
Upstream - exporters and air freight forwarders:	Manufacturing of goods, and air cargo forwarding and consolidation
Midstream - Air Cargo Entrepot:	Stock in, storage, inspection, customs clearance, loading and transportation of cargo to the airport
Downstream - airport ground staffing, airline companies:	Boarding of the cargo, and transportation and export of cargo
Import:	
Upstream - Airport ground staffing, airlines:	Transportation and import of cargo, unloading of the cargo
Midstream - Air Cargo Entrepot:	Pickup, storage, inspection, customs clearance and release of cargo at the airport
Downstream - Importer and custom broker:	Completion of custom declaration procedures and claim of cargo

(3) Product development trend

Unlike the general high-tech industries, the air cargo warehousing service doesn't require advanced technologies or massive human resource and supplies for R&D. Notwithstanding, in order to provide better service quality, for the future development trend, automation, consistency and customer orientation will be identified as the focuses to be highlighted by the future market increase, which are stated as follows:

A. Step toward full-automated routes

As the time is of the essence for air cargo, modernization of warehousing facilities may help shorten the ground staff's working hours. Therefore, it is necessary to adopt the most advanced warehousing facilities and computer system to speed up data processing, in order to provide the most complete real-time messages in response to the operations and customers' needs, when the company is developing toward the direction of full-automated services.

B. Streamlined operations

The company established its own forwarding, custom broker and transportation businesses, in order to participate in the operations of ground staff and airlines and thereby control the bargaining chips for services, practice the one-stop services, and provide customers with services adequately and rapidly.

C. Market operation oriented toward customers

Following the deepening customization level, the future market will value customers' needs more. The company will keep integrating related services, introduce advanced facilities, and provide customers with the most rapid services.

(4) Competition Status

Since the company operated as of January 2006, its monthly shipments have been growing stably. The complete factory premises provide the services covering customs clearance and bond of imported/exported cargo, storage and

transportation, warehousing, logistics, value-added parks, and business conference centers, with the characteristics, “Within National Territory but Outside Customs Territory”. The company is expected to develop the omnibus services ahead of peer companies, following the development of the air cargo market, in order to attract customers effectively, have the customers glad to accept our services, and improve the company’s sales accordingly.

(5) Leasing services

Phase 1 and 2 of the value-added park and value-added park Building H are expected to be launched in 2H of 2025. In response to the end of the U.S. presidential election campaign, it is expected that additional tariffs will be imposed on products made in China, the global supply chain restructured. Therefore, with the comprehensive supply chain and the regional advantages of Taiwan, the Company will recruit foreign companies to expand their investment in Taiwan for expansion of the procurement, processing and manufacturing functions.

Other warehouses: 2nd-Phase Cargo Terminal, Cold Chain Logistics Warehouse, third courier warehouse

- A. 2nd-Phase Cargo Terminal: Floors 1F to 4F have been leased to large international courier companies to help them expand operations in Taiwan. Furthermore, to cater for the needs of shift workers in the FTZ, dormitories have been made available on floors 5F to 8F so that local and foreign workers may occupy to quickly report to their duties. By taking advantage of the 40% foreign migrant workers’ employment ratio in the Free Trade Zone and providing the employment opportunities close to the Zone, the Company may improve its competitiveness in soliciting for suppliers to reside in the value-added park.
- B. The Cold Chain Logistics Warehouse has been designed to be used as an import clearance warehouse and general warehouse, and the Company will aim to attract tenancy from large cross-border logistics and e-commerce businesses that can take advantage of it and operate as a regional dispatch center. The labor needed for container loading/unloading at the container terminal will be outsourced to minimize personnel, administrative, and selling costs.
- C. The third courier warehouse targets local courier service providers and offers dedicated processing line that improves the speed and quality of customs clearance.

Phase 1 and 2 of the value-added park and value-added park Building H, which are expected to be launched in 2H of 2025, will be the key focus of the investment solicitation in 2025. In response to the end of the U.S. presidential election campaign, it is expected that additional tariffs will be imposed on products made in China, the global supply chain restructured. Therefore, with the comprehensive supply chain and the regional advantages of Taiwan, the Company will recruit foreign companies to expand their investment in Taiwan for expansion of the procurement, processing and manufacturing functions.

Meanwhile, the Company will organize the investment solicitation convention and distribute e-news for advertisement and marketing via various marketing channels, such as Taoyuan City Department of Economic Development, Taoyuan Aerotropolis Co., Ltd. and Taiwan Association of Logistics Management. The Company will also strengthen the cooperation with foreign companies to use international logistic forwarders in international tenders. Meanwhile, in response to the government's overall investment solicitation campaign with respect to the Free Trade Zone and Taoyuan Aerotropolis Co., Ltd., the Company provides related information and also produces promotional materials and cooperative campaigns therefor. Marketing personnel pay the visit to related potential suppliers and enterprises regularly, and also summarize the relevant advantageous conditions for marketing of the Park and Free Trade Zone, and proactively participate in investment solicitation team or marketing activities organized by the administrative department. Further, the Company also conducts project marketing for the important manufacturers who are indicative, or expected to be recruited in any special project, in order to solicit well-known domestic and foreign manufacturers for residing in the park. For the leading manufacturers using AI servers to engage in production in Taiwan, the Company provides alternatives to ensure that the manufacturers may reside in the park without any electricity, water and employee dormitory concerns. In order to solicit foreign enterprises for investment in the Free Trade Zone in Taiwan, the Company will work with InvesTaiwan and international logistic service providers to increase the external marketing channels. Meanwhile, the Company will build the investment solicitation exchange platforms with foreign chambers of commerce in Taiwan to increase the marketing channels and also the opportunities for residence. In 2025, the Company will more focus on the residing enterprises' demand for increase in the leasing and renewal to expand the operating scale, and proactively participate in the promotional activities for investment solicitation organized by the public sectors and private associations, in order to market the advantages of the value-added park and promote the successful cases of the existing operators. Meanwhile, the Company will also improve the quality of operations and property management of the existing terminals in the zone. By providing the services satisfactory to the residing operators, the Company expands and attracts new manufacturers to reside in the zone or solicit multi-national enterprises for establishment of shipping centers in the zone.

3. Farglory Logistics Co., Ltd.

(1) Industry Overview and Development

- A. The expanding Sino-US trade dispute in 2018 escalated Protectionism all over the world. In 2024, uncertain factors still exist in the outlook of the trade between China and the USA. Therefore, the economic growth will still be limited in various countries. Notwithstanding, lots of Taiwanese businessmen still keep returning to Taiwan. The demand of leading suppliers already residing in the Zone for AI servers, memory chips, and 5G mobile devices is also recovering, which is expected to drive the recovery of global

trade over time.

- B. The global economic growth becomes sluggish and thereby weakens the sales of smart mobile products and restricts the expansion strength of such products. Notwithstanding, the leading strengths held by domestic semi-conductor manufacturers, as well as the continuing expansion of such emerging applications as IoT, may still help the recovery of export momentum.
- C. Investment by domestic semi-conductor manufacturers with competitiveness in export in the advanced production process, and successive return of Taiwanese businessmen to invest in plant construction in Taiwan are expected to drive the overall investment momentum. Meanwhile, given the booming development of global cross-border e-commerce markets, cross-border e-commerce cargo and their overseas warehouses have become the mainstream. The free trade zone will develop business in a diversified manner and promote business such as “pouch to pouch” and “transit through free trade zone” services, in order to solicit suppliers to reside in the cross-border e-commerce shipping platform, increase cargo quantity in our warehouses, and raise the free trade zone’s overall income.

Following the changes of industrial characteristics, resulting in global competition and shortened product lifecycle, the supply time scheduled for global production and manufacturing was changed from the 955 policy (completion of 95% of the products and delivery of the same to the designated destination within 5 days upon receipt of the order) to the 983 policy (completion of 98% of the products and delivery of the same to the designated destination within 3 days upon receipt of the order), and even to the 1002 policy (completion of 100% of the products and delivery of the same to the designated destination within 2 days upon receipt of the order). Under such circumstances, in order to respond to consumers’ needs rapidly, the enterprises were forced to learn the idea about integrated the Supply Chain (“SC”), while the “logistics” becomes one of the factors key to the SC’s successful operation. In the past, the logistic activities were only limited to the manufacturing industry, while few of the other industries would consider Logistics Management planning. However, now, more and more industries are realizing the importance of logistics to an enterprise, as the logistic activity’s performance is critical to the enterprise’s overall operating performance.

For enterprises, simply, Logistics Management refers to “logistic support” covering physical supply, manufacturing planning and control, transportation and distribution system management. It manages the distribution and manufacturing operations by planning and controlling material flows, and also makes use of the system resources, in order to provide the services that may respond rapidly and flexibly and satisfy customers’ needs. To this end, and also in order to cut the inventory and increase the turnover thereof, the enterprise extends the JIT philosophy (Just in Time) to the demand/supply throughout the industry. Therefore, controlling the international supply chain inventory data and rapid physical delivery service becomes an issue commonly concerned by various suppliers within the international supply chain. For the time being, most suppliers, in consideration of their problems in physical delivery and inventory management, and in order to invest resources primarily in the core competence, such as the establishment of manufacturing and marketing operations, rather than the core

business, such as inventory, warehousing, transportation and delivery, tend to contract professional international logistic centers to handle the relevant work for them. Therefore, International Logistics activities are booming, and professional supply chain management services are emerging for the free trade zones.

Under the diversified, international and more flexible global industrial model, the enterprise's competitors will no longer be limited to the same regional industry but will be those from the world. For example, the Asia-Pacific region is considered a strong competitor. In recent years, the Asia-Pacific region has always been the focus for global economic development, primarily because most countries in the Asia-Pacific region can provide lower labor costs and have vast potential consumers, especially China. The total output value of cargo from the Asia-Pacific region accounts for almost one-third of the global total output value of cargo. Therefore, international logistics activities in this region can pose significant effects and thereby affect the global logistic industry's development.

Farglory Logistics Co., Ltd. Provides the suppliers residing in the free trade zone with 24H high-efficiency logistic services and customer services open all year around, in order to help the suppliers with the delivery service of cargo at cargo terminals and in the zone. Meanwhile, it will monitor the safety and arrival time of cargo in the whole journey to ensure that the import/export operations may be finished within 2 hours. Further, with respect to cargo other than that of free-trade-zone enterprises, the company also provides the cargo bond & storage and customized services, in order to satisfy the diversified needs of customers.

Taiwan functions as the hub of the Asia-Pacific region. The average sailing time between Taiwan and the other major ports in the same region is identified as the shortest. Taiwan may be considered as the center in the route between Southeast Asia and Northeast Asia, and also an important hub of the two major air routes from the Far East to North America and Europe. Therefore, it owns amazing advantages in terms of geographical location for air and sea transportation services. Besides, as an island country surrounded by sea, all of Taiwan's foreign economic activities need to rely on air and sea transportation services. Given this, international trade becomes the main lifeline for Taiwan's economic development. Notwithstanding, each cycle in the process of international trade needs to be connected through logistic activities. Therefore, the development of international logistics is the way which this industry must go through.

In order to develop the potential market for cross-border e-commerce, Taoyuan International Airport makes its best effort to promote the innovative cross-border logistic model, namely "export of free-trade-zone cargo via postal service," and also links with the "postal export warehouse" to construct the cross-border logistic integrated service mechanism incorporating tariff information service, postal delivery service and free-trade-zone services.

The free trade zone will work with Chunghwa Post to solicit domestic/foreign suppliers to invest capital in Taiwan, in order to make Taiwan a regional logistic center of the global cross-border e-commerce logistic services.

Buildings CDEF with a total floor area of 57,000 pings and phase 2 of the cargo terminal with a total floor area of 14,500 pings commenced operation in July 2023 and are being leased to attract tenancy from large AI businesses.

Buildings A and B of the existing value-added park have been fully occupied since 2019. In 2023, the Company will place greater emphasis on helping existing

tenants expand, attracting new tenants, and exploring suitable tenants for the various features planned for Buildings CDEF. In addition to designing new promotional materials, the Company will also produce 5 promotional videos for different target audiences, and create a reception center within the value-added park to host and serve customers up close.

The Company will coordinate with government institutions, logistics industry associations, Taoyuan City Department of Economic Development, and Taoyuan Aerotropolis Co., Ltd. in organizing business solicitation events, and strive to promote reputation and exposure through newspaper and news coverage.

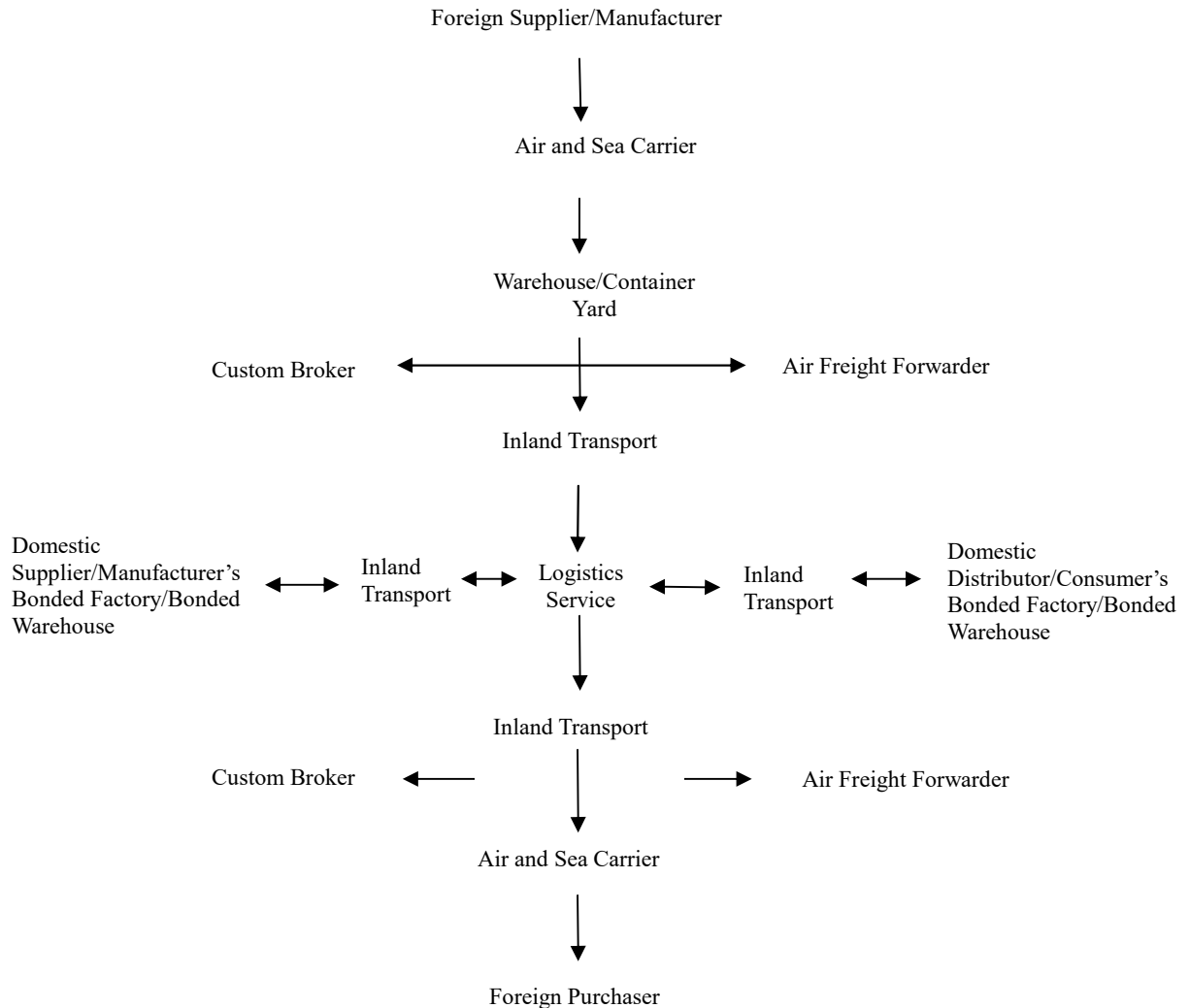
Buildings CDEF of value-added park phase 2: The Company will attract tenants primarily by targeting AI-related businesses, medium/large logistics service providers, electronic manufacturers, and semiconductor-related businesses while at the same time expand facilities to support the needs of existing tenants. A port warehouse has been created on B1 to help improve efficiency and minimize risk of damage when moving cargo within the FTZ; furthermore, a dining area and motorcycle/car parking lots have been set up to cater for tenants' lifestyle and commuting needs. We have begun pre-sale of Buildings CDEF in 2023 in conjunction with the business solicitation events organized by government institutions and private associations to promote advantages of the value-added park, and emphasized on conveying the successful experiences of existing tenants. We made significant design adjustments to cargo movement routes, and built the port warehouse directly on B1 floor for more efficient and faster entry/exit.

In addition, in line with the amendments to the Income Tax Exemption from Profit-seeking Enterprises, the Company will explain in the relevant investment activities to attract multinational enterprises to set up shipping centers in the harbor area for the marketing, tax exemption and preferential marketing of procurement, import, storage, or transportation in the harbor area. The heights of the Phase II buildings have also been adjusted simultaneously to allow more inventory to be placed on the racks, and direct access to the warehouse in the harbor area through the increased volume of freight elevators.

Other warehouses: 2nd-Phase Cargo Terminal, Cold Chain Logistics Warehouse, third courier warehouse

1. 2nd-Phase Cargo Terminal: Floors 1F to 4F have been leased to large international courier companies to help them expand operations in Taiwan. Furthermore, to cater for the needs of shift workers in the FTZ, dormitories have been made available on floors 5F to 8F so that local and foreign workers may occupy to quickly report to their duties.
2. The Cold Chain Logistics Warehouse has been designed to be used as an import clearance warehouse, S.F. Express clearance warehouse and general warehouse, and the Company will aim to attract tenancy from large cross-border logistics and e-commerce businesses that can take advantage of it and operate as a regional dispatch center. The labor needed for container loading/unloading at the container terminal will be outsourced to minimize personnel, administrative, and selling costs.
3. The third courier warehouse targets local courier service providers and offers dedicated processing line that improves the speed and quality of customs clearance.

(2) The Correlation of Upstream, Midstream, and Downstream



For the time being, the logistics industry provides horizontal logistics and delivery services commensurate to the enterprise's level and is also capable of integrating the international logistics and transportation services vertically for crossed and reverse operation. The inland logistics service providers provide the warehousing of imported cargo or domestic suppliers'/manufacturer's cargo and delivery of the same to the designated distributors or consumers, or recall defective goods from the distributors or consumers and return the same to the logistics center, and then have the defective goods repaired by the manufacturers. The international logistics service providers complete the customs declaration, pickup of cargo and transportation of the cargo to the logistics center, and provide the packaged import/export logistics services covering booking of space for exported domestic and foreign cargo, customs clearance, transportation of the cargo to the export warehouse/port, including disassembly and unloading from containers, simplified reconditioning and packaging & processing services. The logistics center with international logistics license may warehouse, transport and delivery bonded cargo, and engage in the domestic marketing of bonded cargo in its custody upon payment of the tax per customer's instruction and transportation of the same to the taxed area, or simply transport the bonded cargo to the bonded area.

Generally speaking, the role played by logistics service providers is not only the pusher of cargo circulation but also the transporter, customs broker and freight

forwarder. The air and sea carriers are even engaged in integration with each other in order to provide complete global logistics services.

(3) Product development trend

In consideration of the shortened product lifecycle, consumers' diversified needs and international enterprises' global development, an enterprise's demand for logistics services is not longer limited to inland warehousing and delivery services. Instead, how to digitize the logistics information and integrate it rapidly to make the enterprise respond to the market demand rapidly, and in response to the enterprise's ability to layout its global logistics, will be the issue valued by the logistics service providers in the future. Therefore, the future logistics service development trend is stated as follows:

A. Logistics business outsourcing by enterprises

Given the limited professional labor division and business resources, logistics business outsourcing will become an inevitable trend for future business development. Utilizing the professional logistics service, an enterprise can invest its limited resources in its original professional development exclusively. Meanwhile, with the effect of common logistics, the logistics cost may be cut effectively and, therefore, the logistics market may tend to grow day by day.

B. International omnibus logistics service

Considering that the global logistics model for globalized production and marketing has become the future trend, the logistics scope is becoming extensive and complicated relatively. Therefore, an enterprise needs to go through prolonged logistics procedures, no matter in respect of manufacturing or marketing of the cargo. The enterprise might be forced to deal with multiple problems in right, obligation and service efficiency, as it needs to work with different logistics service providers due to different logistics operations. In the future, the logistics service providers will inevitably develop toward the omnibus logistics services to have the enterprise's demand for logistics services always satisfied, so as to effectively solve the problem about low-efficiency caused by overflowed logistics service providers and make the liability arising during the logistics service clear and simple.

C. High-flexibility customized logistics service

In consideration of the rapid changes in consumer behavior, the enterprise adjusts its marketing model relatively, and the logistics service activities should be adjusted soon. Therefore, the logistics service providers need to adjust the detailed logistics operating model rapidly following the logistics changes in the enterprise's marketing, under the standardized operating model, in order to satisfy the enterprise's needs for manufacturing and marketing.

D. e-Logistics Management

Following the rapid evolution of IT technology, logistics operations and management tend to develop toward digitization. In the future, the logistics operations and management systems will be integrated and connected via the Internet, Intranet, Barcode, RFID, Reader in any form, and GPS, etc.,

in order to follow up and manage the logistics operations effectively, thus benefiting improvement of logistics service efficiency, cost-saving and service quality significantly.

E. FTZ development project (2nd phase)

In consideration of the increasing enterprises residing in the zone, the company uses the best effort to layout various upgrading services for the zone, by optimizing the upgrading of software and hardware with respect to living functions, accommodation and standby areas, access control, visitor pass, vehicle management and logistics.

F. Upgrades such as automated warehouse and AI-assisted management and integrated lifestyle services such as dining, parking management, and traffic directing will all be introduced to accommodate the increasing flow of people and goods within the FTZ.

(4) Competition Status

For the time being, Taiwan is full of various logistics service companies, including those transformed from carriers, incorporated by enterprises independently, or established by foreign companies as their branch companies. Apparently, the competition is increasingly fierce in the industry. The traditional freight forwarders, such as Kerry and HTC, own strong transportation networks, and establish their own logistics centers, in order to launch into the warehousing management area. Notwithstanding, subject to laws, they need to adopt a strategic alliance with domestic logistics service providers to provide international customers with international services. Meanwhile, the threshold defined for the application for the establishment of an international logistics center is relaxed and the free trade zone is about to operate officially. Therefore, some significant impact might be posed to the domestic logistics service providers. Looking forward to the future, the domestic logistics service suppliers need to improve their service functions and provide enterprises with more added value; then, they may be invincible in the environment with fierce competition.

(III) Technology and R&D Status

1. Farglory Free Trade Zone Investment Holding Co., Ltd.: N/A.
2. Farglory Free Trade Zone Co., Ltd. and Farglory Logistics Co., Ltd.: The company doesn't set up any R&D department, but appoints the sales department to take charge of the business development and market analysis, etc., in order to master the market trend and develop new service items per the market demand.

(IV) Long- and Short-term Business Development Plans

1. Farglory Free Trade Zone Investment Holding Co., Ltd.

(1) Short-term Business Development Plan

Farglory Free Trade Zone Investment Holding Co., Ltd. is committed to auditing and supervising its subsidiaries, and also exercising the parent company's resources to help its subsidiaries improve organization, sales marketing, operating quality, HR management, procurement management, financial management and computer information management, and integrating the subsidiaries' resources, in order to improve the subsidiaries' business performance and efficiency, and achieve the internal control purposes.

(2) Long-Term Business Development Plan

A. Practicing the holding company's vision

Farglory Air Cargo Warehousing Co., Ltd. has transformed into an investment holding company. It invested capital in Farglory Free Trade Zone Co., Ltd., and also assigned its business and property, including land and buildings, to the subsidiary wholly owned by it, namely "Farglory Logistics Co., Ltd." Each of its subsidiaries is allowed to practice their own business strategies independently, in order to have the free trade zone connect with the sea, inland and air logistics services and also unite the logistics flow, cash flow, people flow, business flow and information flow. Then, the free trade zone may become the one with the strongest competitiveness in the world, as it may provide the global logistics enterprises with a more rapid logistics mechanism to help improve the enterprises' competitiveness through professional labor divisions.

B. Improve competitiveness and build the global logistics management center

Following the manufacturing industry's adoption of the global layout and regional labor division strategy to cut its cost, the international logistics market in Taiwan tends to be booming increasingly. With the effect of the global village, international enterprises have extensively adopted the business model upholding the "global logistics management". There have been more than 600 free trade ports or zones in the world. Farglory Free Trade Zone is one of them and also the only air-free trade zone in Taiwan. In the future, the zone may accept orders in the morning and complete customs clearance in the afternoon on the same day, and deliver 98% and even 100% of the cargo to customers on the next day. Meanwhile, in consideration of its characteristic residing in "Within National Territory but Outside

Customs Territory", the one-stop operating services consisting of upstream, midstream and downstream dealers may be available in the zone, so as to make Taiwan become the best territory where Taiwanese businessmen and multinational enterprises may set up their headquarters and supply chain centers and, therefore, achieve Taiwan's long-term goal for being a global logistics management center.

2. Farglory Free Trade Zone Co., Ltd.

(1) Short-term Business Development Plan

- A. Based on the Blue Ocean Strategy, and with the free trade zone's exclusive advantages in hardware infrastructure and software service, the company creates differentiated products and improves its product market share.
- B. Exercise its strengths as a "domestic cargo entrepot" to intervene in the air cargo, courier and re-export markets to create new sources of cargo.
- C. As Taiwan enters into the "industrial innovation" era, the company will strengthen its cross-industry alliance and promote innovative business models.
- D. Combine air and sea logistics services to develop its "connected air and sea logistics service" mechanism to solicit logistics service for cargo in FTZ.

- E. Provide airlines with multiple agency services including customer support operations, billing, planning of aircraft units and applications thereof, acquiring, preparation of manifest, control over aircraft units and processing of text, in order to solicit airlines and cargo into the FTZ, and improve the operating efficiency of front-office and back-office operations of the warehouse and then shorten the overall operating turnaround time.
 - F. Provide air freight forwarders and customs brokers with multiple services including customer support operations, acquiring, billing, customs declaration, inspection, loading and unloading of cargo and pull-in/pull-out to solicit tenancy from air freight forwarders and customs brokers in the FTZ, and improve the operating efficiency of front-office and back-office operations of the warehouse and then shorten the overall operating turnaround time.
 - G. Engage in warehousing, transshipment, forwarding, customs declaration, assembly, reconditioning, packaging and repairing business, and work with air cargo agents and cargo terminals to build the integrated platform for the value chain, upgrade Farglory's brand identity, and create magnetic attraction and profitability.
 - H. Attract high-value-added industries to reside in the value-added park for operation.
 - I. Attract multinational enterprises and Taiwanese businessmen to reside in the value-added park to engage in the "shipping center" and "repairing center" to help with successful circulation of cargo.
 - J. Combine the assembly, reconditioning and processing of semi-finished products manufactured overseas and key parts & components produced domestically in the value-added park to have the products and parts marketed globally to emphasize the superiority of M.I.T. products.
 - K. Take advantage of the conditional business income tax exemptions stipulated in Article 29 of Act for the Establishment and Management of Free Trade Zones to attract foreign businesses into conducting purchase, import, warehousing, and shipping services in Taiwan, and thereby promote Taiwan's stature as the transshipment hub and dispatch center in Asia Pacific.
- (2) Long-Term Business Development Plan
- A. Exercise the mechanism, "Within National Territory but Outside Customs Territory," adopted by the free trade port, and the strengths in "the warehousing, logistics, assembly, reconditioning and processing base inside the airport" to solicit Taiwanese businessmen to return to Taiwan, and foreign suppliers and the industries based in Taiwan to reside in the FTZ.
 - B. In response to the legislation of the "Special Act for Taoyuan International Airport," the company will expand the operating scale and functions of Taoyuan Aerotropolis largely to solicit a considerable quantity of cargo just like that derived by the "Three Direct Links Across the Taiwan Straits." Besides, the official operation of Taipei Port Container Terminal Corp. may derive the vast sources of cargo for "connected air and sea logistics service". In addition to the courier cargo brought by DHL after it

resided in the zone for operation in February 2009, the company has already prepared for the software/hardware and training of international talents. In the future, the free trade zone may accept orders in the morning and complete customs clearance in the afternoon on the same day. The cargo will be delivered to customers on next day through the courier service under the “1002” policy in line with the world.

3. Farglory Logistics Co., Ltd.

(1) Short-term Business Development Plan

- A. The company makes the best effort to develop marketing channels for property leasing, and develops customers through recommendations from individuals, brokers and contractors, in order to achieve 100% of property leasing.
- B. Increase the revenue from pull-out/delivery services based on the free-trade-zone enterprises’ need for access to the zone for operating cargo.
- C. Based on the niche and advantages held by the free trade zone, develop and solicit suppliers, customers and warehousing & air freight forwarders, the sources of cargo, to reside in the zone, in order to increase the company’s operating revenue from warehouse rent and service.
- D. Work with the value-added park to engage in co-marketing and speed up the entry of free-trade-zone enterprises, expand the operating momentum, increase production capacity, cut the unit operating costs effectively, and increase operating profit.

(2) Long-Term Business Development Plan

A. Domestic logistics management strategies

The warehousing services consist of warehousing and loading/unloading, allocation of supplies, integration of alternative raw materials & supplies, inventory system management, components & parts inventory management, analysis of ordered batches, and labor service.

Construct the functions of vertically integrated services, including warehousing, processing and transportation.

B. International logistics management strategies

The value-added logistics services consist of logistics processing services, remote (outsourcing) processing allocation, and back-haul delivery.

The information flow services consist of import/export order processing, import/export bond audit system, domestic customs laws, free trade zone-related service information, and logistics idea bank.

The cash flow services consist of BA & OBU, L/C and document management, collection & invoicing, insurance & claims.

Establish the components and parts supply mechanism with the enterprises in Farglory Free Trade Zone to build a complete international logistics park and create the operating revenue from logistics and cash flows.

C. Customs declaration management strategies

The customs clearance logistics service consists of import/export order processing, import/export customs declaration, bonded logistics customs clearance, and customs clearance & transportation.

D. Transportation management strategies

The delivery service consists of short-distance delivery, regional delivery,

offshore island delivery, JIT delivery, and RMA delivery.

Establish the strategic labor-division alliance with the transport fleets to strengthen the advantages and niche of logistics operations.

E. Air and sea freight forwarding management strategies

The international freight forwarding service consists of air freight forwarding, sea freight forwarding, Mini Three Links, multi-model transport, transshipment, and triangle trade.

The logistics service platform consisting of air and sea freight forwarders improves the company's competitiveness, and also the sales turnover rate.

F. Supply chain integration strategies

VMI inventory management, suppliers integration, service providers integration, customer supply chains integration, and tailor-made intelligent logistics services.

G. Trade network management strategies:

For the execution of procurement projects, the company provides a categorization of suppliers, international procurement agency, domestic procurement agency, and virtual production services, etc..

H. In response to the value-added park construction project (2nd phase), Farglory Logistics planned a large-scale warehouse in the free trade zone on B1 to provide air and sea freight forwarding services and domestic reporting and customs clearance services to the free-trade-zone enterprises.

II. Market and sales overview

(I) Market Analysis

1. Farglory Free Trade Zone Investment Holding Co., Ltd.: N/A.

2. Farglory Free Trade Zone Co., Ltd.

(1) Sales (Provision) Regions of Major Goods (Services)

The company is engaged in providing services as its main profession, including import, export, re-export, air cargo and warehousing services. Given this, its service areas are all situated domestically. Therefore, the company should be considered engaged in 100% domestic marketing.

(2) Market share

The company started operating in January 2006. For the time being, it maintains stable growth of shipments on a monthly basis and demonstrates the characteristics, "Within National Territory but Outside Customs Territory." It secured a market share of 28.2% in 2024. Yet, the market share is expected to grow step by step. The company plays a very important role among the three companies engaged in the same trade.

(3) Future Market Supply, Demand, and Growth Status

It is expected that Taiwan's economic growth in 2025 will rely on domestic demand, and external demand will also return back to be the main force of economic growth again. In terms of external demand, as the cyber product base period is increasing step by step, the export growth will be accelerated or slow down. However, the recent export orders show that the demand for emerging technologies remains strong. Besides, the global trade volume is expected to continue to increase in 2025, as multiple countries start the interest rate cut

cycle. The traditional industry is also expected to recover slowly, thus driving the steady growth of Taiwan's export demand. In terms of domestic demand, the annual growth rate of retail and catering sales is still growing stably. The job market also remains stable, and the unemployment rate stays low. The substantial and regular salary YoY has turned positive since 2024, and is expected to continue staying positive. This trend provides support for private spending; however, as the comparison base is high, the growth is slowing down. The investment benefited from the strong demand for emerging technologies. Since 2H of 2024, the demand for purchase of semiconductor equipment has grown significantly, and the import value of electromechanical equipment still remained high. Domestic chip leading manufacturers have expanded their capital expenditures, accelerated net zero transformation investment, and attracted international leading manufacturers to increase their investment in Taiwan. It is expected to continuing bringing some positive contribution to the economic growth.

(4) Competitive Niche

The air cargo entrepot has started operating in the free trade zone since January 2006. Its competitive niche is summarized as follows:

A. Brand new plant facilities and warehousing system

Adopt the world's latest fully-automated warehousing system manufactured by Siemens; install two power generator units throughout the zone to maintain the uninterrupted power supply each year, and set up two host units as the backup when any of them is out of order.

B. Security and surveillance system

In order to control the safety at the factory premises, the surveillance system is installed throughout the factory premises, which will be maintained for two months. Meanwhile, the company builds the safety defense network through connection with the surveillance center and professional security personnel on duty for 24 hours a day, in order to ensure the safety of access to suppliers' cargo, and workers.

C. Real-time information system

The company contracted HP to construct e-access platform that shows the status of cargo for the free-trade-zone enterprises. Meanwhile, the dual-backbone ultra-high-speed 96-core optical fiber star network has been adopted throughout the zone.

D. Strong management team

Most of the members holding the position as a manager or above in the company's management team have engaged in this industry for more than one decade, averagely. They hold excellent academic background and experience and uphold good management philosophy and, therefore, are able to master the characteristics of this industry precisely to provide customers with satisfactory services.

E. Professional services

The company has a network connected with various airlines. Additionally, the company provides customers with access to inquiries about the status of cargo in real-time and provides import preference devanning and stacker services, and sets up a joint service center as the one-stop unit responsible

for processing any application. Meanwhile, the well-trained professional personnel also warrant fair services.

F. Service advantages of free trade zone

It is the only one trade zone consisting of industrial area, processing area, logistics area and bonded area, with the characteristics, “Within National Territory but Outside Customs Territory”, and following its own self-management policy (review, inspection and escort free), in the world. It integrates the economic sources covering import/export cargo customs clearance, bond, storage & transportation, warehousing, logistics, value-added park and logistics office, exhibition, and business conference centers.

Said business niche and the efforts in managing air cargo customs clearance and warehousing spent by the company in the past years have kept the company’s sales growth and also built the company’s goodwill in the industry.

(5) Development Prospect Advantages and Disadvantages, and Countermeasures

A. Opportunities

- (a) The free trade zone has been included in the controlled zone at the airport. Therefore, it only needs to take 15 minutes to transport from/to pallets to/from the cargo terminals. The operating hours are shortened and competitiveness may be improved accordingly.
- (b) Joining the free trade zone may help improve the cargo circulation efficiency throughout the zone.
- (c) Geographically, Taoyuan International Airport is considered a hub for the transshipment of cargo in Asia. The value-added park has been planned to function as a free trade zone that may enjoy the tax exemption and, therefore, may help to upgrade the enterprises’ willingness to reside in the zone.

B. Threats and response measures

Time is of the essence for air cargo transport. If it is impossible to control the schedule for the takeover of cargo because the cargo is mixed, the schedule for the return of cargo to the factory will be affected accordingly.

Countermeasures:

- (a) Appoint the airport ground staff to unpack and tally the cargo on behalf of the suppliers, and send them back to the warehouse as soon as possible.
- (b) Apply for the apron pass, and establish the dedicated taskforce to follow up the schedule for tally and warehousing, in order to deliver the cargo to customers shortly.

The neighboring countries and territories of Taiwan have utilized their international airports to expand similar construction projects for aerotropolis, in order to drive economic development in the whole area. In this regard, Taiwan has been behind them for many years. Now, Taiwan needs to catch up with them immediately and promote the Taoyuan Aerotropolis project proactively. Therefore, it particularly increases the freedoms of the air, routes and flights, in order to urge Taoyuan International Airport to become a transit center in Asia.

3. Farglory Logistics Co., Ltd.

(1) Sales (Provision) Regions of Major Goods (Services)

The company is engaged in providing industrial factory premises leasing and warehousing & logistics services as its main profession. Given this, its service areas are all situated domestically.

(2) Market share

Not applicable, as the company is engaged in providing factory premises leasing, and revenue from warehousing & logistics services to the free-trade-zone enterprises as its main profession, and different from the general logistics service provider.

(3) Future Market Supply, Demand, and Growth Status

In recent years, the logistics industry has been booming in Taiwan. The logistics & warehousing and customized service are upgraded from the warehousing, routes and courier services to the domestic home delivery service under the joint venture with foreign investors. Farglory Logistics Co., Ltd. provides free-trade-zone enterprises with logistics services. It also provides various warehousing management and value-added services at the same time. It owns the general warehousing leasing business on Binhai Road, which occupies an area of 7,500 pings. As the free trade zone and various leasing premises have been fully rented, the company is now working on its layout in the free trade zone (2nd phase), in order to provide more efficient and better quality services. It also researches preferential laws and regulations governing various free trade zones, in order to provide its customers residing in the zone with omnibus global logistics services.

(4) Competitive Niche

A. Diversified warehousing lease has been the Company's advantage, for which it will conduct integrated analyses to highlight the functions and characteristics of the leased objects

- (a) Provide different leased objects depending on different customer groups.
- (b) Choose more favorable leased portfolio.
- (c) Diversify the leased module to increase the choices available to customers.
- (d) Attract the industrial supply chains to reside in the zone, help cut the free-trade-zone enterprises' operating cost, and improve logistics efficiency.
- (e) Make use of the characteristics of free trade zone, i.e. "Within National Territory but Outside Customs Territory" and convenient customs clearance, preferential tax treatment and outsourced exhibitions to attract customers to store and transport their cargo all over the world via the free trade zone.

B. Improve functional and supportive services

- (a) Construct the customer warehousing & logistics service mechanism and entire logistics functions throughout the value-added park.
- (b) Combine the existing warehousing services to construct the one-stop services from the airport apron to the value-added park.
- (c) Provide customers with diversified product choices, and strive for the

- customer group for international logistics outsourcing management.
- (d) Provide domestic end customers with bonded and warehousing services.
- (e) Support international logistics service providers to provide logistics services.
- C. Integrated marketing channels
 - (a) Focus on the air freight forwarding industry, develop the customer groups at midstream and downstream, and develop the customer group for sea freight forwarding business horizontally.
 - (b) Actively include into related logistics associations actively to expand the market contacts.
- (5) Development Prospect Advantages and Disadvantages, and Countermeasures
 - A. Opportunities
 - (a) Increasing awareness and development needs toward globalization from domestic logistics service providers.
 - (b) A lot of industries in Taiwan have developed business internationally and layout their business globally.
 - (c) The suppliers' service-oriented manufacturing business development tends to be more and more matured in Taiwan.
 - (d) Identical with the potential logistics markets in Mainland China in language and ethnicity.
 - (e) With matured know-how about sales collaboration logistics management.
 - (f) With advanced logistics idea and strong ability to apply logistics technology.
 - B. Threats and response measures
 - (a) Disadvantages
 - I. Liberalization and open control: In response to the government's policy promoting Taiwan's participation in the WTO, the government adjusted laws and regulations to allow enterprises by foreign investment to enter the market in Taiwan. Meanwhile, in order to improve the competitive environment and expand the room for suppliers' growth, the government also relaxed certain controls over the business management. Therefore, the domestic logistics industry has to cope with the double challenges from enterprises by foreign investment and other large-scale suppliers engaged in the industry concurrently.
 - II. Lack of complete supply chain logistics networks.
 - III. It is difficult to train professional personnel. Therefore, we are short of logistics talents.
 - IV. The increasing "Accept Orders in Taiwan and Produce Overseas" model affects the growth of air cargo volume.
 - (b) Countermeasures
 - I. Engage in the strategic alliance with international large-scale logistic service providers and rely on their experience and technological advantages to develop the company's international market, so that the company may reduce the capital invested by the company in foreign

countries and risk over the foreign investment, and the company may learn the experience in international logistic operations indirectly, and also solicit for more sources of customers and cargo through the alliance.

- II. Integrate domestic transport and delivery service providers, customs brokers, and freight forwarders to form an alliance dedicated to providing the logistics service providers in South East Asia and China with integrated logistics services.
- III. Work with international suppliers in information, integrate the related functions including cash flows, cargo tracking and e-commerce, e.g., Introduction of e-object tracking system and fleet surveillance and dispatching system, provision of real-time cargo status e-service, connection with upstream and downstream dealers via information system, and establishment of vertical integrated logistics information circulation environment.
- IV. Recommend the government to strengthen the implementation of international certification systems and work with academic units to train logistics talents jointly, in order to improve professionalism of the entire logistics industry.

(II) Important Purpose and Production Process of the Main Products

Important Purpose of Main Products

1. Farglory Free Trade Zone Investment Holding Co., Ltd.: N/A.
2. Farglory Free Trade Zone Co., Ltd.: Provide services related to import, export, re-export, air cargo and warehousing services, and value-added factory office outsourcing.
3. Farglory Logistics Co., Ltd.: Provide the factory premises leasing and warehousing services.

Production process: Not applicable, as the company is engaged in warehousing and transport services.

(III) Main Ingredient Supply Status

Farglory Free Trade Zone Investment Holding Co., Ltd., Farglory Free Trade Zone Co., Ltd., Farglory Logistics Co., Ltd.: Not applicable, as they are not engaged in the manufacturing industry.

(IV) Trade debtors' (creditors') names as well as their purchase (sales) amounts and ratios that accounted for over 10% of the total amount of goods sold in the past two years, and explain the reasons for the increase or decrease changes:

1. Name list of main trade debtors
 - (1) Farglory Free Trade Zone Investment Holding Co., Ltd.:
Not applicable, as the company transformed into a holding company in 2006.
 - (2) Farglory Free Trade Zone Co., Ltd. and Farglory Logistics Co., Ltd.
The revenue from sales to any single customer in 2024 and 2023 didn't exceed 10% of the consolidated operating revenue.
2. Name list of main trade creditors
Farglory Free Trade Zone Investment Holding Co., Ltd., Farglory Free Trade Zone Co., Ltd., Farglory Logistics Co., Ltd.: Not applicable, as they are not engaged in the manufacturing industry.

III. Employees

Number of Employees, Average Years of Service, Average Age, and Academic Background Distribution Ratio of Employees in the Last Two Years and Until the Date of Publication of the Annual Report:

(I) Farglory Free Trade Zone Investment Holding Co., Ltd.

Year		2023	2024	2025 up until March 31
Number of Employees	General Employees	8	8	8
	Online Employees	0	0	0
	Total	8	8	8
Average Age		52	51	51.1
Average Service Tenure (Years)		17.9	18.7	18.9
Academic Background Distribution Ratio	PhD Degree	0%	0%	0%
	Master's Degree	33%	50%	50%
	College/university	67%	50%	50%
	High (Vocational) School	0%	0%	0%
	Under High (Vocational) School	0%	0%	0%

(II) Farglory Free Trade Zone Co., Ltd.

Year		2023	2024	2025 up until March 31
Number of Employees	General Employees	63	64	61
	Online Employees	545	567	551
	Total	608	631	612
Average Age		39.3	39.9	40.1
Average Service Tenure (Years)		9.1	9.6	9.9
Academic Background Distribution Ratio	PhD Degree	0%	0%	0%
	Master's Degree	2.8%	2.7%	2.6%
	College/university	56.1%	58%	58.5%
	High (Vocational) School	32.4%	31.2%	30.9%
	Under High (Vocational) School	8.7%	8.1%	8.0%

(III) Farglory Logistics Co., Ltd.:

Year		2023	2024	2025 up until March 31
Number of Employees	General Employees	2	3	3
	Online Employees	33	0	0
	Total	35	3	3
Average Age		37.4	46.1	46.3
Average Service Tenure (Years)		6.5	20.7	20.9
Academic Background Distribution Ratio	PhD Degree	0%	0%	0%
	Master's Degree	2.9%	0%	0%
	College/university	65.7%	100%	100%
	High (Vocational) School	25.7%	0%	0%
	Under High (Vocational) School	5.7%	0%	0%

IV. Contribution to environmental protection

Item	Description
Total losses (including compensation) and penalties due to environmental pollution	As an investment holding company, the company didn't contribute expenditure on environmental protection. The air cargo entrepots owned by the company all contracted qualified service providers or cleaning personnel to dispose of their wastes. Therefore, no pollution has been caused by the company by the date of publication of the annual report.
Future countermeasures (including improvement measures) and possible expenditure	The Company will continue to improve the waste management to satisfy related environmental protection laws and regulations. For the time being, the Company has no major capital expenditure required by environmental protection.

V. Labor-management relations

(I) Farglory Free Trade Zone Investment Holding Co., Ltd.

1. Availability and execution of employee welfare, education, training, and retirement policies; elaborate on the agreements between employers and employees, and protection of employees' rights

(1) Employee welfare measures and implementation thereof

The Company has an Employee Welfare Committee in place, elected by the employees through open balloting. The Employee Welfare Committee allocates funds for employee benefits and provides employees with a diversified welfare system that enables them to maintain work-life balance and caters for the different needs of employees at various stages. The measures are as follows:

Item	Notes
1. Employee insurance	Labor insurance, health insurance, and labor pension, and employee group insurance (including term life insurance/accidental injury insurance/hospitalization insurance/medical accident insurance/cancer insurance)
2. Money/gifts on major festivals	Gifts or money on Labor Day, Dragon Boat Festival and Mid-Autumn Festival
3. Money and gifts for weddings and funerals	Gifts/condolence money or gifts for wedding/birth/birthday/hospitalization/funeral/families
4. Performance sharing system	Employee bonus/year-end bonus/profit/loss bonus
5. Healthcare	Regular health checkups and physician health consultations are held for employees
6. Comprehensive education and training	Organized in response to business management and each unit's need
7. Facilities	Medical room/lactation room/employee cafeteria/employee parking lot/employee dormitory/convenience store/reading room to enhance workplace functions
8. Other welfare activities	Birthday party, new year party and lucky draws, merit recognitions and annual staff travels
9. Emergency relief	Subsidies are granted depending on the actual situation

(2) Employees’ continuing education and training, and implementation thereof

The company values each employee’s career planning, and makes the best effort to arrange comprehensive capacity development and training, in order to enable each employee to apply what they have learned and exercise their potential to the utmost.

- A. Consensus Academy: Corporate culture training, orientation training, fire safety/labor safety and health training, health promotion training, law-related promotion training, library resources, etc.
- B. Management Academy: Internal trainer training, junior management training, and business administration training.
- C. Professional Academy: Statutory training, license training, skills training, on-the-job training, and expatriation training, etc.

The courses organized in 2024 are stated as follows:

Name of Academy	Name of Course
Consensus Academy	<ol style="list-style-type: none"> 1. Orientation and consensus training 2. Vision & goal communication training 3. Law-related promotion training 4. Health promotion training 5. Fire protection (security) training 6. CPR+AED training 7. Sexual harassment prevention education training 8. Occupational safety and health management training 9. Personal data and information security management training 10. Insider trading prevention and compliance training
Management Academy	<ol style="list-style-type: none"> 1. Junior member training 2. Medium and senior management training
Professional Academy	<ol style="list-style-type: none"> 1. Aviation security training 2. TSA cargo transportation requirement training 3. Safety management system (SMS) training 4. Cargo foundation and cargo stacking training 5. Drug and temperature-sensitive cargo handling 6. ULD Handling training 7. Personal factor maintenance mechanism education and training 8. Hazardous goods safety processing training 9. Stacker operator training 10. Towing-related training 11. Independent and dedicated management personnel training 12. On-the-job training 13. Other special training projects

(3) Retirement system, and implementation thereof

Since July 1, 2005, for each of the employees who may apply the pension system under the “Labor Standards Act,” the Company has contributed the retirement pension fund equivalent to 6% of the employee’s monthly salary and had the same deposited into the employee’s personal account maintained at the Bureau of Labor Insurance.

A. Retirement

(a) Voluntary retirement

I. Where the worker attains the age of fifty-five and has worked for fifteen years.

II. Where the worker has worked for more than twenty-five years.

(b) Forced retirement

I. Where the worker attains the age of sixty-five.

II. Mentally impaired or suffer physical disabilities that render them unfit to work.

B. Payment of pension: The Company follows the Labor Standards Act and Labor Pension Act.

(4) Labor-management agreements

Any additions or amendments to the labor-management relationship are decided only upon sufficient communication between the labor and management. Therefore, no dispute has been caused so far.

(5) Employee rights protection practices

In order to protect the employees, such as employment conditions, working hours, attendance, application for leave, reward & punishment and promotion, the company follows the related government laws and regulations. Meanwhile, the company takes out the labor insurance and national health insurance pursuant to laws, and includes the employees' interest and right into the work rules in detail to protect the employees' interest and rights.

The company has established an Occupational Safety and Health Committee and management unit pursuant to the labor safety and health laws, which are responsible for occupational safety and health operations, protecting employees from occupational hazards and mitigating danger in the working environment. In order to protect employees' safety, the company enrolls employees in labor insurance and national health insurance programs and also provides them with group insurance and travel insurance. The company also organizes health checkup for employees periodically to ensure employees' health.

2. List the losses suffered by labor disputes in the most recent year and as of the date of publication of the annual report, and disclose the amount in losses that may occur from such disputes in the future as well as the response measures. If the amount cannot be reasonably estimated, explain the facts behind why the reasonable estimation cannot be made:

Item	Description
Loss suffered due to labor-management disputes	The company is used to valuing employee welfare and maintaining harmonious labor-management relationships. Therefore, no labor dispute has occurred in the most recent year and until the date of publication of the annual report.
Actual and estimated amount and countermeasures	In the future, the company will still keep its principles to make the labor-management relationship keep harmonious.

(II) Farglory Free Trade Zone Co., Ltd. and Farglory Logistics Co., Ltd.

1. List the company's employee welfare measures; education, training, retirement system, and their implementation status; and labor agreements as well as the various employee rights protection measures:

- (1) Employee welfare measures and implementation thereof

The Company has an Employee Welfare Committee in place, elected by the employees through open balloting. The Employee Welfare Committee allocates funds for employee benefits and provides employees with a diversified welfare system that enables them to maintain work-life balance and caters for the different needs of employees at various stages. The measures are as follows:

Item	Notes
1. Employee insurance	Labor insurance, health insurance, and labor pension, and employee group insurance (including term life insurance/accidental injury insurance/hospitalization insurance/medical accident insurance/cancer insurance)
2. Money/gifts on major festivals	Gifts or money on Labor Day, Dragon Boat Festival and Mid-Autumn Festival
3. Money and gifts for weddings and funerals	Gifts/condolence money or gifts for wedding/birth/birthday/hospitalization/funeral/families
4. Performance sharing system	Employee bonus/year-end bonus/profit/loss bonus
5. Healthcare	Regular health checkups and physician health consultations are held for employees
6. Comprehensive education and training	Organized in response to business management and each unit's need
7. Facilities	Medical room/lactation room/employee cafeteria/employee parking lot/employee dormitory/convenience store/reading room to enhance workplace functions
8. Other welfare activities	Birthday party, new year party and lucky draws, merit recognitions and annual staff travels
9. Emergency relief	Subsidies are granted depending on the actual situation

- (2) Employees' continuing education and training, and implementation thereof

The company values each employee's career planning, and makes the best effort to arrange comprehensive capacity development and training, in order to enable each employee to apply what they have learned and exercise their potential to the utmost.

- A. Consensus Academy: Corporate culture training, orientation training, fire safety/labor safety and health training, health promotion training, law-related promotion training, library resources, etc.
- B. Management Academy: Internal trainer training, junior management training, and business administration training.
- C. Professional Academy: Statutory training, license training, skills training, on-the-job training, and expatriation training, etc.

The courses organized in 2024 are stated as follows:

Name of Academy	Name of Course
Consensus Academy	<ol style="list-style-type: none"> 1. Orientation and consensus training 2. Vision & goal communication training 3. Law-related promotion training 4. Health promotion training 5. Fire protection (security) training 6. CPR+AED training 7. Sexual harassment prevention education training 8. Occupational safety and health management training 9. Personal data and information security management training 10. Insider trading prevention and compliance training
Management Academy	<ol style="list-style-type: none"> 1. Internal trainer training 2. Junior member training 3. Medium and senior management training
Professional Academy	<ol style="list-style-type: none"> 1. Aviation security training 2. TSA cargo transportation requirement training 3. Safety management system (SMS) training 4. Cargo foundation and cargo stacking training 5. Drug and temperature-sensitive cargo handling 6. ULD Handling training 7. Personal factor maintenance mechanism education and training 8. Hazardous goods safety processing training 9. Stacker operator training 10. Towing-related training 11. Independent and dedicated management personnel training 12. On-the-job training 13. Other special training projects

(3) Retirement system, and implementation thereof

Farglory Free Trade Zone Co., Ltd. has applied for establishing the Labor Pension Fund Supervisory Committee on May 22, 2006, which is responsible for managing and allocating the pension fund. For the employees who choose to apply the old system, the Committee will contribute the pension fund to the Central Trust of China on a monthly basis. Since July 1, 2005, for each of the employees who may apply the pension system under the “Labor Standards Act,” the Company has contributed the retirement pension fund equivalent to no less than 6% of the employee’s monthly salary to the employee’s personal account maintained at the Bureau of Labor Insurance, pursuant to the same Act.

A. Retirement

(a) Voluntary retirement

- I. Where the worker attains the age of fifty-five and has worked for fifteen years.
- II. Where the worker has worked for more than twenty-five years.

(b) Forced retirement

- I. Where the worker attains the age of sixty-five.
- II. Mentally impaired or suffer physical disabilities that render them unfit to work.

B. Payment of pension: Subject to the Labor Standards Act and Labor Pension Act.

(4) Labor-management agreements

Any additions or amendments to the labor-management relationship are decided only upon sufficient communication between the labor and management. Therefore, no dispute has been caused so far.

(5) Employee rights protection practices

In order to protect the employees, such as employment conditions, working hours, attendance, application for leave, reward & punishment and promotion, the company follows the related government laws and regulations. Meanwhile, the company takes out the labor insurance and national health insurance pursuant to laws, and includes the employees' interest and right into the work rules in detail to protect the employees' interest and rights.

The company has established an Occupational Safety and Health Committee and management unit pursuant to the labor safety and health laws, which are responsible for occupational safety and health operations, protecting employees from occupational hazards and mitigating danger in the working environment. In order to protect employees' safety, the company enrolls employees in labor insurance and national health insurance programs and also provides them with group insurance and travel insurance. The company also organizes health checkup for employees periodically to ensure employees' health.

2. Actual or estimated losses arising as a result of employment dispute in the last year up until the publication date of annual report, and any response measures taken.

Item	Description
Loss suffered due to labor-management disputes	The company is used to valuing employee welfare and maintaining harmonious labor-management relationships. Therefore, no labor dispute has occurred in the most recent year and until the date of publication of the annual report.
Actual and estimated amount and countermeasures	In the future, the company will still keep its principles to make the labor-management relationship keep harmonious.

VI. Cybersecurity management:

(I) Cybersecurity management strategy and framework:

1. Cybersecurity risk management framework:

In order to strengthen the Company's information security condition and promote the ISO27001 standards, the Company established the "Information Security Organization" in 2024 to take charge of the execution of information operation security management planning, construction and maintenance of the information security management system, and overall planning of the formulation and implementation of information security and protection policies, risk management and audit on compliance. The management representative and vice general coordinator shall be served by the head of the MIS Planning Department, who shall be dedicated to the Company's information security and tangible safety planning and related audit matters.

Through the annual regular management review meetings, the Information Security Organization reviews the information security risk analysis results and the corresponding protection measures and strategies adopted by the Company, to ensure the applicability, appropriateness and effectiveness of the continuing operation of the information security management system. It also reports the information management results and information security strategy direction to the Board of Directors regularly each year (the 2024 information security implementation status has been reported to the Board of Directors on December 20, 2024).

2. Cybersecurity policy

The Company implements the information security management, builds the safe and reliable network environment, and maintain the confidentiality, completeness and availability of customers' data and the Company's information assets with care. In order to achieve the entrepreneurial spirit upholding the "sustainable operation," the important guidelines are stated as follows:

- (1) Organize the information security education and training to improve the staff's awareness toward information security and strengthen their understanding about related responsibilities.
- (2) Protect the Company's business activity information and prevent any access and modification without authorization to ensure the accuracy and completeness of the information.
- (3) Ensure the normal operation of the network services to maintain the Company's sustainable operation.

Install firewall, intrusion detection and anti-virus systems and multiple internal control systems to improve the Company's ability to defend against external attacks and ensure the ability to protect the internal confidential information.

The Company has made amendments in line with the relevant specifications under the international information security standard ISO27001, and adopted the target management cycle mechanism, namely Plan-Do-Check-Act (PDCA), to review the information security risks and mitigate the information security threat posed to the enterprise from the aspects of system, technology and procedure.

In order to improve the information security, the Company has decided since 2024 to participate in the ISO27001 information security management system certification, in order to enable the information system to operate under the standard management specifications, reduce the safety bugs and abnormal production caused by human errors. Meanwhile, through the annual reviews, the Company keeps improving itself.

3. Concrete management programs

In order to achieve the information security policy and goal, the Company establishes the comprehensive information security protection measures. The management matters and concrete management programs implemented by the Company are stated as follows:

Formation of management regulations and compliance with the operations:

We formulate various management guidelines and specifications with respect to the Company's important operating systems, in order to standardize the management of all operations and execute the management in compliance with relevant regulations. All changes and updates shall go through the review process and may be made only upon approval. Meanwhile, any change shall be recorded in a log, so that there is information to be tracked in the case of any problem found. Meanwhile, the Company can have the management actions and operating habits in place. Through regular internal and external audits, the Company may ensure that all management personnel can execute the management in compliance with the relevant regulations.

Information security self-defense ability:

The Company's network architecture is equipped with external defense firewall under an internationally credible leading brand. In addition to the regular maintenance by dedicated personnel, the Company also fixes the relevant bugs in accordance with the latest vulnerabilities as published, in order to prevent external hackers' intrusions and protect the internal system security. The firewall is managed by the dedicated personnel. All settings are subject to the restrictions on sources and destinations. All traffic passing through it will be filtered by the high-end scanning mechanism which may detect virus, worm and vulnerability, etc.

Uninterrupted operating service system:

For the server's service - The Company adopts the virtualization technology to establish a cluster architecture within multiple hosts and multiple storage areas. Each service system will not be interrupted by the failure in certain equipment, so that the goal for sustainable operation may be achieved.

For network services, the important nodes (such as firewall, load balancers and routing switches, etc.) are built through dual devices and dual circuits, which can also avoid service interruptions caused by failure in a single important device unit. For external dedicated lines, multiple dedicated lines are adopted for accommodation and backup, in order to avoid affecting the Company's operations when the dedicated line provider meets any abnormal condition.

Data backup and restoration - Complete the full system backup regularly every day, and store the backup data in multiple copies and remotely, and perform the restoration test regularly every year to ensure the completeness and availability of backup data after data loss or damage.

Terminal device access authority management and security protection:

All of the computers for paperwork, customs clearance workstations, and computers for warehousing operations within the Company are equipped with security control proxy programs and subject to access authority control and restrictions. Users are not allowed to install and execute any programs at will. Except the storage device, such as USB, distributed by the MIS Planning Dept., any other personal devices can not access the computers. The installation of and access to any programs shall be subject to approval.

All of said computers are also equipped with the EDR antivirus system that can detect ransomware. In addition to preventing virus infection, it may serve as an additional defense measure against the attack by ransomware.

Personnel education & training and improvement of the awareness toward information security:

In order to strengthen all employees' awareness toward the information security, in addition to the orientation training provided when new employees report on for their duty, the Company also conducts the information security promotion twice a year; and two social engineering drills and tests at any time twice a year. For employees who fail to comply with the regulations, the Company promotes the full education and training to them and publish the name list, in order to strengthen the employees' concepts and awareness rapidly, so that they can retain the self-defense power against information attacks.

● Implementation status in 2024

(Unit: New Taiwan Dollars)

Item	Invested fund
To appoint one information security officer and one information security specialist of the Cybersecurity Section.	-
Network switching equipment	130
Information security certification ISO27001	65.3
Total hours and fund invested	195.3

4. Resources invested in the cybersecurity management:

The information security has become an important issue on the Company's operations. The corresponding information security management matters and resource investment programs are stated as follows:

- Dedicated personnel: In response to the promotion of the ISO27001, the Company establishes the "Information Security Organization" to take charge of the Company's information security planning, implementation of technologies and related audit matters, in order to maintain and continue to improve the information security.
- Certification: The Company proactively participates in the ISO27001 information security certification. No significant deficiency is found during the relevant information security audit.
- Customer satisfaction: No major information security incident is found, and no complaint against customer data breach is received.
- Education and training: All new employees have completed the information security education and training program before the onboard date. All employees have completed the information security education and training twice. A total of 2 social engineering phishing email tests have been executed in the year.

(II) Losses arising as a result of major cybersecurity incidents in the last year up until the publication date of annual report, and possible impacts and response measures; state the reasons if losses can not be reasonably estimated: No major cybersecurity incident has occurred.

VII. Major contracts

Parties to and Main Contents, Restrictive Provisions and Effective Date/Expiration Date of Supply and Sales Contracts, Technical Cooperation Contracts, Engineering Contracts, Long-term Loan Contracts, and Other Important Contracts that May Affect Shareholders' Equity Remaining Valid Until the Date of Publication of the Annual Report and Expiring in the Most Recent Year

(I) Farglory Free Trade Zone Investment Holding Co., Ltd. None.

(II) Farglory Free Trade Zone Co., Ltd.

Nature of Contract	Involved Parties	Effective Date/ Expiration Date	Main Contents/ collateral	Restrictive Provisions
Construction and Operation Contract	Civil Aeronautics Administration, MOTC	May 30, 2003 ~ May 29, 2053	Taoyuan Air Cargo Park Construction and Operation Contract	<p>The shareholding held in Party B by the applicant who is a single company among the promoters shall keep higher than 50% of Party B's paid-in capital.</p> <p>Notwithstanding, from one year upon receipt of the occupation permit for the whole buildings completed during the construction and operation period (1st phase) until three years upon receipt of the occupation permit for the whole buildings at the base, the shareholding held by it shall keep higher than 25% of Party B's paid-in capital.</p> <p>Thereafter, the shareholding held by it shall still keep higher than 15% of the franchisee's paid-in capital, provided that the transfer of equity will not be restricted upon Party A's approval.</p>
Construction and lease contract	STARLUX Airlines Co., Ltd.	September 20, 2018 ~ September 20, 2038	<p>1. Date of execution: September 20, 2018. For constructing the logistics center for use by STARLUX.</p> <p>2. The lease period shall be effective for 20 years counted from the commencement date of the lease. Both parties agree that the commencement date of the lease refers to the date of earth excavation.</p>	Both parties agreed to put the bank financing and rent prepaid by STARLUX in trust together, as the fund was exclusively allocated for construction of the leased object.

Nature of Contract	Involved Parties	Effective Date/ Expiration Date	Main Contents/ collateral	Restrictive Provisions
Lease contract	Kintetsu World Express (Taiwan), Inc.	March 20, 2013 ~ December 31, 2029	1. KWE Logistics Zone Lease Contract. 2. Date of execution: March 20, 2013. For constructing a dedicated KWE logistics zone for use by Kintetsu World Express (Taiwan), Inc. 3. The lease period shall be counted from the date of settlement which should be identified as the commencement date of lease of the object and remain effective for 15 years and 2 months.	None.
Lease contract	DHL	December 25, 2021 ~ December 24, 2026	1. DHL Courier Zone Service Contract. 2. On August 31, 2007, both parties signed the DHL Courier Zone Service Contract. 3. Both parties agreed to renew the Contract until December 24, 2026 based on the terms and conditions referred to in the contract dated August 31, 2007. 4. DHL has the priority to renew the Contract during the franchise period under the Construction and Operation Contract.	1. The dedicated courier zone made available by the Company to DHL for business use shall not be misappropriated for any other purpose. 2. The DHL Courier Zone within the Company shall not engage in the forwarding and express delivery of air cargo (courier) identical with those carried out by Farglory Free Trade Zone.
Lease contract	S.F. Express (Taiwan) Co., Ltd.	March 30, 2023 ~ March 29, 2033	1. Cold Chain Logistics Warehouse, occupying an area of 5,889 pings.	None.

Nature of Contract	Involved Parties	Effective Date/ Expiration Date	Main Contents/ collateral	Restrictive Provisions
			2. Have the priority to renew the contract upon expiration of the lease.	
Lease contract	Federal Express Corporation	July 1, 2023 ~ June 30, 2033	1. Phase 2 of the terminal, occupying an area of 8,290 pings. 2. Have the priority to renew the contract upon expiration of the lease.	None.
Long-Term Loan Agreement	Syndicated loan (guarantee) group	April 26, 2023 ~ April 26, 2028	Buildings, structures, time deposit and warehousing equipment	1. According to the independent auditor's report made in the duration of the loan, the financial ratios to be kept are stated as follows: (1) Liability ratio: Less than 200%. (2) Interest coverage ratio: More than double. (3) The averaged quarterly balance in the management bank account shall stay more than NT\$50,000,000 in the duration of the loan.
Long-Term Loan Agreement	Mega International Commercial Bank	June 1, 2020 ~ June 1, 2027	Buildings, structures, time deposit	1. According to the independent auditor's report made in the duration of the loan, the financial ratios to be kept are stated as follows: (1) Liability ratio: Less than 200%. (2) Interest coverage ratio: More than double. 2. To provide the collateral to secure the bank deposit no less than NT\$60,000,000 (inclusive) in the duration of the loan.
Long-Term Loan Agreement	First Bank	June 5, 2023 ~ June 5, 2038	Buildings, structures	None.

Nature of Contract	Involved Parties	Effective Date/ Expiration Date	Main Contents/ collateral	Restrictive Provisions
Long-Term Loan Agreement	Taiwan Cooperative Bank	October 27, 2023 ~ October 27, 2030	Buildings, structures	None.
Long-Term Loan Agreement	Taiwan Cooperative Bank	October 27, 2023 ~ October 27, 2040	Buildings, structures	None.
Long-Term Loan Agreement	Land Bank of Taiwan	May 28, 2021 ~ February 12, 2039	Buildings, structures	None.
Long-Term Loan Agreement	Land Bank of Taiwan	December 21, 2022 ~ November 21, 2025	Buildings, structures	None.
Long-Term Loan Agreement	Taichung Bank	August 20, 2021 ~ August 20, 2026	Credit loan	None.
Long-Term Loan Agreement	The Shanghai Commercial & Savings Bank	October 17, 2022 ~ October 17, 2027	Credit loan	None.
Engineering Contract	Dong Yuan Construction Engineering Co., Ltd.	August 5, 2022	Building H construction (2nd phase)	None.
Engineering Contract	TownWin Engineering Industry Co., Ltd.	October 23, 2024	The sound insulation wall protection enhancement project.	None.
Equipment Contract	Kenmec Mechanical Engineering Co., Ltd.	June 14, 2024	Export warehouse expansion - conveying equipment project	None.
Equipment Contract	Kenmec Mechanical Engineering Co., Ltd.	August 8, 2024	Express delivery warehouse No. 1 renovation work - conveying equipment project.	None.
Equipment Contract	Kenmec Mechanical Engineering Co., Ltd.	March 10, 2025	Express delivery warehouse No. 1 renovation work - import line 1, 2 and 3 conveying equipment project.	None.

(III) Farglory Logistics Co., Ltd.: None

Five. Review and Analysis of Financial Position and Business Performance, and Risk Management Issues

I. Financial position

Comparative Analysis of Financial Conditions

Unit: NTD thousands

Item	Year	2024	2023	Difference	
				Amount	%
Current assets		1,316,440	1,252,840	63,600	5.08
Financial assets at fair value through other comprehensive income – noncurrent		100	100	-	-
Financial assets carried at amortized cost – noncurrent		276,000	326,000	(50,000)	(15.34)
Investment accounted for using equity method		77,622	49,802	27,820	55.86
Real Property, Plants, and Equipment		3,057,690	2,966,668	91,022	3.07
Right-of-use assets		3,130,047	2,892,643	237,404	8.21
Investment properties		18,562,834	17,350,487	1,212,347	6.99
Intangible assets		10,579	14,303	(3,724)	(26.04)
Deferred tax assets		316,901	316,364	537	0.17
Others noncurrent assets		26,874	28,764	(1,890)	(6.57)
Total assets		26,775,087	25,197,971	1,577,116	6.26
Current liabilities		3,181,423	2,626,597	554,826	21.12
Noncurrent liabilities		13,171,059	12,581,578	589,481	4.69
Total liabilities		16,352,482	15,208,175	1,144,307	7.52
Capital stock		3,632,872	3,363,770	269,102	8.00
Capital surplus		4,354,546	4,308,852	45,694	1.06
Retained Earnings		2,435,187	2,097,372	337,815	16.11
Other equity		-	219,802	(219,802)	(100.00)
Equity attributable to the owner of parent company		10,422,605	9,989,796	432,809	4.33
Non-controlling equity		-	-	-	-
Total equity		10,422,605	9,989,796	432,809	4.33

Notes to the changes in financial position by 20%:

1. The increase in the investment accounted for using equity method is primarily a result of the acquisition of the investment accounted for using equity method in the current period.
2. The increase in the current liabilities is primarily a result of the increase in the short-term borrowing (including short-term bills payable) by NT\$400 million from the same period of last year and the increase in the long-term liabilities-current portion by NT\$309 million from the same period of last year.
3. The decrease in other equity is primarily a result of the disposal of the equity instrument at fair value through other comprehensive income in the current period.

Note 1: No analysis is required, in the case of changes by less than 20% and NT\$10 million.

Note 2: The Company's main business activities remained unchanged in the current period.

Note 3: The analysis is based on the consolidated financial statements prepared under the IFRSs.

II. Financial performance

Comparative Analysis of Financial Performance

Unit: NTD thousands

Item \ Year	2024	2023	Increase/ decrease	Change Ratio %
Operating revenues	3,464,767	2,908,011	556,756	19.15
Operating costs	(1,829,548)	(1,477,873)	(351,675)	23.80
Gross profit	1,635,219	1,430,138	205,081	14.34
Operating Expenses	(493,670)	(479,268)	(14,402)	3.00
Operating profit	1,141,549	950,870	190,679	20.05
Non-operating income and expenses	(313,579)	(185,226)	(128,353)	69.30
Net profit before tax	827,970	765,644	62,326	8.14
Tax income (expenses)	(110,011)	126,559	(236,570)	(186.92)
Net Profit (Loss) for Current Period	717,959	892,203	(174,244)	(19.53)
Other comprehensive income for the current period Net after tax	20,388	(2,106)	22,494	1,068.09
Total comprehensive income in the current period	738,347	890,097	(151,750)	(17.05)
Net profit attributed to the owner of parent company	716,913	892,203	(175,290)	(19.65)
Net profit attributed to non-controlling equity	1,046	-	1,046	100.00
Total comprehensive income attributed to the owner of parent company	737,301	890,097	(152,796)	(17.17)
Total comprehensive income attributed to non-controlling equity	1,046	-	1,046	100.00
Analysis of increase/decrease:				
1. The increase in the operating costs is primarily a result of the increase in the necessary operating costs, such as depreciation, utility bill, property preservation fees and tax, due to progressive completion of the buildings developed in the subsequent period.				
2. The increase in the operating profit is primarily a result of the increase in the operating revenue.				
3. The decrease in the non-operating income and expenses is primarily a result of the increase in the interest expenditure and decrease in the dividend revenue.				
4. The increase in the income tax expenses is primarily a result of the higher investment credits acquired in the previous period.				
5. The increase in other comprehensive income for the period (net, after tax) is primarily the result of the disposal of the equity instrument at fair value through other comprehensive income.				
Note 1: No analysis is required, in the case of changes by less than 20% and NT\$10 million.				
Note 2: The Company's main business activities remained unchanged in the current period.				
Note 3: The analysis is based on the consolidated financial statements prepared under the IFRSs.				

III. Cash flow

(I) Analysis Description for Recent Annual Cash Flow Changes

Unit: NTD thousands

Opening cash balance	Net cash flow from operating activities throughout the year	Net cash flow from investing activities throughout the year	Net cash flow from financing activities throughout the year	Cash surplus (deficit)	Cash shortfall remedial measures	
					Investment Plan	Wealth management plan
466,909	1,421,220	(2,062,026)	694,228	520,331	-	-

1. Operating activities: Net cash inflow is primarily a result of the adequate operating revenue and expense control. The net profit before tax generated in the current period is NT\$828 million.
2. Investing activities: Net cash outflow is primarily a result of the acquisition of property, plant and equipment, and acquisition of investment property.
3. Financing activities: Net cash inflow is primarily a result of long-term borrowing and short-term borrowing (including short-term bills payable).

(II) Improvements for lack of liquidity: N/A.

(III) Cash flow analysis for the next year:

Unit: NTD thousands

Cash Balance	Net cash flow from operating activities throughout the year	Net cash flow from investing activities throughout the year	Net cash flow from financing activities throughout the year	Cash surplus (deficit)	Cash shortfall remedial measures	
					Investment Plan	Wealth management plan
520,331	1,911,138	(836,033)	(974,152)	621,284	-	-

1. Operating activities: Net cash inflow for the future year is primarily a result of adequate operating revenue and expense control.
2. Investing activities: Net cash outflow for the future year is primarily a result of the acquisition of investment property.
3. Financing activities: Net cash outflow for the future year is primarily a result of repayment of the long-term borrowing.

IV. Material capital expenditures in the last year and impacts on business performance

(I) Utilization of material capital expenditure and source of capital: N/A.

(II) Anticipated possible benefits: N/A.

V. Causes of profit or loss incurred on business investments in the most recent year, and any improvement or investment plan for the next year

December 31, 2024 Unit: NTD thousand

Item	Notes	Original investment amount, ending	Shareholding percentage	Investment policy	Main Causes for Profit or Loss	Improvement Plan	Other Investment Plans for the Next Year
Farglory Free Trade Zone Co., Ltd.		7,436,237	100%	Engage in business diversification and market expansion & layout	Operating performance was sound; therefore, profitability has been stable. An investment gain of NT\$687,916 thousand was recognized using the equity method in 2024.	None	None
Farglory Logistics Co., Ltd.		854,648	100%	Engage in business diversification	Operating performance was sound; therefore, profitability has been stable. An investment gain of NT\$20,866 thousand was recognized using the equity method in 2024.	None	None
Innotech Logistics Co., Ltd.		77,000	9.63%, and the Company gained one director seat in the entity.	Expand the business to improve the competitive strength in warehousing and logistics in Taiwan.	The Company received approval for incorporation on July 23, 2021 and has yet to officially commence business operations. An investment loss of NT\$820 thousand was recognized using the equity method in 2024.	None	None

VI. Analysis of risk issues

(I) Impacts posed by interest rate, foreign exchange rate fluctuation and inflation to the Company's income, and future responsive measures:

(1) Interest rate risk:

2023 and 2024 interest income and interest expenses accounted for 0.23%, 7.66%, 0.26% and 9.60% of total revenues of the Company and its subsidiaries, respectively. Interest income mainly comprised interest from deposits; interest expenses incurred primarily due to bank borrowings. The Company and its subsidiaries are required to take long-term and short-term borrowings from banks to support operational needs, given their industry characteristics. The Company and its subsidiaries continue to work actively with banks to keep up to date on the latest interest rate changes, and in doing so secure the most preferential borrowing rate.

(2) Effects of interest rate change:

The Company and subsidiaries operate as a chartered air cargo entrepot, whose main business activities include: investment, handling of air cargo and air containers, ULD loading/unloading, operation of loading/unloading vehicles, management of import and export warehouses, and leasing of cargo terminals, warehouse offices, international logistics centers, logistics centers, value-added parks, and bonded warehouses. The Company and subsidiaries provide services solely within Taiwan and generates 100% of revenues from domestic sources. However, there are few foreign airlines that make payments in foreign currencies, which the Company and subsidiaries will account for using the spot exchange rate, thereby giving rise to exchange gains/losses. The Company and its subsidiaries aggregately recognized exchange gains (losses) of NT\$(284) thousand in 2023 and NT\$(63) thousand in 2024. Exchange gains (losses) arising from these payments account for a low percentage of revenues and operating profits, and due to their distinctive industry characteristics, the Company and its subsidiaries do not engage in production activities or purchase inventory. Overall, exchange rate changes do not pose any material adverse effect on the profitability of the Company and its subsidiaries.

(3) Inflation risk:

Inflation does not pose any material adverse effect on the Company and its subsidiaries given their distinctive industry characteristics.

(4) Future response measures:

The Company and its subsidiaries do not have material exposure to the interest rate, exchange rate, and inflation risks mentioned above. Nevertheless, they still maintain close contact with banks and carefully evaluate market changes to prevent any adverse effect that interest rates, exchange rates, and inflation may have on revenues and profits.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of profit or loss incurred, and future responsive measures for the most recent year and until the date of publication of the annual report:

- (1) The Company is dedicated to growing its core businesses, and provides the most competitive free trade zone and logistics services for global partners through subsidiaries and specialization. The Company did not engage in any high-risk or highly leveraged investment in the last year up until the publication date of annual report. The Company has observed relevant regulations and implemented policies such as “Operating Procedure for Acquisition or Disposal of Assets,” “Operating Procedure for Making of Endorsements/Guarantees,” “Operating Procedure for Loaning of Funds to Others,” and “Procedure for Financial Derivatives Trading” to serve as guidelines for transaction activities.
- (2) The Company and its subsidiaries have implemented and revised “Operating Procedure for Loaning of Funds to Others” through resolution of the board of directors. Neither the Company nor its subsidiaries had lent capital to any external party in 2024 and up until the publication date of the annual report.
- (3) The Company and its subsidiaries have implemented and revised “Operating Procedure for Making of Endorsements/Guarantees” through resolution of the board of directors. In 2024 and up until the publication date of annual report, the Company had provided endorsements/guarantees to subsidiaries to support bank borrowings, but no endorsement/guarantee was made to external parties. All endorsements/guarantees have been announced according to relevant policies.

(III) Future research and development plans and projected expenses:

Not applicable given the industry characteristics of the Company and its subsidiaries.

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations:

The Company and its subsidiaries currently operate as a chartered air cargo entrepot. They are bound to comply with domestic regulations, and are not susceptible to material financial or operational impacts from changes in key policies and laws local and abroad. Furthermore, the Company stays alerted to political, economic, and regulatory developments domestically, in order to devise response measures against any unexpected occurrences local and abroad.

(V) Financial impacts and response measures in the event of technological or industrial changes (including cybersecurity risks):

- (1) Technological changes up until the publication date of annual report have not caused material effect on the financial position or business performance of the Company and its subsidiaries. However, in order to deal with technological and

industrial changes and control market changes from time to time, the Company gathers relevant industrial information via online meetings or via industry/trade associations, and in doing so keeps up to date on industry trends and improves future performance.

- (2) The Company has cybersecurity policies and guidelines in place to ensure the security of data, information system, IT equipment, and network for Farglory Free Trade Zone Investment Holding Co., Ltd., Farglory Free Trade Zone Co., Ltd., and Farglory Logistics Co., Ltd., and adopts rigorous cybersecurity management practices that facilitate reliable information services. A “Cybersecurity Management White Paper” was published on August 15, 2015 to provide internal guidance. Drafted based on ISO 27001 standards, the White Paper requires all changes to operating systems and equipment be reviewed before execution, as well as regular exercise of drills so that the company may quickly recover from a disaster and resume operation in the best interest of its shareholders and investors. As for division of responsibility, the MIS Planning Department is responsible for the development of cybersecurity-related policies, plans, measures, and technologies, as well as the research, implementation, and assessment of security technologies. The MIS Planning Department and the Auditing Department jointly conduct regular audits on cybersecurity practices and the internal control system. Cybersecurity training is hosted on an unscheduled basis to help employees build proper character and awareness towards security issues. The Company encountered no losses or impacts as a result of major cybersecurity incident in the last year up until the publication date of annual report.

- (VI) Crisis management, impacts, and response measures in the event of a change in corporate image:

The Company and its subsidiaries adopt sustainable business practices that are driven by professionalism and integrity, and exercise prudent management with a focus on corporate image and risk control. For these reasons, the Company did not encounter any change in corporate image in the last year and up until the publication date of an annual report that posed a crisis to the business.

- (VII) Expected benefits, risks, and response measures in relation to mergers and acquisitions:

The Company and its subsidiaries had no merger or acquisition plan in the last year up until the publication date of annual report.

- (VIII) Expected benefits, risks, and response measures associated with plant expansions:

1. Farglory Free Trade Zone Investment Holding Co., Ltd.: N/A.
2. Farglory Free Trade Zone Co., Ltd.:

The Company was incorporated under the BOT project executed in response to the free trade plan developed based on the government’s business

development policy. Its services include customs clearance and bond of imported/exported cargo, storage and transportation, warehousing, logistics, value-added parks, the exhibition of offices, and business conference centers, and plays the critical role of connecting with foreign businesses. It offers complete services including air cargo and free trade zone. On August 31, 2007, the company executed the Courier Zone Service Contract with DHL, an international courier service provider, to construct a dedicated courier zone. The contracted architect planned, designed and constructed the Zone exclusive for DHL per DHL's requirements. The title deed for the building has been granted in January 2009. DHL also started operating the Zone at the company's premises officially in February 2009. On March 20, 2013, the Company executed the Logistics Zone Lease Contract with Kintetsu World Express (Taiwan), Inc. ("Kintetsu") to construct a dedicated logistic zone. The contracted architect planned, designed and constructed the Zone exclusive for Kintetsu per Kintetsu's requirements. The title deed for the building has been granted in August 2014. Kintetsu started operating the Zone officially in August 2014. In 2015, the additional storage zone was constructed at the cargo terminal. The title deed for the building was granted in August 2015. The zone was made available to ASML for business operations. On September 20, 2018, the company executed the construction and leasing contract with STARLUX Airlines Co., Ltd. ("STARLUX"). The title deed for the building was granted in November 2020. The zone was made available to STARLUX for business operations. Title deed for the construction of the cargo terminal Phase II was granted in March 2023. The zone has since commenced business operations. On July 6, 2023, the Company secured tenancy from Federal Express Corporation, Taipei Branch (U.S.A.) for the establishment of "Taoyuan International Airport Transit Center Phase 2," which aims to further expand the service capacity of Federal Express. A ten-year lease was signed to reinforce collaborative relationship between two parties. Title deed for Cold Chain Logistics Warehouse was granted in June 2023, and the facility has since commenced business operations. Title deed for phase 2 of the value-added park was granted in August 2023, and the facility has since commenced business operations. Title deed for expansion of the second courier warehouse was granted in February 2024, and the facility has since commenced business operations. Title deed for value-added park Building H was granted in February 2025; the facility is expected to commence operations in the second half of 2025.

3. Farglory Logistics Co., Ltd.: N/A.

(IX) Risks and response measures associated with concentrated sales or purchases:

- (1) Risk of concentrated purchase: Not applicable as the Company and its subsidiaries are mainly involved in the handling of air cargo and air containers, ULD loading/unloading, operation of loading/unloading vehicles, management of import and export warehouses, and leasing of warehouse offices and storage spaces at Taoyuan Air Cargo Park Free Trade Zone.
 - (2) Risk of concentrated sale: The Company and subsidiaries did not have any single customer that accounted for more than 10% of net sales in the last year up until the publication date of annual report, indicating no concern for over-concentration in sales. Furthermore, the Company and its subsidiaries have been actively promoting warehousing services for import, export, and courier activities, soliciting tenancy from post-production service providers into the value-added park, enhancing cargo safety protection measures, increasing the speed of cargo delivery, and creating an integrated logistics and supply chain platform in recent years. All of which have the potential to broaden the scope of service and diversify business risks.
- (X) Impacts, risks, and response measures following a major transfer of shareholding by directors, supervisors, or shareholders with more than 10% ownership interest: There was no major transfer of shareholding by the Company's directors, supervisors, or major shareholders with more than 10% ownership in the last year up until the publication date of the annual report.
- (XI) Impacts, risks, and response measures associated with a change of management: The Company made no change of management that affected its operations in the last year up until the publication date of annual report.
- (XII) Impact on the Company due to litigations and non-litigious cases:
1. Litigations, non-contentious cases or administrative litigations in the last year up until the publication date of annual report, whether concluded or pending judgment, that may present a significant impact to shareholders' interests or securities price:
 - (1) Farglory Free Trade Zone Investment Holding Co., Ltd.: N/A.
 - (2) Farglory Free Trade Zone Co., Ltd.: N/A.
 - (3) Farglory Logistics Co., Ltd.: N/A.
 2. Major litigations, non-contentious cases, or administrative litigations involving the Company's directors, supervisors, President, person-in-charge, any shareholder with more than 10% ownership interest, or any subsidiary in the last 2 years up until the publication date of annual report, whether concluded or pending judgment, which may present significant impact to shareholders' interests or securities price: None.
- (XIII) Other significant risks and response measures: The Company had no other known risks that may significantly impact its financial position in 2024 and up until the publication date of annual report.

VII. Other Important Notes: N/A.

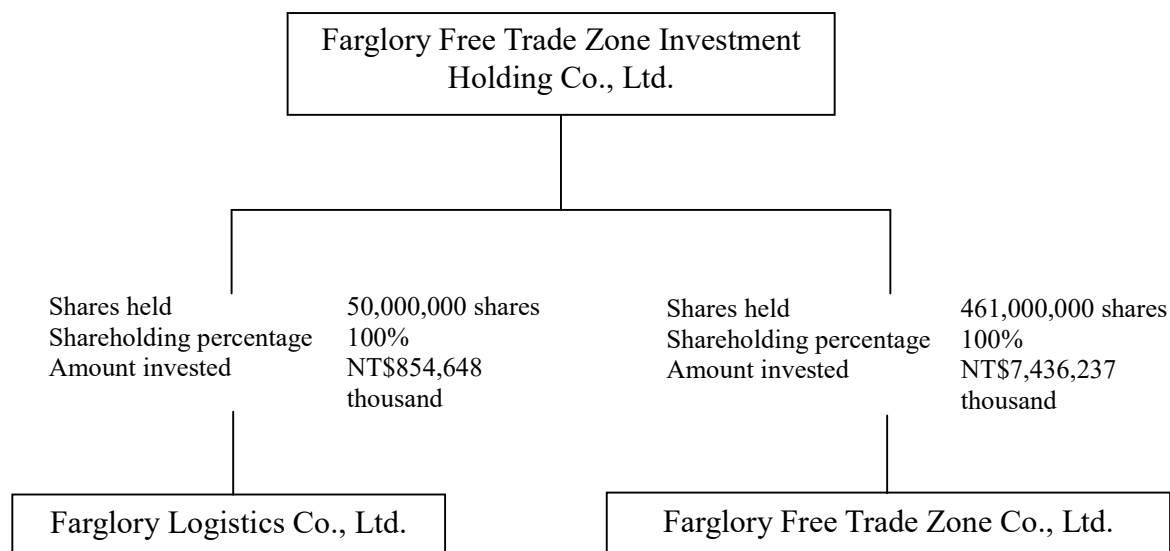
Six. Special Disclosure

I. Information on affiliated companies

(I) Consolidated business report:

1. Affiliation Chart:

December 31, 2024



2. Profile of affiliated companies:

Unit: NTD thousand

Name of entity	Date of establishment	Address	Paid-up capital (NTD thousand)	Main business activities or products
Farglory Free Trade Zone Co., Ltd.	April 28, 2003	No. 101, Hangxiang Road, Dayuan District, Taoyuan City	4,610,000	1. Air Cargo Entrepot 2. Real Estate Leasing. 3. Warehousing 4. Civil Air General agent
Farglory Logistics Co., Ltd.	January 25, 2006	No. 101, Hangxiang Road, Dayuan District, Taoyuan City	500,000	1. Warehousing 2. Real Estate Leasing. 3. Industrial Factory Buildings Lease Construction and Development 4. Tally packaging

3. Common shareholders in controlling and controlled companies: Not applicable.

4. Businesses covered by the Company and affiliates:

Farglory Free Trade Zone Co., Ltd.:	Mainly involved in the operation of air cargo entrepots; warehousing; development and leasing of industrial factory buildings; and property leasing.
Farglory Logistics Co., Ltd.:	Mainly involved in warehousing, property leasing, development and leasing of industrial factory buildings, and tally packaging.

5. The names of directors, supervisors and presidents of the affiliates and their shareholding or contribution to the affiliates:

December 31, 2024

Name of entity	Designation	Name or name of representative	Shareholding	
			Shares	Shareholding percentage
Farglory Free Trade Zone Co., Ltd.	Chairman	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Chun-Yao Yeh	461,000,000 shares	100%
	Director	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Mei-Ling Chen	461,000,000 shares	100%
	Director	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Chia-Ling Lai	461,000,000 shares	100%
	Supervisor	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Ming-Fang Liu	461,000,000 shares	100%
Farglory Logistics Co., Ltd.	Chairman	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Chun-Yao Yeh	50,000,000 shares	100%
	Director	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Mei-Ling Chen	50,000,000 shares	100%
	Director	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Chia-Ling Lai	50,000,000 shares	100%
	Supervisor	Farglory Free Trade Zone Investment Holding Co., Ltd. Representative: Ming-Fang Liu	50,000,000 shares	100%

6. Operational overview of affiliated enterprises:

Unit: NTD thousands
December 31, 2024

Name of entity	Share capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit	Current net income (after-tax)	Earnings per share (\$) (after-tax)
Farglory Free Trade Zone Co., Ltd.	4,610,000	25,368,278	16,146,862	9,221,416	3,420,790	1,104,975	687,916	1.49
Farglory Logistics Co., Ltd.	500,000	911,251	163,632	747,619	81,688	37,094	21,911	0.30

7. Declaration:

Declaration of Consolidated Business Report:

The Company's affiliation report 2024 (from January 1 to December 31, 2024) is prepared based on the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises." The information disclosed is consistent with the information disclosed in the notes to the financial statements for the aforementioned period.

This declaration is solemnly made by

Company name: Farglory Free Trade Zone Investment Holding Co., Ltd.

Person-in-charge: Chun-Yao Yeh

March 12, 2025

(II) Consolidated financial statements of affiliated enterprises:

1. Disclosures of the consolidated financial statements of affiliated enterprises are identical to consolidated financial statements of subsidiaries.
2. Declaration

Declaration concerning consolidated financial statements of affiliated enterprises

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for the financial year 2024 (from January 1 to December 31, 2024). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements. Therefore, no separate consolidated financial statements for affiliated enterprises were prepared.

This declaration is solemnly made by

Company name: Farglory Free Trade Zone Investment Holding Co., Ltd.

Person-in-charge: Chun-Yao Yeh

March 12, 2025

(III) Affiliation report: None.

II. Private placement of securities in the last year up until the publication date of the annual report: None.

III. Other supplementary information: None.