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遠東百貨

FAR EASTERN DEPARTMENT STORES



2024 ANNUAL REPORT

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Spokesperson, Deputy Spokesperson, Position, Contact Number, and Email Address

Spokesperson : Vice President, James Tang

Tel: 886-2-77278168

Fax: 886-2-77380752

E-mail: service@feds.com.tw

Deputy person : Junior Vice President, Anita Wang

Tel: 886-2-77278168

Fax: 886-2-77380752

E-mail: service@feds.com.tw

● Headquarter & Branches

<u>Headquarter</u>	: 18F, No. 16, Xinzhan Road, Banqiao District New Taipei City,	Tel: 886-2-77278168
<u>XinYi Branch</u>	: No. 58, Songren Rd., Xinyi Dist., Taipei City	Tel: 886-2-77500888
<u>Banqiao Xinzhan Branch</u>	: No. 18 & 28, Xinzhan Road, Banqiao District, New Taipei City	Tel: 886-2-77054168
<u>Banqiao Branch</u>	: No. 152, Section 1, Zhongshan Road, Banqiao District, New Taipei City	Tel: 886-2-89525678
<u>Taoyuan Branch</u>	: No. 20, Zhongzheng Road, Taoyuan District, Taoyuan City	Tel: 886-3-3359811
<u>Zhubei Branch</u>	: No. 18, Zhuangjing N. Rd., Zhubei City, Hsinchu County	Tel: 886-3-6223168
<u>Hsinchu Branch</u>	: No. 323, Xida Road, East District, Hsinchu City	Tel: 886-3-5233121
<u>Taichung Branch</u>	: No. 251, Section 3, Taiwan Boulevard, Xitun District, Taichung City	Tel: 886-4-37022168
<u>Hualien Branch</u>	: No. 581, Heping Road, Hualien City	Tel: 886-3-8355588
<u>Chiayi Branch</u>	: No. 537, Chuiyang Road, West District, Chiayi City	Tel: 886-5-2365137
<u>Tainan Branch</u>	: No. 60, Gongyuan Road, West Central District, Tainan City	Tel: 886-6-2259101
<u>Tainan Chenkong Branch</u>	: No. 210, Qianfeng Road, East District, Tainan City	Tel: 886-6-2098999
<u>Kaohsiung Branch</u>	: No. 21, Sanduo 4th Road, Lingya District, Kaohsiung City	Tel: 886-7-9728888

- **Common Share Transfer Agent and Register**

Oriental Securities Corporation

Address: 13F, No. 16, Xinzhan Road, Banqiao District New Taipei City,

Tel: 886-2-77531699

Website: <http://www.osc.com.tw>

- **Auditors**

Deloitte & Touche

Auditors: Chih-Ming Shao, CPA

Kuo-Ning Huang, CPA

Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei, 11073, Taiwan

Tel: 886-2-27259988

Website: <http://www.deloitte.com>

- **Overseas Securities Exchange: N/A**

- **Corporate Website**

<http://www.feds.com.tw>

Contents

I.	Letter to Shareholders	5
II	Corporate Governance Report	12
1.	Directors and Management Team	12
2.	Remuneration of Directors, President, and Vice Presidents	24
3.	Corporate Governance	32
4.	Audit Fees	83
5.	Information For Change of CPA	83
6.	The Company's Chairman, President and Managers Responsible for Finance or Accounting Who Have Held a Position in Company's Audit Firm or its Affiliations in the Last Year	84
7.	Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of the Company Shares or More:..	84
8.	Relationships Between Top 10 Shareholders.....	85
9.	The combined shareholding ratio of the Company, Director, Supervisor, President and the Business that is controlled by the Company directly or indirectly on the Invested Company:	87
III.	Capital Overview	88
1.	Capital and shareholding of the Company.....	88
2.	Corporate Bonds	91
3.	Preferred Shares.....	91
4.	Issuance of Overseas Depository Receipts.....	91
5.	Employee Stock Options.....	91
6.	Employee Restricted Stock Options.....	91
7.	Share Issued for Merger or Acquisition	91
8.	Fund Utilization Plans and Status	91
IV.	Business Overview	92
1.	Business activities.....	92
2.	Market, production and sales.....	95
3.	Employee Information in Recent 2 Years up to the Annual Report being Published.....	96
4.	Environmental protection expenditure information.....	97
5.	Labor relations	97
6.	Information security management	99

7. Important contracts	102
V. Review and Analysis of the Financial Condition, Performance and Risk Management.....	104
1. Analysis of Financial Conditions.....	104
2. Analysis of Financial Performances	104
3. Analysis of Cash Flow	105
4. Impact of major capital expenditures on corporate finances and business in the most recent year.	105
5. Investment policy, main causes for profits or losses, improvement plans in the most recent year and the investment plans for the coming year.	105
6. Risk analysis and evaluation	106
7. Others	109
VI. Special Disclosure	110
1. Affiliated Companies	110
2. Private Placement Securities in the Latest Year: None	110
3. Other Supplementary Information	110
4. Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published.	110

I. Letter to Shareholders

Preface

In 2024, with easing global inflation, stable job market, and rising demand for commodity trading, which helped the world economy continue to grow. According to statistics from the International Monetary Fund (IMF), global economic growth for 2024 is estimated to be 3.2%, and expected to remain moderate over the next two years. However, it is important to pay attention to relevant events, such as the geopolitical turmoil of the Russia-Ukraine war, the Israel-Palestine conflict, global climate change risks, and the future economic and trade policies of the United States, all of which introduce uncertain variables into the global economic environment.

With steady recovery of global economy, Taiwan's overall economic performance has also been progressing smoothly. Emerging technologies, such as AI, are rapidly expanding, driving continued growth in exports and production. Coupled with robust private sector investment, the GDP growth rate for 2024 is expected to reach 4.2%, the highest among the Four Asian Tigers. On the other hand, wage increases across the military, public sector, and private enterprises, the implementation of higher minimum wages, and the wealth effect from the surging stock market all indicate that Taiwan's economy continues to recover, with stable growth anticipated.

From the perspective of the department store retail industry, Taiwan's department store market has shown steady growth, benefiting from factors such as store expansions, new merchandise offerings, and increased consumer confidence. Sales have surpassed NT\$440 billion, maintaining its position as the largest retail category by scale. It is worth noting that scale of the convenience store and e-commerce industries have also exceeded NT\$400 billion, blurring the boundaries within the retail sector and significantly increasing the willingness of physical retailers to expand into online sales. Observing the retail sector's online sales, ratio of sales from physical retailers has been increasing year by year, indicating that physical retailers are continuously expanding their online sales platforms, moving toward a new retail model that integrates both virtual and physical channels.

In summary, pressures from cross-industry competition from online shopping and other physical channels are increasing, compounded by the continuous opening of new department stores, shopping centers, and outlets, intensifying market competition. However, we have kept pace with the changing environment, actively considering response strategies, adjusting our operating models, and creating opportunities for business growth. We continue to expand the layout of our international department store retail group. Therefore, we hold a positive and optimistic outlook for future performance, and feel confident that, in the post-pandemic business landscape, we can leverage our cross-industry management capabilities to maintain our industry competitiveness and leadership position, continuing to achieve excellent operational results.

Operating Result of 2024

Thanks to the support of Board of Directors and the management team, the Company recorded consolidated sales of NT\$132 billion in 2024 (according to IFRS, consolidated revenues were NT\$35 billion). Consolidated net profit was NT\$2.87 billion. Company alone net profit was NT\$2.33 billion, and earnings per share were NT\$1.65. Operating result of the Far Eastern Retail Group in 2024 is summarized as follows:

I. Far Eastern Department Stores

1. Revenues were NT\$59.3 billion in 2024, operating profit was NT\$2.5 billion, and pretax net profit was NT\$2.7 billion, still registering remarkable results.
2. Renovation plans for Top City Taichung and Mega City Banqiao Stores, which have been operating for more than 10 years, have gradually completed. Mega City Banqiao Store has introduced many uniquely styled brands in the boutique and cosmetics categories, while Big City Taichung Store has also brought in flagship store designs for its premium goods section, providing customers with a refreshing shopping experience.
3. Sponsoring international exhibitions has always been a market feature of Far Eastern Department Stores to enhance international image of the products. The “Aomori Prefecture Cultural and Produce Festival” event, which was held touring all branch stores from November 13 till December 1, showcased specialty goods, and introduce the Aomori Nebuta Festival, allowing consumers to better understand foreign cultures and exquisite products.
4. Organizing promotional events to boost sales and create a win-win situation for the economy in terms of unique products from various regions in Taiwan. The Tainan Expo, Kinmen Expo, and Pingtung Seafood Expo, among others, have been successively launched, showcasing a variety of local delicacies and exquisite souvenirs, receiving high praise, increasing visitor numbers, and boosting sales.
5. Engaging in social welfare and fulfilling corporate responsibilities, when a 7.2 magnitude earthquake struck Hualien on April 3, FEDS immediately activated its aid plan, with the Hualien Store partnering with the Hualien AiMai Store to donate a total of 80 boxes of daily necessities and food, which were transported to the disaster area by the Xiulin Township Office, helping the affected residents through their difficulties.
6. Launching the Tree Planting Year event, the first stop was at the company's headquarters in Banqiao Wensheng Elementary School, where 40 native Taiwan *Chamaecyparis obtusa* trees were planted. The tree planting activities will continue in the cities and counties where Far Eastern Department Stores are located, bringing tree planting activities closer to everyone and working together for a beautiful future of net-zero carbon reduction.
7. The company' ESG endeavors continue to achieve remarkable results, receiving 32

prestigious awards for its outstanding all-around performance. It was also honored with the “National Model Retail Enterprise” award from FAPRA. This marks the second time, following the “Best Corporate Social Responsibility” award 5 years ago, that it has won this accolade, making it the only department store in Taiwan to have won both the “National Model Retail Enterprise” and “Best Corporate Social Responsibility” awards.

II. Far Eastern SOGO Department Stores

1. Sales for 2024 were NT\$49.43 billion operating profit stood at NT\$2.05 billion, and pre-tax net profit at NT\$2.25 billion, maintaining profitability.
2. The D and C zones of Far Eastern Garden City were opened successively in May and September of 2024, attracting a significant number of new customers, contributing to the growth of performance.
3. The New Youth Loan program has boosted real estate transactions to new heights, driving the growth of household appliance products.
4. The growth in restaurant performance is primarily due to the renovations and expansions of restaurants at various stores, as well as the openings of the D and C zones at Far Eastern Garden City, with the focus being on the restaurants.
5. Jiangbei Store ceased operations on June 30, 2024, marking the end of all traditional department store located in mainland China.
6. Chongqing Far Eastern City opened on May 1, 2024, as the first shopping center in mainland China, creating a TOD (Transit Oriented Development) + POD (Park Oriented Development) landmark commercial complex, which can expand new models for future China market.

III. Far Eastern Ai-Mai

1. Under the impact of increase in operating costs such as rising minimum wage, electricity fees, and rent, operating performance was not as expected. Sales for 2024 were NT\$12.55 billion. Although performance did not meet expectations, still strive to improve various operations.
2. Accelerate the rapid growth of e-commerce, leveraging data technology analysis to improve gross profit margins and revenues, with online shopping industry growth of 8.9% in 2024.
3. Increase Attractiveness of Shop & Restaurant: In home and household goods, leverage major brands to boost customer attraction, continuously introduce a variety of chain restaurants, and simultaneously increase service-oriented stores.
4. Adjust Operating Model and Enhance Store Diversity: Reduce storage space, introduce dining and home specialty stores, prioritizing at Jingmei, Big City, and Shuinan Stores.
5. Reduce Operating Costs and Improve Store Space Efficiency: Apply for energy-saving subsidies to replace in-store LED lighting, upgrade outdated air conditioning systems to enhance energy efficiency, and implement self-checkout

systems to address the shortage of cashiers in stores.

6. Inventory Management: Continuously replace manual ordering at branches with the Auto Replacement System to improve ordering accuracy and save time on store ordering operations.
7. Precise Marketing for AiMai APP: By analyzing individual consumption information, personalized message recommendations are sent to achieve precise marketing goals, thereby increasing APP usage and engagement.

Business Plan

Faced with complex and ever-changing business environment, main business entities of the Far Eastern Retail Group have fully grasped industry trends and quickly adjusted their pace. Through strategies such as store renovations, introducing new brands, strengthening membership relationship management, and lively marketing activities, they have taken a multi-faceted approach to demonstrate resilience and adaptability, continuously setting new revenue milestones. Major operational focus in 2025 is summarized as follows:

I. Far Eastern Department Stores

1. Top City Taichung and Mega City Banqiao Stores continue to implement renovation plans, shifting focus to supermarket dining sectors. By adjusting floor layouts and introducing new counters, they aim to provide customers with a more stylish and novel shopping experience, maintaining competitive momentum and creating unique mall characteristics.
2. Other branch stores are also adjusting in compliance with characteristics of their business districts and market trends, focusing on strengthening trending industries and optimizing their store layouts. For example, Taoyuan Store plans to enhance brand power of department store clothing and dining, while Tainan Store aims to strengthen its dining offerings. Xinyi A13 Store continues to introduce new trendy brand counters and pop-up boutiques, aiming to enhance product quality and further improve business performance.
3. Maintain close contact with foreign diplomatic missions in Taiwan and local government offices, and plan various activities such as international cultural events, local specialty markets, and creative markets. This will allow customers to directly experience the most authentic local customs and satisfy Taiwanese consumers' strong interest in foreign products and cuisine.
4. Each Branch Store continues to adapt to seasonal festivals by planning themed atmospheres. At the same time, they actively collaborate with government agencies and various schools on social welfare, employee experiences, and result presentation, creating a more interactive mall atmosphere. They also promote local specialty products and organize activities that are closer to community life, making Far Eastern Department Stores the preferred mall in the business district for daily life.
5. Strengthen analysis of existing Happy Go cardholder consumption data and utilize

official dedicated APP and social media platforms of each Branch store, along with Happy Go Pay, to actively create a complete shopping environment and enhance member relationship management.

6. Renovations of the first-generation FEDS Baoqing Store has already begun, and there are also plans to increase a new establishment at Tpark of New Taipei City, which is expected to continuously bring new momentum to operations in the future.

II. Far Eastern SOGO Department Stores

1. Fully promote leadership position in the business districts of all stores, adjust large store products to enhance competitiveness, continue the innovation and transformation of small stores, and develop profitable models.
2. Continue to strengthen the promotion of SOGO ESG-related initiatives and collaboration with various stakeholders and planning activities.
3. Improve brand database system to provide business managers with effective brand dynamics information.
4. Set e-commerce sales target of 30% annual growth and increase number of products on website by 50%.
5. Far Eastern Garden City will officially operate in the fourth quarter of 2025, with an area of 36,000 ping (approximately 119,000 square meters), making it the largest shopping mall in the center of Taipei City. The merchandise mix range will cater to all customer segments, and a comprehensive, multi-themed, and new retail model will be planned.
6. Chongqing Far Eastern City, as the first shopping center in Mainland China, will undergo brand upgrading and transformation. It will fully leverage the Guanyin Bridge business district, host various crowd-attracting events in conjunction with the plaza, and deeply utilize social media for creating buzz marketing.

III. Far Eastern Ai-Mai

1. **Transform into a low-cost operating model:**
 - (1) **Cost-saving:** Continue to enhance energy-saving measures in each store to reduce fixed costs, install self-checkout systems, reduce security costs, and negotiate rent reductions.
 - (2) **Revenue generation:** Optimize store operation space, introduce new display units to improve space efficiency, and continuously add charging station services to maximize space utilization.
2. **Leverage data technology for analysis:**
 - (1) **Optimize targeted marketing:** Use the Ai-Mai APP for precision marketing, track consumer behavior, conduct data analysis, provide personalized recommendations, integrate social media, and build strong customer relationships.
 - (2) **E-commerce supply chain management:** Reduce service costs and improve

shipping efficiency.

3. Strengthen rapid growth of e-commerce:

- (1) Use AI-powered automated customer service to enhance capacity and efficiency in handling customer inquiries.
- (2) More efficiently utilize store inventory information to reduce shipping delays caused by stockouts and accelerate shipping speed.
- (3) Expand B2B business and collaborate with new online shopping platforms.

4. Accelerate IT processes and implement cybersecurity:

- (1) Optimize order fulfillment management efficiency to shorten shipping time.
- (2) Website sales fluctuate greatly due to seasonal and promotional factors, so parameters will be dynamically adjusted to increase shipping productivity.
- (3) Expand integration with new e-commerce platform systems.
- (4) Develop an inventory management system suitable for small store models in response to the growth of small stores.

5. Human resource development:

Accelerate organizational restructuring, streamline labor structure, and reduce personnel costs using digital tools (e.g., self-checkout systems), aiming to reduce costs by 10%.

Future Prospect

Business operations either progress or regress. In response to a complex and rapidly changing world, Far Eastern Department Stores have been keeping pace with the times, adapting with agility, and bravely embracing challenges. By employing new thinking for effective risk management and identifying growth opportunities, we will continue to invest in the future, in particular focus on the three major aspects of transformation and change “strategy, organization, and talent,” to accumulate growth momentum for long-term development and lay a stable foundation for sustainable operations.

Climate governance and low-carbon transition are important and noteworthy areas in the coming years. In the face of the global net-zero emissions target, Taiwan plans to increase the ratio of green energy to 30% by 2030, while also requiring large electricity consumers to install green energy systems, purchase green energy, or set up energy storage systems. Far Eastern Department Stores and its subsidiaries have fully completed the greenhouse gas inventory, conducted climate risk assessments, and established management mechanisms. We are focusing on energy conservation and green energy, transforming towards low-carbon retail, and striving to create a win-win relationship between corporate operations and environmental sustainability.

Far Eastern Department Stores is actively expanding its business footprint globally and has become an international large-scale Retail Group. To continue innovating and growing in the future, constructing a systematic talent management model that balances quality and quantity is crucial. This is especially important in establishing a comprehensive talent development system, enabling leadership talents to adapt to changes and management

talents to tackle complex challenges. This ensures that employees can fully realize the value of their roles, thereby creating new value for the Company, achieving excellence, and outstanding performance.

Driving towards excellence is a dynamic process. Companies that achieve lasting excellence must go through countless turning points to maintain their momentum; this is an endless journey. Looking ahead, FEDS management team will “continue to expand stores to increase market share, enhance customer shopping experiences, leverage technology to innovate retail, adopt innovative management to improve operational performance, develop online shopping to create an omni-channel shopping experience, and implement ESG sustainable management.” Through these six growth drivers, they aim to create maximum benefits.

Chairman Douglas Tong Hsu

II Corporate Governance Report

1. Directors and Management Team

1.1 Directors

1.1.1 Directors

Feb. 28, 2025

Title	Nationality or Record of Birth	Name	Gender/age	Date Elected	Term (years)	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse & minor children		Curriculum vitae	Other positions in FEDS and/or other companies	Executives, directors, or supervisors who are spouses or within two degree of kinship		
							Share	%	Share	Share	%	Title			Title	Name	Relation
Chairman	R.O.C	Douglas Tong Hsu	M/Over 70	18 June 2024	3	2 Aug. 1967	1,779,835	0.13	1,779,835	0.13	0	0.00	<ul style="list-style-type: none"> Honorary Ph.D. of Management, National Chiao Tung University, Taiwan M.A. in Economics, Columbia University, USA. 	<ul style="list-style-type: none"> Chairman of FEDS Chairman of Far Eastern New Century, Asia Cement, Oriental Union, U-Ming Marine, and Far Eastone Telecommunication Vice chairman of Far Eastern International Bank. 	Director	Nancy Hsu	Sister
															Director	Nicole Hsu	Daughter
Director	R.O.C	Ding & Ding Management Consultants, Co., Ltd.	F/Over 70	18 June 2024	3	(Note 1)	73,009	0.01	73,009	0.01	0	0.00	<ul style="list-style-type: none"> Department of Fashion Design, Shih Chien University 	<ul style="list-style-type: none"> President, FEDS Chairman of Bai Yang Investment Co., Ltd. Director of Far Eastern Ai Mai Co. Ltd. 	Chairman	Douglas Tong Hsu	Brother
		Representative: Nancy Hsu					*1,173,788	*0.08	*1,173,788	*0.08	228,927	0.02					
	U.S.A	Far Eastern New Century Corporation	F/50~60	18 June 2024	3	2 Jun. 2006	241,769,702	17.06	241,748,932	17.06	0	0.00	<ul style="list-style-type: none"> Interior Design Arts, New York School of interior Design, USA. B.A., Simmons College, Boston, USA Senior Designer, Saradino Group, New York, USA. 	-	Chairman	Douglas Tong Hsu	Father
		Representative: Nicole Hsu					*0	*0.00	*0	*0.00	0	0.00					
	R.O.C	Far Eastern New Century Corporation	F/60~70	18 June 2024	3	(Note 2)	241,769,702	17.06	241,748,932	17.06	0	0.00	<ul style="list-style-type: none"> Department of Accounting, North Arizona State 	<ul style="list-style-type: none"> Chairman of Far Eastern Big City Shopping Malls Co., Ltd. 	-	-	-

		Representative: Philby Lee					*0	*0.00	*0	*0.00	0	0.00	University, USA. • US CPA.	• CEO of Far Eastern Group Synergy & Retail Planning HQ • Director of Yuanshi digital technology Co., Ltd.	-	-	-
	R.O.C	Asia Cement Corporation					80,052,950	5.65	80,052,950	5.65	0	0.00	<ul style="list-style-type: none"> Ph. D in Management Information System, Purdue University, USA Vice President, Technology Development, AT&T President of Far EasTone Telecommunications Co., Ltd. 	<ul style="list-style-type: none"> President, Far EasTone Telecommunications Co., Ltd. Chairwoman & President, Far Eastern Info Service (Holding) Ltd. Chairman, Arcoa Enterprise Co., Ltd. Director & President, New Century InfoComm Tech Co., Ltd. Chairman, Yuanshi digital technology Co.,Ltd. Director, FE SOGO Chairman, FHNET Chairman, IDEAWORKS Entertainment Co., Ltd. Director, FETC Director, Ding Ding Integrated Marketing Services.Ltd. Director, FETC International Co. Ltd Chairman, Nextlink Technology 	-	-	-
		Representative : Chee Ching	F/ 60~70	18 June 2024	3	(Note 3)	*0	*0.00	*0	*0.00	0	0.00		<ul style="list-style-type: none"> Director, FETC Director, Ding Ding Integrated Marketing Services.Ltd. Director, FETC International Co. Ltd Chairman, Nextlink Technology 	-	-	-
	R.O.C	Yuli Investments Corporation					1,769,001	0.12	1,769,001	0.12	0	0.00	<ul style="list-style-type: none"> M.A. in Mass Communication, University of Illinois, ISA EMBA in National Taiwan University 	<ul style="list-style-type: none"> Consultant of Ding Ding Integrated Marketing Services Ltd. Director of Yuan Ding Tech-info (Shanghai) Ltd. 	-	-	-
		Representative: Jin-lin Liang	F/ 60~70	18 June 2024	3	(Note 2)	*0	*0.01	*0	*0.00	0	0.00			-	-	-

Independent Director	R.O.C	Edward Wei	M/ Over 70	18 June 2024	3	21 Jun. 2012	0	0.00	0	0.00	0	0.00	<ul style="list-style-type: none"> • MBA, University of Georgia, USA. • CEO of Deloitte Taiwan • Director of Deloitte Touche Tohmatsu • Chairman, United way of Taiwan • CPA of Georgia State, USA. 	<ul style="list-style-type: none"> • Chairman, YCSY Co., Ltd. • Independent Director, Cathay Financial Holdings Co., Ltd., Cathay United Bank Ltd, Cathay Securities Corporation, and Taita Chemical Company • Director, Iron Force Industrial Co. Ltd., and VIS Corporation 	-	-	-
	R.O.C	Dong, Ding Yu	M/ 60~70	18 June 2024	3	24 Jun. 2020	0	0.00	0	0.00	0	0.00	<ul style="list-style-type: none"> • Ph.D. in Engineering Stanford University, USA • Assistant Professor, San Jose State University, USA • Chairman of Elite Material Co., Ltd. 	<ul style="list-style-type: none"> • Chairman, Elite Material Co., Ltd. • Director, Newaisa Construction 	-	-	-
	R.O.C	Susan S. Chang	F/ Over 70	18 June 2024	3	18 Jun. 2024	0	0.00	0	0.00	0	0.00	<ul style="list-style-type: none"> • Master in Dept. of Economics, National Taiwan University • Chairman of Bank of Taiwan • Chairman of Taiwan Financial Holdings 	<ul style="list-style-type: none"> • Director, Jinniu Jin Business Co., Ltd. • Director, Grace Technology Co., Ltd. • Supervisor, Entie Tech-engineering Co., Ltd 	-	-	-

Note 1: Director (April 19, 1979 - April 18, 1982); Supervisor (April 30, 1990 - April 12, 1995); Director (April 12, 1995 - present)

Note 2: Director (June 10, 2003 - June 1, 2006); Supervisor (June 2, 2006 - June 22, 2015); Director (June 22, 2015 - present)

Note 3: Director (April 12, 2009 - July 26, 2021); Director (June 18, 2024 - present)

Note 4: Director (June 2, 2006 - July 26, 2021); Director (June 18, 2024 - present)

Note: No directors of the Company have shares held in the name of other persons.

Note: Cases of the Company's Chairman and President being the same person, spouses, or relatives within the first degree of kinship: N/A.

1.1.2 Major Shareholders of FEDS's Directors are institutional Shareholders.

Feb. 28, 2025

Name of Corporate Shareholder	Major Shareholders of the institutional Shareholders (%)
Ding&Ding Management Consultants Co., Ltd	Yue Tung Investment Corp. (40.00), Ta Chu Chemical Fiber Co., Ltd. (33.81), Fu-Da Transport Corp. (16.00), Asia Engineering Enterprise Corp. (5.04), Bai Ding Investment Co., Ltd. (5.04)
Far Eastern New Century Corporation	Asia Cement Corporation (23.77), Cathay/ MSCI Taiwan ESG Sustainability High Dividend Yield ETF (4.85), Asia Eastern University of Science and Technology (4.81), Yuanta/P-shares Taiwan Dividend Plus ETF (4.47), Far Eastern Medical Foundation (3.61), Far Eastern Memorial Foundation (3.42), , Yuan Ze University (2.74), Chunghwa Post Co., Ltd. (1.89) , Douglas Tong Hsu (1.71), Prter Hsu (1.13)
Asia Cement Corporation	Far Eastern New Century Corp. (21.16), Far Eastern Medical Foundation (5.15), Yuanta/P-shares Taiwan Dividend Plus ETF (5.13), Yuanta Taiwan High Dividend Low Volatility ETF (1.89), China Life Insurance Co., Ltd. (1.68), Labor Pension Fund Committee of Far Eastern New Century Corp. (1.67), Yuan Ding Investment Co., Ltd. (1.53), Far Eastern Department Stores Ltd. (1.41), Yuan Ze University (1.37), Chunghwa Post Co., Ltd. (1.35)
Yuli Investments Corporation	U-Ming Marine Transport Corp. (68.18), Yue-Tung Investment Corporation (31.82)

1.1.3 Major Shareholders of the Major Shareholders that are Juridical Persons

Feb. 28, 2025

Name of Juridical Persons	Major Shareholders of the Juridical Persons (%)
Yue Tung Investment Corp.	U-Ming Marine Transport Corp. (73.54), U-Ming Marine Transport (Singapore) Private Limit (26.46)
Ta Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Co., Ltd. (41.86), Yue Ding Industry Co., Ltd. (30.26), Yuli Investment Corp. (19.38), Yue Ming Trading Company Limited (8.50)
Fu Da Transportation Co., Ltd.	Fu Ming Transport Corp. Ltd. (99.97), Asia Investment Corp. (0.03)
Asia Engineering Enterprise Corp.	Asia Cement Corporation (99.76) , Asia Investment Corp (0.07)
Bai Ding Investment Co., Ltd.	Far Eastern Department Stores Ltd (66.66), Bai-Yang Investment Co., Ltd (33.34)
Asia Cement Corporation	Far Eastern New Century Corp. (21.16), Far Eastern Medical Foundation (5.15), Yuanta/P-shares Taiwan Dividend Plus ETF (5.13), Yuanta Taiwan High Dividend Low Volatility ETF (1.89), China Life Insurance Co., Ltd. (1.68), Labor Pension Fund Committee of Far Eastern New Century Corp. (1.67), Yuan Ding Investment Co., Ltd. (1.53), Far Eastern Department Stores Ltd. (1.41), Yuan Ze University (1.37), Chunghwa Post Co., Ltd. (1.35)
Asia Eastern University of Science and Technology	Asia Cement Corporation (50.00), Far Eastern New Century Corporation (50.00)
Far Eastern Medical Foundation	Y. Z. Hsu (76.90), He Zongyan (2.31), Wang Shu-peng (2.31), Hsu Wei Yuan (2.31), Huang Ying Chung (2.31), Douglas Tong Hsu (2.31), Laurence M. Yang (2.31), John Hsu (2.31), Johnny Shih (2.31), S.S. Hsu (2.31), Yu Wei San (2.31)
Far Eastern Memorial Foundation	Y. Z. Hsu (50.00), Hsu Yi Chu (50.00)
Yuan Ze University	U-Ming Marine Transport Corp. (55.21), Far Eastern Medical Foundation (26.05), Far Eastern New Century Corporation(Original from Far Eastern Textile Ltd.) (5.52), Fu Ming Transport Corp. (5.25), Far Eastern Memorial Foundation (4.91), Asia Cement Corporation (2.76), Connie Hsu (0.28), Y. Z. Hsu (0.10), Yu Chao-Chung (0.10)
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communication (100.00)
Far Eastern New Century Corporation	Asia Cement Corporation (23.77), Cathay/ MSCI Taiwan ESG Sustainability High Dividend Yield ETF (4.85), Asia Eastern University of Science and Technology (4.81), Yuanta/P-shares Taiwan Dividend Plus ETF (4.47), Far Eastern Medical Foundation (3.61), Far Eastern Memorial Foundation (3.42), , Yuan Ze University (2.74), Chunghwa Post Co., Ltd. (1.89) , Douglas Tong Hsu (1.71), Prter Hsu (1.13)
KGI Life	KGI Financial (100)
Yuan Ding Investment Corp.	Far Eastern New Century Corporation (100)
Far Eastern Department Stores Ltd	Far Eastern New Century Corporation (17.06), Yuan Ding Investment Corporation (6.88), Asia Cement Corporation, Yue Tung Investment Corp (5.62), Yuan Ze University (4.75), Yuanta Taiwan High Dividend Low Volatility ETF (3.70), Mega Bank Finance Department (3.29), HSBC as the custodian of Ghisallo Capital Management LLC Securities Trading Account (2.22) 、 Labor Pension Fund Committee of FEDS (2.11), Yu Yuan Investment Co., Ltd. (2.06)
U-Ming Marine Transport Corp	Asia Cement Corp. (39.25), Taiwan Cooperative Bank (1.49), Yuan Ding Investment Co., Ltd. (1.05), HSBC as the custodian of Mitsubishi UFJ's Morgan Stanley Securities Trading Account (1.01), Cathay Life Insurance (1.01), Yu Yuan Investment Co., Ltd. (0.94), Asia Investment Corp. (0.92), E. Sun Bank (0.84), Ya Li Transportation Corporation (0.75), Ding Shen Investment Co., Ltd. (0.73)

Data source : Department of Commerce, Ministry of Economic Affairs ; The companys' official website

1.1.4 Directors' Professional Qualifications and Independent Directors' Independence Status

Feb. 28, 2025

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies Which the Individual is Concurrently Serving as an Independent Director
Douglas Hsu	<p>- M.A. in Economics from Columbia University, USA.</p> <p>- More than 5 years of work experience in business and finance as well as work experience required for the Company's business.</p> <p>- Currently serves as the Chairman of the Company, Far Eastern New Century, Asia Cement Corporation, Oriental Union Chemical Corp., U-Ming Marine Transport Corporation, and Far Eastone Telecommunications, as well as the Vice Chairman of Far Eastern International Bank.</p>	<p>(1) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p> <p>(2) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(3) 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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof.</p> <p>(4) Not been a person of any conditions defined in Article 30 of the Company Law.</p> <p>(5) Not elected on behalf of a government agency or corporate or as a representative of these organizations as defined in Article 27 of the Company Act.</p>	0
Nancy Hsu	<p>- Bachelor in the Department of Fashion Design, Shih Chien University</p> <p>- More than 5 years of work experience in business and finance as well as work experience required for the Company's business.</p> <p>- Currently serves as the President of the Company, Chairman of Bai-Yang Investment Co., and Director of Far Eastern Ai Mai Co., Ltd.</p>	<p>(1) Not 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 a representative to serve as a director or supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act.</p> <p>(2) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p> <p>(3) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(4) 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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof.</p> <p>(5) Not been involved in any of the situations defined in Article 30 of the Company Act.</p>	0

Nicole Hsu	<p>- Bachelor of Fine Arts in Interior Design from New York School of Interior Design and Bachelor of Arts from Simmons University in Boston, Massachusetts, United States.</p> <p>- More than 5 years of work experience in business and finance as well as work experience required for the Company's business.</p> <p>- Formerly served as the Senior Designer of Saladino Group Inc. in New York.</p>	<p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the Company or any of its affiliates.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(4) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p> <p>(5) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(6) Not a director, supervisor, managerial officer, or shareholder with 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company.</p> <p>(7) 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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof.</p> <p>(8) Not been a person of any conditions defined in Article 30 of the Company Law.</p>	0
Philby Lee	<p>- Graduated from the Department of Accounting, Northern Arizona University, United States.</p> <p>- More than 5 years of work experience in business, finance, and accounting as well as work experience required for the Company's business; holds an accountant certificate in the United States.</p> <p>- Currently serves as the Chairman of Far Eastern Big City Shopping Mall Co., Ltd., CEO of Comprehensive Efficiency and Retail Planning Headquarters of Far Eastern Group, and Director of Yuanshi Digital Technology Co., Ltd.</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons mentioned in (1).</p> <p>(3) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p> <p>(4) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(5) 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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof.</p> <p>(6) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(7) Not been a person of any conditions defined in Article 30 of the Company Law.</p>	0

Chee Ching	<p>- Ph. D in Management Information System, Purdue University, USA</p> <p>- More than 5 years of work experience in business, finance, and accounting as well as work experience required for the Company's business; holds an accountant certificate in the United States.</p> <p>- Currently serves as the resident of Far Eastone Telecommunications Co., Ltd.; Chairwoman & President of Far Eastern Info Service (Holding) Ltd. ; Chairman of Arcoa Enterprise Co., Ltd. ; Director & President of New Century InfoComm Tech Co., Ltd.; Chairman of Yuanshi digital technology Co.,Ltd.; Director of FE SOGO; Chairman of FHNET; Chairman of IDEAWORKS Entertainment Co., Ltd.; Director of FETC; Director of Ding Ding Integrated Marketing Services.Ltd.; Director of FETC International Co. Ltd; Chairman of Nextlink Technology</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons mentioned in (1).</p> <p>(3) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p> <p>(4) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(5) 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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof.</p> <p>(6) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(7) Not been a person of any conditions defined in Article 30 of the Company Law.</p>	
Jin-lin Liang	<p>- M.A. in Mass Communication, University of Illinois, USA</p> <p>- More than 5 years of work experience in business, finance, and accounting as well as work experience required for the Company's business; holds an accountant certificate in the United States.</p> <p>- Currently serves as the consultant of Ding Ding Integrated Marketing Services Ltd; Director of Yuan Ding Tech-info (Shanghai) Ltd.</p>	<p>(1) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(2) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons mentioned in (1).</p> <p>(3) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p> <p>(4) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(5) 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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof.</p> <p>(6) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.</p> <p>(7) Not been a person of any conditions defined in Article 30 of the Company Law.</p>	

Edward Wei	<p>- MBA of University of Georgia, USA.</p> <p>- More than 5 years of work experience in business, finance, and accounting as well as work experience required for the Company's business; holds an accountant certificate.</p> <p>- Formerly served as the President of Deloitte & Touche, Director of Deloitte Touche Tohmatsu, Director of Deloitte China, Director of Child Welfare League Foundation, and Chairman of United Way of Taiwan.</p> <p>- Currently serves as the Company's Independent Director, Chairman of YCSY Co., Ltd., Director of Vanguard International Semiconductor Corporation (VIS), Director of MITAC Holdings Corp., Director of Iron Force Industrial Co., Ltd., Independent Director of Taita Chemical Co., Ltd., Independent Director of Cathay Financial Holdings Co., Ltd., Independent Director of Cathay United Bank, and Independent Director of Cathay Securities Corporation.</p>	<p>1. In compliance with Articles 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies:</p> <p>(1) Not an employee of the Company or any of its affiliates.</p> <p>(2) Not a director or supervisor of the Company or any of its affiliates.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or is ranked in the top 10 in shareholdings.</p> <p>(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer mentioned in (1) or any of the persons mentioned in (2) and (3).</p> <p>(5) Not 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 a representative to serve as a director or supervisor of the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act.</p> <p>(6) Not a director, supervisor, or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights.</p>	3
Dong Ding Yu	<p>- Ph.D. in Engineering from Stanford University, United States.</p> <p>- More than 5 years of work experience in business and finance as well as work experience required for the Company's business.</p> <p>- Formerly served as Assistant Professor at San Jose State University, United States and President of Elite Material Co., Ltd.</p> <p>- Currently serves as the Company's Independent Director, Chairmen of Elite Material Co., Ltd., and Director of New Asia Construction & Development Corporation.</p>	<p>(7) Not a director, supervisor, or employee of a company or institution with the same chairman of the board, president, or equivalent position as the Company, or a spouse thereof.</p> <p>(8) Not a director, supervisor, managerial officer, or shareholder with 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company.</p> <p>(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 any affiliate of the Company, or that provides commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof. However, this does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.</p> <p>2. Not a spouse or relative within the second degree of kinship of any other director of the Company.</p> <p>3. Not been a person of any conditions defined in Article 30 of the Company Law.</p> <p>4. Not elected on behalf of a government agency or corporate or as a representative of these organizations as defined in Article 27 of the Company Act.</p>	0

Susan S. Chang	<p>- Master in Dept. of Economics, National Taiwan University</p> <p>- More than 5 years of work experience in business and finance as well as work experience required for the Company's business.</p> <p>- Formerly served as Independent Director of Far Eastern Int'l Bank; Chairman of Bank of Taiwan and Taiwan Financial Holdings; Vice Chairperson of Financial Supervisory Commission; Administrative Deputy Minister of Ministry of Finance; Director General of National Treasury Administration, Ministry of Finance; Vice Commissioner of Bureau of Monetary Affairs; Deputy Chief of Dept. of Monetary Affairs; Deputy Director of Economic Research Dept., Council for Economic Planning And Development, Executive Yuan</p> <p>-Currently serves as the Company's Independent Director; Director of Jinniu Jin Business Co., Ltd.; Director, of Grace Technology Co., Ltd.; Supervisor of Entie Tech-engineering Co., Ltd</p>		
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1.1.5. Diversity and Independence of Board of Directors

(1) Diversity of the Board of Directors:

1. The Company has established the "Corporate Governance Principles", and the "Enhancing the Function of Board of Directors" chapter therein provides guidance on the diversity of the Board of Directors.
2. The Company adopts a candidate nomination system for the nomination and election of members of the Board of Directors. In addition to consulting the opinions of Independent Directors, the academic qualifications and professional experience of each candidate are also evaluated. The Company complies with the "Election Procedures of Directors and Supervisors" and the "Corporate Governance Principles" to ensure that diversity, independence, and stakeholders' opinions are taken into consideration.
3. Members of the Company's 20th Board of Directors (including 3 male directors and 6 female directors) highly specialize in business management, leadership, decision-making, and knowledge of related industries and also have education backgrounds in economics, accounting, finance, sales, diplomacy, engineering, and management. Independent Directors account for 33%; the target percentage of female directors is at least 20%, and currently there are 6 female directors, accounting for 67%.
4. The performance evaluation of the Board of Directors is conducted every year in order to ensure that its members have diverse backgrounds and qualifications. The implementation of the diversity policy is as follows:

Diversity Core Item Name	Gender	Age	Judgement on operations	Accounting and finance	Business management	Crisis management	Industry knowledge	International market perspective	Decision-making Leadership
Douglas Hsu	M	Over 70	V	V	V	V	V	V	V
Nancy Hsu	F	Over 70	V	V	V	V	V	V	V
Nicole Hsu	F	50-60	V	※	V	V	V	V	V
Philby Lee	F	60-70	V	V	V	V	V	V	V
Chee Ching	F	60-70	V	V	V	V	V	V	V
Jin-lin Liang	F	60-70	V	V	V	V	V	V	V

Edward Wei	M	Over 70	V	V	V	V	V	V	V
Dong, Ding Yu	M	60-70	V	V	V	V	V	V	V
Susan S. Chang	F0	Over 70	V	V	V	V	V	V	V

※ Indicates partial ability.

Among the 3 Independent Directors, one have served a total term of office of 12 years, one has served more than 4 years, and one has served under 3 years.

(2) Independence of the Board of Directors:

Currently the Company's Board of Directors has a total of nine Directors, including three Independent Directors (accounting for 33%).

The three Independent Directors all comply with Articles 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and are not involved in any of the situations defined in Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act, including the restriction on the spousal relationship or familial relationship within the second degree of kinship among the directors. The Company's Board of Directors is independent (please refer to Page16 – Page20 of this Annual Report—Professional Qualifications of Directors and Disclosure of Independence of Independent Directors), and the Directors have different academic backgrounds, genders, and professional experience (please refer to Page12 – Page14 of this Annual Report—Director Information).

1.2 President, Vice President, Junior Vice President, and Managers of Departments and Branches

Dec. 31, 2024

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouses & minor children		Curriculum vitae	Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%			Title	Name	Relation
President	R.O.C.	Nancy Hsu	F	Jun. 2, 2006	1,173,788	0.08	228,927	0.02	Fashion Design, Shih Chien University, Taiwan	Chairman of Bai Yang Investment Co., Ltd.; Director of Far Eastern Ai Mai Co., Ltd.	-	-	-
Vice President, Administration Division	R.O.C.	James Tang	M	Oct. 1, 2013	169	0.00	0	0.00	Master, Laws, Soochow University, Taiwan, Master, Finance, University of Leicester , U.K Master, Laws, London School of Economics and Political Science , U.K	Chairman of Ding Shen Investment Co., Ltd., Director of Zhubei New Century Shopping Mall and Far Eastern International Leasing Corp.	-	-	-
Vice President, Operation Division	R.O.C.	Chang-Li Lin	M	Jul. 1, 2015	0	0.00	0	0.00	Fine Arts, National Taiwan Normal University, Taiwan	Director of Far Eastern City Super Co., Ltd.; Chairman of Zhubei New Century Shopping Mall	-	-	-
Vice President, Lifestyle Merchandise Division	R.O.C.	Rebecca Chan	F	Feb. 11, 2025	6,252	0.00	0	0.00	Master, Business Administration, University of South Australia , AU	-	-	-	-
Vice President, Lifestyle Merchandise Division	R.O.C.	Peter Chen	M	Feb. 11, 2025	2,132	0.00	0	0.00	Executive Master of Business Administration, National Tsing Hua University, Taiwan	-	-	-	-
Junior Vice President, Accounting Dept.	R.O.C.	Lily Y. T. Liu	F	Sep. 1, 2011	0	0.00	0	0.00	Master, Accounting, National Taipei University, Taiwan	Director of Chongqing FEDS Co., Ltd.; Supervisor of Far Eastern International Leasing Corporation	Junior Vice President,	Anita Wang	The in-laws
Junior Vice President, Top City Taichung Store	R.O.C.	Cho-Cheng Lan	M	Dec. 1, 2011	5,192	0.00	0	0.00	International Business, Tunghai University, Taiwan MBA Program, Yuan Ze University, Taiwan	-	-	-	-
Junior Vice President, Mega City Banqiao Store	R.O.C.	Chih-Yao Shih	M	Jan. 15, 2014	137	0.00	0	0.00	Master, Business Administration, Saint John's University, U.S.A.	-	-	-	-

Title	Nationality	Name	Gender	Date effective	Shareholding		Shareholding of spouses & minor children		Curriculum vitae	Positions in other companies	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%			Title	Name	Relation
Junior Vice President, Auditor Office	R.O.C.	Hwa-Ling Hsu	F	Aug. 12, 2014	0	0.00	0	0.00	Master, Business Administration, Yuan Ze University, Taiwan	-	-	-	-
Junior Vice President, Taoyuan Store	R.O.C.	Tian-Zuo Jiang	M	Jul. 13, 2015	563	0.00	0	0.00	Economy, Fu Jen Catholic University, Taiwan	-	-	-	-
Junior Vice President, Zhubei Store	R.O.C.	Wei-Hsing Hsu	M	Jan. 10, 2018	2,040	0.00	3,040	0.00	Business Administration, Chinese Culture University, Taiwan	-	-	-	-
Junior Vice President, Home Electrical Appliances Dept.	R.O.C.	Sophia Yu	F	Sep. 27, 2019	5,463	0.00	0	0.00	National Chao-chou Senior High School, Taiwan	-	-	-	-
Junior Vice President, Construction Dept.	R.O.C.	Jack Chang	M	Feb. 1, 2023	0	0.00	0	0.00	Dept. of Civil Engineering, Vanung University	-	-	-	-
Junior Vice President, Business Analysis Dept.	R.O.C.	Anita Wang	F	Jun. 14, 2023	0	0.00	0	0.00	Dept. of Public Policy and Administration, National Chi Nan University	-	Junior Vice President,	Lily Y. T. Liu	The in-laws
Junior Vice President, Omni Channel Dept.	R.O.C.	Benny Lu	M	Sep. 30, 2024	0	0.00	0	0.00	MBA, Yuan Ze University	-	-	-	-
Manager, Finance Dept.	R.O.C.	Carol Lee	F	Nov. 12, 2024	0	0.00	0	0.00	Finance Dept. Natioanl TaiwanUniversity MBA, Columbia University USA	-	-	-	-

Note 1: No President, Vice President, or Senior Vice President of the Company have shares held in the name of other persons.

Note 2: The Company neither issue employee stock options nor employee restricted stock options.

Note 3: Cases of the Company's Chairman and President being the same person, spouses, or relatives within the first degree of kinship: N/A.

2. Remuneration of Directors, President, and Vice Presidents

Remuneration Paid to Directors and Independent Directors

December 31, 2023 Unit: NT\$ thousand

Title	Name	Remuneration								Ratio of total remuneration (I+II+III+IV) over net income		Relevant compensation received by directors who are also employees								Ratio of total remuneration (I+II+III+IV+V+VI+VII) to net income Operating Allowances		Remuneration paid to Directors from an invested company other than the Company's subsidiary	
		Base Remuneration (I)		Severance Pay and Pension (II)		Directors' remuneration from distribution of earnings (III)		Operating Allowances (IV)				Base Remuneration (V)		Severance Pay and Pension (VI)		Directors' remuneration from distribution of earnings (VII)							
		A	B	A	B	A	B	A	B	A	B	A	B	A	B	A		B		A	B		
																		Cash	Stock	Cash	Stock		
Chairman	Douglas Tong Hsu	0	0	0	0	20,841	20,841	72	72	20,913 0.90%	20,913 0.90%	2,154	21,214	0	0	0	0	0	0	23,067 0.99%	42,127 1.81%	53,885	
Director	Representative of Ding&Ding Management Consultants Co., Ltd: Nancy Hsu	0	0	0	0	16,981	16,981	72	72	17,053 0.73%	17,053 0.73%	6,708	6,708	0	0	827	0	827	0	24,588 1.06%	24,588 1.06%	24	
	Representative of Far Eastern New Century Corporation: Nicole Hsu																					8,000	
	Representative of Yuli Investments Corporation: Philby Lee	0	0	0	0	21,613	24,373	216	226	21,829 0.94%	24,659 1.06%	0	0	0	0	0	0	0	0	21,829 0.94%	24,659 1.06%		
	Chee Ching																						
	Jin-lin Liang																						
Independe nt Director	Edward Wei																					0	
	Eugene You-Hsin Chien	0	0	0	0	9,262	9,262	358	358	9,620 0.41%	9,620 0.41%	0	0	0	0	0	0	0	0	9,620 0.41%	9,620 0.41%		
	Dong, Ding Yu																						
	Susan S. Chang																						

* Please disclose the remuneration policy, system, standard, and composition for determining independent directors' remuneration, and the correlation between duties, risk, and time input with the amount of remuneration.

The Company's remuneration to directors includes directors' compensation and fees for executing business. Directors' compensation follows the Company's Articles of Incorporation. The Company shall set aside annual profit, if any, not more than 2.5 percent as directors' compensation. The actual percentage and amount of directors' compensation will be decided by the Board of Directors considering factors such as the responsibilities, time spent, performance evaluation, operating result of the Company and future business risks, and reported to the shareholders' meeting. Fees for executing business are mainly transportation expenses for presenting at the Board of Directors meeting. Additional attendance fee for presenting at the functional committee will be reimbursed to independent directors. All reimbursements are decided to be reasonable with reference to industry practice and standards of other listed companies.

In addition to the information disclosed in the table above, remuneration received by the Company's directors for their services (such as serving as a non-employee consultant to the parent company/all companies in the financial report/investees) in the most recent fiscal year: None.

* The remuneration from 2024 distribution of earnings is proposed amount, not actual payment amount yet.

Note A: The Company. Note B: Companies in the consolidated financial statement.

Range of Director Remuneration Chart

Range of Compensation	Name of Directors			
	Total of (I+II+III+IV)		Total of (I+II+III+IV+V+VI+VII)	
	The Company	Companies in the consolidated financial statement	The Company	Parent company and all Affiliated Company
Under NT\$1,000,000	Susan S. Chang Representative of Asia Cement Corporation: Chee Ching Representative of Yuli Investments Corporation: Jin-lin Liang	Susan S. Chang Representative of Yuli Investments Corporation: Jin-lin Liang	Susan S. Chang Representative of Asia Cement Corporation: Chee Ching Representative of Yuli Investments Corporation: Jin-lin Liang	Susan S. Chang
NT\$1,000,000 ~ NT\$1,999,999	-	Representative of Asia Cement Corporation: Chee Ching	-	Representative of Asia Cement Corporation: Chee Ching
NT\$2,000,000 ~ NT\$3,499,999	Edward Wei, Eugene You-Hsin Chien Dong, Ding Yu	Edward Wei, Eugene You-Hsin Chien Dong, Ding Yu	Edward Wei, Eugene You-Hsin Chien Dong, Ding Yu	Edward Wei, Eugene You-Hsin Chien Dong, Ding Yu
NT\$3,500,000 ~ NT\$4,999,999				
NT\$5,000,000 ~ NT\$9,999,999	-	-	-	Representative of Yuli Investments Corporation: Jin-lin Liang
NT\$10,000,000 ~ NT\$14,999,999	Representative of Far Eastern New Century Corporation: Nicole Hsu and Philby Lee	Representative of Far Eastern New Century Corporation: Nicole Hsu and Philby Lee	Representative of Far Eastern New Century Corporation: Nicole Hsu and Philby Lee	Representative of Far Eastern New Century Corporation: Nicole Hsu and Philby Lee
NT\$15,000,000 ~ NT\$29,999,999	Douglas Tong Hsu Representative of Ding&Ding Management Consultants Co., Ltd: Nancy Hsu	Douglas Tong Hsu Representative of Ding&Ding Management Consultants Co., Ltd: Nancy Hsu	Douglas Tong Hsu Representative of Ding&Ding Management Consultants Co., Ltd: Nancy Hsu	Representative of Ding&Ding Management Consultants Co., Ltd: Nancy Hsu
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	Douglas Tong Hsu
NT\$100,000,000 and over	-	-	-	-
Total	10	10	10	10

Compensation Paid to President and Vice Presidents

December 31, 2023 Unit: NT\$ thousands

December 31, 2023 Unit: NT\$ thousands														
Title	Name	Salary (I)		Severance Pay and Pension (II)		Compensation and Allowances (III)		Employees' compensation from distribution of earnings (IV)				Ratio of total remuneration (I+II+III+IV) to net income		Compensation Received from Non-consolidated Affiliates or Parent Company
		The Company	Companies in the consolidated financial statement	The Company	Companies in the consolidated financial statement	The Company	Companies in the consolidated financial statement	The Company		Companies in the consolidated financial statement		The Company	Companies in the consolidated financial statement	
								Cash	Stock	Cash	Stock			
President	Nancy Hsu	13,356	14,143	324	324	24,986	24,986	2,272	0	2,272	0	40,938 1.76%	41,725 1.79%	138
Vice President	Chris Liu													
	James Tang													
	Chang-Li Lin													

* No severance and pension were actually paid this year. The amount listed are the company's contribution to employee's pension account, not actual amount paid.

* Compensation paid to president's driver is NT\$931 thousand.

Range of remuneration for the President and Vice Presidents

Range of Compensation	Name of Presidents and Vice Presidents	
	The Company	Parent company and all Affiliated Company
Under NT\$1,000,000	-	-
NT\$1,000,000 ~ NT\$1,999,999	-	-
NT\$2,000,000 ~ NT\$3,499,999	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-
NT\$5,000,000 ~ NT\$9,999,999	Chris Liu	Chris Liu
NT\$10,000,000 ~ NT\$14,999,999	Nancy Hsu, James Tang, Chang-Li Lin	Nancy Hsu, James Tang, Chang-Li Lin
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
NT\$100,000,000 and over	-	-
Total	4	4

Compensation Paid to Managers

December 31, 2024 Unit: NT\$ thousands

Title	Name	Employee Compensation-in Stock	Employee Compensation-in Cash	Total	Ratio of Total Amount to Net Income (%)
President	Nancy Hsu	0	5,731	5,731	0.25
Vice President, Merchandise Division	Chris Liu				
Vice President, Administration Division	James Tang				
Vice President, Operation Division	Chang-Li Lin				
Junior Vice President, Construction Dept.	Jack Chang				
Junior Vice President, Accounting Dept.	Lily Y. T. Liu				
Junior Vice President, Top City Taichung Store	Cho-Cheng Lan				
Junior Vice President, Food & Beverage Dept.	Peter Chen				
Junior Vice President, Mega City Bangqiao Store	Chih-Yao Shih				
Junior Vice President, Auditor Office	Hwa-Ling Hsu				
Junior Vice President, Taoyuan Store	Tian-Zuo Jiang				
Junior Vice President, Luxury Brands Dept.	Rebecca Chan				
Junior Vice President, Zhubei Store	Wei- Hsing Hsu				
Junior Vice President, Women's Fashion Dept.	Shawn Cheng				
Junior Vice President, Home Electrical Appliances Dept.	Sophia Yu				
Junior Vice President, Business Analysis Dept.	Anita Wang				
Junior Vice President, Omni Channel Dept.	Benny Lu				
Manager Finance Dept	Carol Lee				

Note: Proposed amount of remuneration of 2023 earnings distribution.

Employees' Compensation Paid to Top 10 Employee

Unit: NT\$ thousands

Title	Name	Stock Dividend	Cash Dividend	Total Amount
President	Nancy Hsu	0	4,037	4,037
Vice Presidents	Chris Liu			
	James Tang			
	Chang-Li Lin			
	Lily L. Y. Liu			
Junior Vice Presidents	Cho-Cheng Lan			
	Peter Chen			
	Chih-Yao Shih			
	Rebecca Chan			
	Wei- Hsing Hsu			

Note: Proposed amount of remuneration of 2024 earnings distribution.

The remunerations to directors, presidents, and vice presidents

- (1) Analysis of the ratio of remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors, president, and vice presidents of the Company to the net profit after taxes:

The ratio of remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two fiscal years to directors, president, and vice presidents of the Company for 2024 to the net profit after taxes are 4.74% and 4.90%, respectively. In 2023, the remuneration paid to directors, presidents and vice-presidents accounted for 4.32% and 4.37% of the net profit after tax, respectively.

- (2) Explain the relevance of remuneration policies, standards and combinations, procedures for determining remuneration and business performance.

- (A) Description of the policy, standard and combination of remuneration:

The remuneration paid to directors by the Company is in accordance with Article 27 of the Company's Articles of Incorporation. If the Company makes a profit during the year, no more than 2.5% shall be allocated as director remuneration. The ratio and amount of the actual distribution of director remuneration shall be determined by the Board of Directors considering its performance evaluation, the Company's operating results, targets achievements, future operating risks and other factors, and shall be reported to the shareholders meeting. In addition, business execution costs are mainly based on transportation fees, which are formulated with reference to the payment standards of relevant peers and listed companies.

The manager remuneration paid by the Company is divided into salaries, retirement pensions, bonuses and special expenses, plus employee remunerations, totaling four items. Among them, employee remuneration is handled in accordance with the Company's Articles of Incorporation, and the actual distribution rate, amount, and method are determined by the Board of Directors, and reported to the shareholders meeting. The overall remuneration package is based on the job title, with reference to the usual level of payment in the industry, and considering the reasonableness of the relationship with personal performance, company's operating performance including revenue growth, profit growth, or profit contribution, and future risks, and formulating incentive remuneration policies that can reasonably reflect performance.

In order to motivate senior managers to pay attention to long-term comprehensive performance to achieve sustainable operations and ensure the company's commitment to sustainable development and long-term value creation, remuneration will be linked to ESG-related performance evaluation indicators.

a. Target : Senior managers, President and Vice Presidents

b. Short-term goal :

- Strengthen the connection between remuneration and sustainable performance, include senior managers as targets of implementation.
- Linking departments' KPIs to the net zero target: Evaluate and develop linking projects and proportions

c. Long-term goal :

- Strengthen the link between compensation and sustainable performance and extend the scope to supervisory-level personnel.
- Develop net-zero targets and to be the personal KPI.

- d. Sustainable development of senior managers KPIs are as follow

Major KPIs	
Annual performance (70%) (Long-term)	1. Financial performance and cost control 2. Risk management execution 3. Internal control, integrity and fraud prevention, and legal compliance and implementation 4. Adaptation strategies to internal and external environments and specific actions to promote net zero 5. Evaluate operational expansion opportunities and pursue growth
Sustainable development (30%) (Short-term)	1. Compliance 2. Climate risk management and driving net zero 3. Give full play to the core values of the group (sincerity, diligence, simplicity, prudence, innovation) 4. Continuously communicate with stakeholders 5. Talent development and occupational safety and health promotion

In order to comply with the company's sustainable operation and development goals, the performance evaluation items of the company's senior managers and managers are linked to ESG-related indicators, including the ability to make decisions and debate in response to market and industrial and economic changes, the ability to lead changes, the coordination ability of internal and external stakeholders, talent cultivation and innovation capabilities, etc. The relevant performance evaluation indicators linked to sustainable operation and development are listed in the table below.

KPIs related Sustainable development(Short-term)		
President	Sustainable development (50%)	1. Decision-making, judgment and crisis management capabilities (14%) 2. Competitive and innovative spirit and ability (8%) 3. Concrete actions to manage climate risk and drive net zero (8%) 4. Team talent and successor training (8%) 5. Ability to lead change (6%) 6. Coordination ability of internal and external stakeholders (6%)
Vice President	Sustainable development (40%)	1. Adaptability to changes in the market political and economic environment (10%) 2. Strategic decision-making ability (5%) 3. Ability to lead change (5%) 4. Plan talent cultivation (5%) 5. Establish team mission and achieve goals

		(5%) 6. Develop innovation capabilities (5%) 7. Occupational safety and health promotion (5%)
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The remuneration committee regularly (once a year) evaluates and reviews the salary and remuneration policies, systems, standards and structures of directors and managers, and submits recommendations to the board of directors for discussion in order to strike a balance between the company's sustainable operations and risk control.

(B) Procedures for stipulating remuneration:

Set up a Remuneration Committee in accordance with the law, take into account the standards of relevant peers and listed companies, convene meetings to evaluate and determine the salary and remuneration of directors and managers, and submit the suggestions to the Board of Directors for discussion. If the Board of Directors resolutions reject or modify the committee's recommendations, it should be specifically stated, but if the Board of Directors resolution has a higher salary than the committee's recommendation, the relevant announcement and declaration shall be handled in accordance with the committee's organizational rules.

(C) Relevance to business performance:

Business performance directly affects remuneration.

(D) Relevance to future risks:

Operational performance and remuneration are based on systematic operation to avoid the risks of human operation and ensure the overall interests of the enterprise.

3. Corporate Governance

3.1. Board of Directors

Total 6 meetings (A) were convened by the Board of Directors from 2024 up to the Annual Report being published. Attendance of each Director is as follows:

Title	Name		Attendance in person (B)	Attendance by proxy	Meetings during the term of office (A)	Attendance rate (%) (B/A)	Remarks
Chairman	Douglas Tong Hsu		6	0	6	100	-
Director	Ding Ding Management Consultant Corp.	Nancy Hsu	6	0	6	100	-
	Far Eastern New Century Corporation	Nicole Hsu	6	0	6	100	-
	Far Eastern New Century Corporation	Philby Lee	6	0	6	100	-
	Asia Cement Corporation	Chee Ching	3	1	4	75	Incoming from June 18, 2024
	Yuli Investment Corporation	Jin-lin Liang	4	0	4	100	Incoming from June 18, 2024
Independent Director	Edward Wei		6	0	6	100	-
	Eugene You-Hsin Chien		2	0	2	100	Resign from June 18, 2024
	Dong, Ding Yu		4	2	6	67	-
	Susan S. Chang		4	0	4	100	Incoming from June 18, 2024

Other required disclosure:

(1) In the event of any of the following situations related to Board operations, specify the date of the Board meeting, term, motion content, opinions of all independent directors, and the Company's response to the independent directors' opinions: N/A.

(A) Any circumstance described in Article 14-3 of the Securities and Exchange Act: Not applicable since The Company has established the Audit Committee.

(B) Except for the matters above, other resolutions adopted by the Board of Directors to which an independent director has a dissenting or qualified opinion that is on record or stated in a written statement: N/A.

(2) Specify the name of directors, agenda item, reason for recusal, and participation in voting by directors who recused themselves from agenda items in which they had a conflict of interest: None.

(3) Targets and measures of this and previous years established to improve the functionality of the Board of Directors and their execution results (for instance, the establishment of the audit committee, the improvement of information disclosure, etc.):

(A) The Company elected its Independent Directors in 2012 of which their independence and professionalism not only provides objective opinions on company matters but also elevates business operations and protects shareholders' equity. In addition, during the re-election of Directors in 2015, the Audit Committee was established, strengthening corporate governance.

(B) The Company has established methods for assessing the performance of the Board of Directors, including annual internal evaluations, and once every three years external professional independent organization or experts to perform evaluation. The evaluation results are used as reference for remuneration and re-election nomination. In addition, every important resolution of the Board of Directors is announced and published on the Company's website, and liability insurance is purchased for the Directors to enhance the transparency of information regarding the operations of the Company, and protect the rights and interests of shareholders.

(4) TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation,				
Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation content
Once a year	7/27/2023 to 6/17/2024	Performance evaluation of the Board of Directors, individual directors, the Audit Committee and Remuneration Committee	Internal self-evaluation of the Board of Directors, self-evaluation of directors, internal self-evaluation of the Audit Committee and Remuneration Committee	<ol style="list-style-type: none"> 1. Self-evaluation by Board members: Focus on the six major aspects of the Company's goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuous education, and internal control. 2. Performance Evaluation of the Board of Directors: Focusing on the five major aspects of the Board's participation in the Company's operations, improving the quality of board decisions, the composition and structure of the Board, the selection and continuing education of directors, and internal controls. 3. Performance Evaluation of the Audit Committee: Aimed at the five major aspects of the Audit Committee's participation in the Company's operations, awareness of the Audit Committee's responsibilities, improvement of the Audit Committee's decision-making quality, Audit Committee composition and member selection, and internal controls. 4. Performance Evaluation of the Remuneration Committee: Focusing on the five major aspects of the Remuneration Committee's participation in the Company's operations, the recognition of the compensation committee's responsibilities, the improvement of the decision-making quality of the compensation committee, the composition of the compensation committee, the selection of members, and internal controls.
<p>evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors:</p> <p>Note : To implement corporate governance and enhance the functions of the Board of Directors, the Company carries out an evaluation by an external professional independent institutes or external expert scholar teams at least once every three years in accordance with the "Rules for Performance Evaluation of the Board".</p> <p>FEDS has entrusted the EY Corporate Management Consulting Services to conduct an external performance evaluation in 2024, and the evaluation results have been reported to the board of directors in the first quarter of 2025 and disclosed on the company's official website. An internal board of directors performance evaluation is carried out every year, and the evaluation results are reported to the board of directors in the first quarter of 2025 and disclosed on the company's official website.</p>				

3.2 Audit Committee

3.2.1 Responsibilities of the Audit Committee

The Audit Committee should consists of all independent directors and meets at least once a quarter. The Audit Committee is responsible to review the following major matters.

1. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control systems.
3. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
4. A matter bearing on the personal interest of a director.
5. Material asset or derivatives transaction.
6. Material lending funds, endorsement, or guarantees.
7. Offering, issuance, or private placement of any equity-type securities.
8. Hiring or dismissal of an attesting CPA, or the compensation given thereto.
9. Appointment or discharge of a financial, accounting, or internal auditing officers.
10. Annual financial reports and semi-annual financial reports.
11. Any other material matter so required by the Company or the competent authority.

◆ Audit of Financial Reporting

The Board of Directors has submitted the Company's 2024 Business Report, financial statements, and distribution of earnings. CPAs Leon Huang and Eddie Shao from Deloitte Taiwan have audited the Company's financial statements and prepared an audit report. The Audit Committee has audited the aforementioned business report, financial statements, and distribution of earnings and found them to be in order.

◆ Appointment of CPAs

The independence and adequacy of CPAs have been evaluated by the Audit Committee and Board of Directors on March 4, 2025. The CPAs have no relations of interests nor kinship with the Company, and maintained an impartial and objective attitude while providing professional service. In addition, the CPAs had their adequacy evaluated according to the Audit Quality Indicators (AQIs), and received a disinterested and independent written statement produced by the certifying accounting firm compliant with the regulations of independence and adequacy.

3.2.2 Audit Committee

The company has already set up an Audit Committee according to the law to strengthen corporate governance in 2015 board election.

Holding 5 times (A) of Audit Committee Meetings, the attendance status of Independent Directors from Jan. 1, 2024 up to the Annual Report being published:

Title	Name	Attendance in Person (B)	By Proxy	Meetings during their term of office (A)	Attendance Rate (%) (B/A)	Remarks
Independent Director	Edward Wei	5	0	5	100	-
Independent Director	Eugene You-Hsin Chien	2	0	2	100	Resign from June 18, 2024

Independent Director	Dong, Ding Yu	3	2	5	60	-
Independent Director	Susan S. Chang	3	0	3	100	Incoming from June 18, 2024

Other required disclosure:

(1). If any of below listed-circumstances of operation of Audit Committee Meetings, it's necessary to be disclosed, including dates of Audit Committee meetings, sessions, the contents of motions, all independent opinions from Audit Committee members and the Company's response to Audit Committee's opinions :

A. Any circumstance described in Article 14-5 of the Securities and Exchange Act:

Meeting Date (Term)	Important resolutions	Resolution results and the Company's response to the Audit Committee's opinions
11th Meeting of the 3rd Term, (Mar. 1, 2024)	<ol style="list-style-type: none"> 1. Approved the Company's 2023 consolidated financial statements and individual financial statements. 2. Approved the Company's 2023 distribution of earnings proposal. 3. Approved the Company's audit reports. 4. Approved the Company's 2023 Statement on Internal Control System. 5. Approved the amendment to the Company's "Meeting Rules of Board of Directors". 6. Approved the amendment to the Company's "Audit Committee Charter". 	<p>Approved by all presented committee members and submitted to the Board of Directors.</p> <p>Approved by all Directors present with no dissenting opinion expressed.</p>
12th Meeting of the 3rd Term, (May 8, 2024)	<ol style="list-style-type: none"> 1. Approved the Company's 2024 1st. quarter financial report 2. Approved the Company's 2023 business report. 3. Approved the Company's audit reports. 	
1st Meeting of the 4rd Term, (Aug 9, 2024)	<ol style="list-style-type: none"> 1. Approved the Company's 2024 2nd. quarter financial report 2. Approved the Company's audit reports. 3. Approved the Company's "Risk Management Policy". 4. Approved the Company's "Sustainability report compilation and assurance procedure" 	
2nd Meeting of the 4rd Term, (Nov 12, 2024)	<ol style="list-style-type: none"> 1. Approved the Company's 2024 3rd. quarter financial report 2. Approved the Company's audit reports. 3. Approved the Company's 2025 audit plan. 4. Approved the amendment of internal control System and Internal Audit Implementation Rules 5. Approved the amendment of Rules Governing Financial and Business Matters Between this Corporation and its Related Parties 6. Approved the change of Financial Officer 	
3rd Meeting of the 4rd Term, (Mar 4, 2025)	<ol style="list-style-type: none"> 1. Approved the Company's 2023 consolidated financial statements and individual financial statements. 2. Approved the Company's 2023 distribution of earnings proposal. 3. Approved the change of auditing CPA from Deloitte & Touch since 2025 1st quarter. 4. Approved the Company's audit reports 5. Approved the Company's 2024 "Statement on Internal Control System". 	

The 12th meeting of the 3rd Audit Committee on May 8, 2024 The 12th meeting of the 19th Board of Directors on May 8, 2024	<ul style="list-style-type: none"> Audit Report for the 1st quarter of 2024 	publicly announced on schedule and reported to the securities authority.
The 1st meeting of the 4rd Audit Committee on Aug 9, 2024 The 2nd meeting of the 20th Board of Directors on Aug 9, 2024	<ul style="list-style-type: none"> Audit Report for the 2st quarter of 2024 	
The 2nd meeting of the 4rd Audit Committee on Nov 12, 2024 The 3rd meeting of the 20th Board of Directors on Nov 12, 2024	<ul style="list-style-type: none"> Audit Report for the 3rd quarter of 2024 2025 Auditing Plan Amendment of internal control System Amendment of Internal Audit Implementation Rules 	
The 3rd meeting of the 4rd Audit Committee on Mar. 4, 2025 The 4th meeting of the 20th Board of Directors on Mar. 4, 2025	<ul style="list-style-type: none"> Audit Report for the 4th quarter of 2024 2024 Internal Control Statement 	

3.2.3 Communication outlines of Supervisors with the Board of Directors: Not applicable. The Company has set up an Audit Committee according to the law to strengthen corporate governance in its 2015 board election.

3.3 Corporate Governance Execution Results and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons
	Yes	No	Summary	
1. Does the Company abide by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies when establishing and disclosing its Corporate Governance Best Practice Principles?	V		The Company has established Corporate Governance Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies". The Company has implemented these principles and disclosed them on the corporate website and the Market Observation Post System (MOPS).	No material difference.
2. Shareholding structure and shareholders' equity of the Company				
(1) Does the Company have the internal operating procedure for handling shareholders' suggestions, questions, disputes, or legal action in place and abide by it?	V		The Company has established Corporate Governance Principles, with a specific chapter titled "Protection of Shareholders' Rights and Interests". Based on the Principles, the Company appointed a spokesperson, acting spokesperson, and the stock affairs agent "Oriental Securities Corporation" to handle suggestions or questions from shareholders to protect shareholders' rights and interests. In cases of disputes and lawsuits, the Company will hire lawyers to provide assistance depending on the situation.	No material difference.
(2) Does the Company possess a list of major shareholders and a list of ultimate owners of these major shareholders?	V		Through its stock affairs agency, the Company keeps abreast of the list of major shareholders with actual control over the Company and the ultimate controllers of major shareholders, and reports any relevant changes in accordance with the "Rules Governing Information Reporting by Companies with TPEX Listed Securities"	No material difference.
(3) Does the Company have a risk management mechanism and "firewall" against its affiliates in place or implement it?	V		The financial and business operations between the Company and the affiliated companies have established written regulations, and clearly set the price conditions and payment methods to eliminate unconventional transactions and reduce operating risks. In addition to formulating the "Subsidiary Supervision and Management Measures", the Company also formulated the "Procedures for Extending Loans to Others", "Procedures for Endorsements and Guarantees", "Procedures for the Acquisition or Disposal of Assets" and "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties ", and other measures to establish risk management mechanisms and firewalls for personnel, assets, and finances between the Company and affiliated companies.	No material difference.

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons
	Yes	No	Summary	
(4) Does the Company have internal regulations in place to prevent its people from trading securities based on information yet to be public on the market?	V		<p>The Company has established the "Procedures for Handling Material Inside Information", "Code of Ethics", and "Ethical Corporate Management Best Practice Principles", which stipulate that insiders of the Company may not use undisclosed information to purchase or sell securities. Such procedures and principles are announced to all Directors, management, and employees and disclosed on the corporate website (http://www.feds.com.tw) for all Company personnel to comply with so as to prevent violations or insider trading and promote the following:</p> <ol style="list-style-type: none"> 1. Insiders such as newly appointed directors and managers shall be given both the "Procedures for Applying for Handling Material Inside Information" and the latest edition of the "Regulations and Directions Governing Insiders' Equity at TWSE Listed Companies" compiled by TWSE for insiders to comply with. 2. The Company conducts irregular management training on the "Procedures of Applying for Handling Material Inside Information of the Company" and other law and regulations prohibiting Company insiders from using undisclosed information to trade securities. 3. Newly appointed managers and employees shall sign confidentiality agreements, and the Company shall inform them of the "Procedures of Applying for Handling Material Inside Information of the Company". 4. On the date of notifying the holding of Board meeting, the Company will remind directors that they are not allowed to trade their shares during the lock-up periods of 30 days prior to the announcement of annual financial report and 15 days prior to the announcement of quarterly financial report in order to avoid directors violating this regulation by mistake. 5. The implementation status is disclosed on the corporate website. <p>2024 status:</p> <ol style="list-style-type: none"> I. Regular publicity: Promote the relevant equity declaration regulations to insiders every quarter in 2024, which is 4 times that year. II. Training courses: <ol style="list-style-type: none"> (1) A total of 2 sessions were held on July 3 and November 27, 2024, which were "Corporate Governance Lecture". Place: Lecture Hall on the 36F of The Mall. Target: Directors and employees of the company. (2) On November 29, 2024, the "2024 Legal Compliance Promotion Briefing on Insider Equity Transactions" was held in the company's conference room to promote insider trading and other legal compliance to employees. 	No material difference.
3. Composition and Responsibilities of the Board of Directors				

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons
	Yes	No	Summary	
(1) Does the Board of Directors establish and consolidate the diversification policy for its composition?	V		<p>The nomination and election of Board members are carried out by way of candidate nomination, with reference to the opinions of independent directors and the curriculum vitae of each member. The nomination and election are also carried out in compliance with the "Election Procedures of Directors and Supervisors" and the "Corporate Governance Principles" to ensure that diversity, independence, and stakeholders' opinions are taken into consideration.</p> <p>Members of the Company's 20th Board of Directors (3 male directors and 6 female directors) are highly specialized in business management, leadership and decision-making, and relevant industry knowledge, with education backgrounds in accounting, finance, sales, diplomacy, engineering, management, as well as information and communications technology. Independent director accounted for 33% of all directors. The Company has achieved its target of 20% female representation on the Board with 6 female directors accounting for 67% of all directors. The Board's diversity policies and their implementation status are detailed in Page20 - Page21 and disclosed on the corporate website. The succession plan is detailed in Appendix 1.</p>	No material difference.
(2) Besides the Remuneration Committee and the Audit Committee set up according to law, does the Company have other types of functional committees in place that it spontaneously set up?	V		<p>In order to deepen the sustainable development of the company and enhance the corporate brand image and value, the company established the "Corporate Sustainability Committee" under the board of directors on August 9, 2024 to enhance the performance of corporate sustainability management and enhance the competitiveness of the capital market.</p> <p>The Company has established its Remuneration Committee and Audit Committee according to the law, along with other functional committees such as the Personnel Evaluation Committee, the Market Development Committee, the Budget Committee and the Corporate Sustainability Committee. Departments are responsible for corporate governance operations within the scope of their duties. Going forward, the Company shall establish other functional committees if necessary.</p>	No material difference.
(3) Has the Company established and implemented methods for assessing the performance of the Board of Directors, conducted performance evaluation annually, presented the performance evaluation results to the Board of Directors, and used the results as reference for individual director remuneration and re-election nomination?	V		<p>To implement corporate governance, enhance the functions of the Board of Directors, and set performance targets to improve the efficiency of the Board, the Company established "Rules for Performance Evaluation of the Board of Directors" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". On the 7th meeting of the 18th Board of Directors on November 7, 2019, the Board approved amendments to the Rules to add that the performance evaluations of the Audit Committee and Remuneration Committee are to be carried out by external professional independent institutes or external expert scholar teams at least once every 3 years, and announced the Rules on the Company website.</p> <p>Regular "Performance Evaluation for Board of Directors" are conducted every year. Members of the Board of Directors, Audit Committee, and Remuneration Committee were evaluated through a questionnaire in November 2024. The performance evaluation indicators are established according to the Company's operations and requirements to effectively improve the quality of Board decisions and its performance. The evaluation results were submitted to the Board of Directors in the first quarter of 2025 to be used as reference for director nominations.</p>	No material difference.

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons
	Yes	No	Summary	
(4) Does the Company evaluate the independence of CPAs regularly?	V		The Board of Directors evaluates the independence (Appendix II) and adequacy (Appendix III) of CPAs with reference to the Audit Quality Indicators (AQIs) once a year, and submits the results to the Audit Committee and the Board of Directors on March 4, 2025 for review and approval.	No material difference.
4. Does the TWSE/TPEX-listed company have a suitable number of competent corporate governance personnel? Has it appointed a chief governance officer responsible for corporate governance matters	V		<p>The main responsibilities of the Head of Corporate Governance and the performance of said responsibilities are as follows: Handle matters related to Board of Directors' meetings and shareholders' meetings, and prepare minutes for those meetings in accordance with the law:</p> <ol style="list-style-type: none"> 1. Draw up Board meeting agendas and notify Directors of these agendas at least seven days in advance, convene Board meetings and provide meeting information and materials, notify directors in advance if recusals are required for specific agendas due to conflicts of interest, and complete meeting minutes within 20 days after Board meetings. <ol style="list-style-type: none"> (1) Pre-register Board of Directors' meeting dates in accordance with the law; prepare meeting notices, meeting handbooks, and meeting minutes within the statutory time limit; and change the registered information when amendments are made to the Articles of Incorporation or when directors are re-elected. (2) Assist directors in taking office and undergoing continuing education and training: 2. Assist independent directors and other directors in formulating annual continuing education plans and arranging courses according to the Company's industry characteristics and the education and professional background of directors. 3. Provide directors with the information required for them to carry out their responsibilities and assist them in legal compliance: <ol style="list-style-type: none"> (1) Regularly notify Board members of the latest developments and amendments to rules and regulations related to the Company's field and corporate governance. (2) Review relevant confidentiality levels and provide company information required by directors to maintain smooth communication between directors and department supervisors. (3) Assist in arranging meetings between independent directors and the Chief Audit Executive or CPAs when necessary in accordance with the Corporate Governance Best Practice Principles. (4) Confirm whether the convening of shareholders' meetings and Board of Directors' meetings are in line with relevant laws and the Best Practice Principles of Ethical Corporate Management. (5) Assist and remind directors of regulations and suggestions that need to be followed when carrying out their duties or making formal resolutions in Board meetings. (6) Examine the announcement of major information regarding important resolutions passed by the Board of Directors and ensure the legality and accuracy of said announcements to ensure information symmetry for investment transactions. 4. Other matters stipulated in the Company's Articles of Incorporation or contracts. Routine tasks related to corporate governance in 2024 are as 	No material difference.

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons																					
	Yes	No	Summary																						
			<p>follows:</p> <p>(1) Handled matters related to the Board meetings and the meetings of the Audit Committee and prepared minutes: Five Board meetings and five meetings of the Audit Committee.</p> <p>(2) Handled matters related to a shareholders’ meeting and prepared the minuets of said meeting once.</p> <p>(3) Assisted directors with continuing education: nine directors for a total of 96 hours.</p> <p>(4) Assisted in providing the materials required by the directors to perform their duties, including the relevant materials provided seven days before for a Board meeting and a meeting of the Audit Committee.</p> <p>(5) Assisted directors in complying with laws and regulations in the performance of duties or adopting formal resolutions at Board meeting.</p> <p>5. Head of Corporate Governance training status:</p> <table><tr><th>Advanced study date</th><th>Organizer</th><th>Hours</th></tr><tr><td>2024.10.18</td><td>Securities & Futures Institute</td><td>3</td></tr><tr><td colspan="3">2024 Annual Conference on Preventing Insider Trading</td></tr><tr><td>2024.10.25</td><td>Securities & Futures Institute</td><td>3</td></tr><tr><td colspan="3">2024 Annual Insider Equity Transaction Legal Compliance Briefing</td></tr><tr><td>2024.12.30</td><td>Accounting Research and Development Foundation</td><td>3</td></tr><tr><td colspan="3">Practical analysis of the impact of ESG sustainability policies, and net-zero on financial statements related to the latest annual report preparation</td></tr></table>	Advanced study date	Organizer	Hours	2024.10.18	Securities & Futures Institute	3	2024 Annual Conference on Preventing Insider Trading			2024.10.25	Securities & Futures Institute	3	2024 Annual Insider Equity Transaction Legal Compliance Briefing			2024.12.30	Accounting Research and Development Foundation	3	Practical analysis of the impact of ESG sustainability policies, and net-zero on financial statements related to the latest annual report preparation			No material difference.
Advanced study date	Organizer	Hours																							
2024.10.18	Securities & Futures Institute	3																							
2024 Annual Conference on Preventing Insider Trading																									
2024.10.25	Securities & Futures Institute	3																							
2024 Annual Insider Equity Transaction Legal Compliance Briefing																									
2024.12.30	Accounting Research and Development Foundation	3																							
Practical analysis of the impact of ESG sustainability policies, and net-zero on financial statements related to the latest annual report preparation																									
5. Does the Company have a communication channel in place with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a stakeholders only section on its website to properly address stakeholders’ concerns such important corporate social responsibilities?	V		The company focus on maintaining good communication with stakeholders and the website offers contact information for each operational location, along with an online feedback form. Additionally, the stakeholder engagement page has created in FEDS ESG website. All stakeholders can communicate with the Company at any time. At the same time, a complete system and handling mechanisms have been established to respond to the important corporate social responsibility issues concerning the stakeholders in real-time.	No material difference.																					
6. Has the Company entrusted a professional shareholder services agent to handle shareholders’ meeting matters?	V		The Company has appointed the Stock Transfer Agent Department of Oriental Securities Corporation to serve as a stock transfer agent and assist in handling matters related to shareholders' meetings.	No material difference.																					
7. Disclosure of information																									
(1) Has the Company established a corporate website to disclose information regarding the Company's financial, business and corporate governance status?	V		A shareholders' section has been established on the corporate website in Chinese and English to disclose comprehensive information regarding financial statements and revenues, major news, and corporate governance information. URL: http://www.feds.com.tw	No material difference.																					
(2) Does the Company use other information	V		The Company has established and implemented a spokesperson and acting spokesperson system to hold irregular investor	No material difference.																					

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons
	Yes	No	Summary	
disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, webcasting investors conference)?			<p>conferences and announce public information. The Company has also appointed designated personnel to compile company information and disclose major news on MOPS.</p> <p>The corporate website has a shareholders' section in both Chinese and English.</p>	
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operating status before the prescribed time limit?		V	In accordance with "Regulations Governing the Applicable Scope of Special Circumstances for the Public Announcement and Filing of Financial Reports and Operational Status Reports by Public Companies", the Company announces and declares its annual financial report within 75 days after the end of its accounting year. In accordance with "Article 36 of the Securities and Exchange Act", the Company announces and declares its quarterly financial reports within 45 days after the end of the first, second, and third quarters, and the monthly operating status before the 10th day of each month.	The Company handles the reporting in accordance with Article 36 of the Securities and Exchange Act.
8. Does the Company have other important information to facilitate better understanding of the its corporate governance practices	V		<ol style="list-style-type: none"> 1. Employee rights and interest: The Company and its affiliated companies have always adhered to the founding spirit of The Far Eastern Group, namely "Sincerity, Diligence, Thrift, Prudence and Innovation", to encourage employees and treat them with integrity while safeguarding employee rights and interests in accordance with the Labor Standards Act. 2. Employee care: To improve the living and safety standards of employees, the Company and its affiliates implemented various employee care measures such as insurance for employees and their dependents, employee health checkups, solatium for injuries and illnesses, and hospital treatment discounts at Far Eastern Memorial Hospital. 3. Investor relations: The Company has appointed dedicated personnel to handle suggestions and questions from investors in order to maintain a good channel of communication between investors and the Company. 4. Supplier relations: The Company have always maintained good long-term partnerships with suppliers based on mutual trust and benefits in order to provide customers with products that meet their needs. 5. Stakeholders' rights: Stakeholders may establish communication with the Company and offer suggestions to protect their legal rights and interests. They may also look up financial, business and corporate governance information on the corporate website. 6. Continuing education for director and managers: See Appendix 4 and Appendix 5. 7. The Company's risk management policy follows the relevant regulations and the Group's corporate culture of honest management. Through the operation of the Board of Directors, the Company has formulated various management policies and internal control regulations and systems for all departments and divisions to comply with. Risk identification, assessment, and avoidance are implemented and managed by each business and administrative departments and audited by the Internal Audit Department 	No material difference.

Assessment Items	Operating status			Discrepancy with industry standards in governance practices and reasons
	Yes	No	Summary	
			<p>through planned, project, or digital for-cause audits. Audit results are regularly reported to the Company for decision-making, allowing the Company to adjust and revise its risk management policies appropriately. (For the relevant implementation status, refer to V. Review and Analysis of Risk Issues in Chapter 6. Risk Analysis and Assessment)</p> <p>8. Implementation of Customer Policies: Regarding customer policies for all consumers, the strategies we have adopted are as follows: In terms of products, we provide high-quality and diversified products and kept up with changes in the market, constantly introducing new brands to maintain product competitiveness. In terms of management, in addition to the launching ISO quality management system and implementing standardized operating procedures, all stores regularly hold supervisor meetings, striving to do the best in terms of relevant hardware equipment and sales services and take care of customers.</p> <p>9. Liability insurance purchased for directors by the Company: The Company purchased liability insurance for all directors on June 30, 2024, reducing the legal risks and financial liabilities of directors, thereby protecting directors from possible damage in performing their duties. The purchase was reported to the Board of Directors on Aug. 9, 2024.</p> <p>10. Relevant certifications obtained by personnel related to financial information transparency as required by the competent authority: See Appendix 6.</p>	

Appendix 1. Succession planning and management goals for board members and important management

- In the succession plan of the Company's board members and important management, the successor should not only have excellent academic experience, professional knowledge and excellent work ability, but also the business philosophy must be consistent with the Company. The successors understand and agree with the Company's business philosophies of integrity, diligence, simplicity, caution, and innovation and the participation of the Company's business goals, the communication of the business team, and the status of the industry.
- In order to ensure that directors and successors can immediately grasp the ever-changing management and competitive environment and corporate governance related laws, the Company also plans various exclusive courses for directors to ensure that corporate governance is up to date.
- Regarding important management personnel, the Company would plan a series of annual training courses and special management training programs to identify and actively train the management and operation succession talents required for the continuous operation of the stores. The course content is mainly to strengthen management, operation and foreign language skills, and with performance and promotion, gradually strengthen the internal high-quality talent pool to ensure sustainable operation.

Appendix 2. CPA independence assessment criteria

Assessment Items	Assessment result	Compliance
1. Whether the accountant has a direct or significant indirect financial relationship with the Company.	No	Yes
2. Whether the accountant has any financing or guarantee actions with the Company or its directors.	No	Yes
3. Whether the accountant has a potential employment relationship with the Company.	No	Yes
4. Whether accountants and members of the audit service team currently serve or have served within the last two years as directors, supervisors, managers, or positions that have a significant influence on audit cases.	No	Yes
5. Whether the accountant has provided non-audit services to the Company that will directly affect the important items of the audit case.	No	Yes
6. Whether the accountant promotes or mediates the stocks or other securities issued by the Company.	No	Yes
7. Whether the accountant serves as a defender of the Company, or on behalf of	No	Yes

the Company to coordinate conflicts with other third parties.		
8. Whether the accountant is related to the Company's directors, managers, or persons with positions that have a significant influence on the audit case.	No	Yes

Appendix 3. CPA adequacy evaluation criteria

Evaluation Criteria		Key points of evaluation	Evaluation result	Compliance with adequacy
Item I. Professionalism				
Indicator 1-1	Audit experience	Whether the auditors have sufficient audit experience to perform the audit.	Yes	Yes
Indicator 1-2	Training hours	Whether the CPAs and auditors receive sufficient training each year to continuously acquire professional knowledge and skills.	Yes	Yes
Indicator 1-3	Turnover rate	Whether the firm maintains sufficiently experienced human resources.	Yes	Yes
Indicator 1-4	Professional support	Whether the firm have sufficient professionals to support the audit team.	Yes	Yes
Item II. Quality control				
Indicator 2-1	Workload of CPA	Whether the CPA is overloaded.	No	Yes
Indicator 2-2	Audit commitment	Whether the audit team members are properly committing in each audit phase.	Yes	Yes
Indicator 2-3	Engagement quality control review	Whether EQCR accountants input sufficient hours to perform review of audit cases.	Yes	Yes
Indicator 2-4	Quality control support capability	Whether the firm have sufficient quality control manpower to support the audit team.	Yes	Yes
Item III: Independence				
Indicator 3-1	Non-audit services	Effect of the proportion of non-audit service expenses on independence	No	Yes
Indicator 3-2	Customer familiarity	Effect of the cumulative number of years of annual financial reports certified by the firm for individual audit object on independence	No	Yes
Item IV. Supervision				
Indicator 4-1	External inspection deficiency and punishments	Whether the quality control and audit cases of the firm are in compliance with the relevant laws and rules.	Yes	Yes
Indicator 4-2	Improvement according to the letters from competent authorities	Whether the quality control and audit cases of the firm are in compliance with the relevant laws and rules.	Yes	Yes
Item V. Innovation capability				

Indicator 5-1	Innovation plans or initiatives	The firm's commitment to improve audit quality, including the innovation capability and planning of the accounting firm.		Yes	Yes
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Appendix 4. Board Directors’ training status:

Title	Name	Advanced study date		Organizer	Hours
		Start	End		
Chairman	Douglas Tong Hsu	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Director	Nancy Hsu	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Director	Nicole Hsu	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Director	Philby Lee	2024.01.11	2024.01.11	Greater China Financial and Economic Development Association	3
		2024 Global Economic Focus			
		2024.03.21	2024.03.21	Greater China Financial and Economic Development Association	3
		Impact of carbon pricing on business operations			
Director	Chee Ching	2024.06.11	2024.06.11	Taiwan Corporate Governance Association	3
		Corporate Governance and Securities Regulation			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Director	Jin-lin Liang	2024.07.16	2024.07.16	Taiwan Corporate Governance Association	3
		To plan for zero carbon, enterprises should have ESG thinking and energy practices			
		2024.10.08	2024.10.08	Taiwan Stock Exchange	3
		2024 World Investor Forum - Digital Finance and Sustainable Finance Concerto under the AI Boom			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Independent Director	Edward Wei	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.03.06	2024.03.06	Taiwan Corporate Governance Association	1
		2024 Global Economic Outlook			
		2024.05.09	2024.05.09	Taiwan Academy of Banking and Finance	3
		Treating elderly customers in a friendly and fair manner and introducing the laws on the rights of elderly policyholders			

Independent Director	Dong, Ding Yu	2024.04.30	2024.04.30	Taiwan Corporate Governance Association	3
		The Application and Challenges of Generative AI from ChatGPT			
		2024.05.09	2024.05.09	Independent Directors Association Taiwan	3
		Analysis of the Labor-Management Dispute Settlement Act and the latest Labor Standards Act legislation			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Independent Director	Susan S. Chang	2024.04.30	2024.04.30	Independent Directors Association Taiwan	3
		Innovative thinking and transformation strategies of the boards of directors of the world's top companies			
		2024.06.07	2024.06.07	Taipei Foundation Of Finance	3
		Looking at the challenges and opportunities of the future from the history of semiconductors			
		2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.09.26	2024.09.26	Independent Directors Association Taiwan	3
		Introduction to the carbon pricing and trading mechanism and the latest IFRs international sustainability standards (S1 & S2)			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			

(The above data are as of 12/31/2024)

Appendix 5. Advanced studies for managers

Title	Name	Advanced study date		Organizer	Hours
		Start	End		
President	Nancy Hsu	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Vice President	James Tang	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Vice President	Chang-Li Lin	2024.07.03	2024.07.03	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum - The era of carbon pricing and corporate ESG actions			
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance	3
		Corporate Governance Forum: From digital transformation to AI empowerment			
Junior Vice President	Hwa-Ling Hsu	2024.06.14	2024.06.14	The Institute of Internal Auditors-Chinese Taiwan	6
		Information Business Verification Practice Workshop			
		2024.06.26	2024.06.26	Accounting Research and Development Foundation (ARDF)	6
		The latest "Annual Report/Sustainability Information/Financial Report Preparation" related laws and regulations analysis and internal control management practices			
Junior Vice President	Lily Y.T. Liu	2024.10.18	2024.10.18	Securities and Futures Institute	3
		2024 Insider Trading Prevention Promotion Conference			

		2024.10.25	2024.10.25	Securities and Futures Institute	3
		2024 Insider Equity Trading Legal Compliance Seminar			
		2024.11.21	2024.11.22	Accounting Research and Development Foundation (ARDF)	12
		Continuing Education Course for Accounting Officers of Issuers, Securities Firms, and Securities Exchanges			
		2024.12.30	2024.12.30	Accounting Research and Development Foundation (ARDF)	6
		Analysis of the latest "Annual Report Preparation" related to ESG sustainability policies and laws and the impact of net zero carbon queues on financial reports			

The above data are as of 12/31/2024)

Appendix 6. Certificates designated by the competent authority held by the Company's personnel involved in transparency of financial information:

Department Certification	The Company			All companies in the Financial Report		
	Finance unit	Accounting unit	Audit unit	Finance unit	Accounting unit	Audit unit
Republic of China Accountant	1	2	1	2	2	1
China Intermediate Accountant					2	
China Junior Accountant				2	4	
Class C Technical Certification for Accounting Services	2	9	2	3	19	2
Accounting Proficiency Test Level 3					1	
Basic proficiency test for internal control	1	2	5	1	2	5
International Certified Internal Auditor (CIA)			5			5
Computer Audit Software Application Engineer (JCCP)	1		16			16
International Computer Audit Software Application Engineer (ICCP)			9			9
Bank internal control and internal audit	2		4	4	2	4
Internal auditor of energy management system ISO 50001			6			6
Environmental Management System Lead Auditor ISO14001			1			1
Quality management system lead auditor ISO9001			1			1
Occupational safety and health management system lead auditor ISO45001			1			1
SME financial personnel	1			2		
Financial planning personnel	2	2	1	3	2	1
Securities investment analyst			1	1		1
Senior Securities Specialist.	3	1	2	5	1	2
Securities Specialist.	1		2	3	2	2
Securities Investment Trust and Consulting Professionals	1		2	1		2
Qualification Test for Advanced Calculation of Equity Capital Adequacy Ratio of Securities Firms			1			1
Securities trading, margin financing and securities lending business personnel			1			1
Securities lending business personnel			1			1
Certification Test for Financial Derivatives Sales Personnel			1	1		1

Trust agents	3		3	5	2	3
Bookkeeper	1	2	1	1	2	1
Basic Proficiency Test for Bank Lending Personnel	1			2		
Structured Commodity Salesperson Qualification Test	1			1		
Property insurance representative			2	1		2
Life insurance salesperson	2	1	3	2	1	3
Futures Specialist			3		1	3
Common knowledge and professional ethics of the financial market	2	1	2	5	1	2
Corporate governance basic ability test	1			1		
Stock Affair Specialist	2		1	2		1
Wealth management personnel			2			2
Professional Exam for Anti-Money Laundering and Countering Terrorism Financing Specialist			1			1
ERP software application engineer			1			1
TQC-DK Junior Accounting					1	
FIT I	1			1		
FIT II	1			1		
Basic Proficiency Test for International Banking Personnel		1			1	
Class-1 Occupational safety and health affair managers			1			1
Level C technician for computer software application	1			1		
Qualification Exam for Securities Investment Trust and Consulting Regulations (including professional ethics rules				1		
CISA			1			1
CEAP			1			1
ISMS ISO/IEC 27001	1		2	1		2
ISMS ISO27001		1	2		1	2
ISO14064-1:2018 GHG Emission Verifier & Market Analyst			13			13
CFA	1			1		
CPA					1	
Basic Test on Bank Internal Control		1			1	

(9) Base on the result of "Corporate governance Evaluation" announced by TWSE (Taiwan Stock Exchange Corporation) in a recent year to illustrate the status of matters have been already improved and priority measures to reinforce matters have not been improved:

The results of the 2024 "Corporate Governance Assessment" have not yet been announced as of the time of publication. FEDS will continue to take effort and to optimize the Company's website and the content of annual report such as the English information in corporate website, and upload the previous month's insider shareholding changes to the Market Observation Post System (MOPS) before the 10th of each month

4.4 Composition, duties, and operation of the Remuneration Committee

1. Remuneration Committee member information

March 4, 2025

Role	Condition	Professional qualifications and experience	Independence status	Number of publicly listed companies where the individual serves as a member of the Remuneration Committee concurrently
	Name			
Independent director (Convener)	Edward Wei	Please refer to Table 1 on page16 – page 20 for the disclosed information on the directors' professional qualifications and the independent directors' independence.	<p>(1) Not an employee of the Company or its affiliates.</p> <p>(2) Not a director or supervisor of the Company or its affiliates.</p> <p>(3) No one percent or more of the total issued shares of the Company are held by the individual or spouse or minor children thereof or by nominee arrangement, or none of their shareholding percentage is among top ten shareholders.</p> <p>(4) Not the spouse, relative within the second or third degree of kinship of the managers as stated in (1), or persons stated in (2) and (3).</p> <p>(5) Not a director, supervisor, or employee of an institutional shareholder who directly holds more than 5% of the Company's total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director or supervisor at the Company in accordance with Article 27, paragraphs 1 or 2 of the Company Act.</p> <p>(6) Not a director, supervisor, or employee at another company where a majority of the Company's director seats or voting shares and those of another company are controlled by the same person.</p> <p>(7) Not a director (managing director), supervisor, or employee at another company or institution where the Chairman, the President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses.</p> <p>(8) Not a director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company.</p> <p>(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 any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any</p>	2

Independent director	Dong, Ding-Yu	Please refer to Table 1 on page16 – page20 for the disclosed information on the directors' professional qualifications and the independent directors' independence.	affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (10) Not under the circumstances specified in the provisions of Article 30 of the Company Act.	0
Others	Mei-sueh Lin	Has more than five years of work experience in business, legal, financial, and accounting, and work experience required to carry out the Company's business: Corporate Advisor and Special Assistant to the Chairman at an affiliate of the Far Eastern Group Vice President of Human Resources, Far East Tone Senior Assistant Vice President, Human Resources Department, Aetna.		1

2. The Remuneration Committee's responsibilities

The operation method is handled in accordance with the Company's "Remuneration Committee Charter", and its main responsibilities are:

- (1) Stipulate and review regularly the remuneration policies, systems, standards and structures, and performance of directors and managers.
- (2) Regularly review and adjust director and manager remuneration.

3. Operation Status of the Remuneration Committee

- (1) The Remuneration Committee is comprised of 3 members.
- (2) Current term of office: Aug 9, 2024 to June 17, 2027. Three meetings of the Remuneration Committee were held in the period from January 1, 2024 to the Annual Report publication date. The attendance of committee members is as follows:

Title	Name	Attendance in person (B)	Expected attendance in person (A)	Attendance rate (%) (B/A)	Note
Convener	Edward Wei	3	3	100%	-
Committee member	Eugene You-Hsin Chien	1	1	100%	Resigned on June 18, 2024
Committee member	Dong, Ding-Yu	2	2	100%	Incoming on Aug. 9, 2024
Committee member	Mei-Xue Lin	3	3	100%	-

4. In the most recent year, the reasons for discussion and resolution of the Remuneration Committee of the Company, and the Company's handling of members' opinions are as follows

Remuneration Committee	Agenda content	Resolution result	The Company's opinion on the Remuneration Committee
March 1, 2024 (6th meeting of the 5th committee)	2023 Distribution of employee and director remuneration	Approved by all attending committee members	Presented in the board meeting and approved by all attending directors as proposed
November 12, 2024 (1st meeting of the 6th committee)	2024 Performance Evaluation of the Board of Directors		Handle as resolved by the Remuneration Committee
March 4, 2025 (2nd meeting of the 6th committee)	1. 2024 Distribution of employee and director remuneration 2. Amendments to the "Articles of Association"		Presented in the board meeting and approved by all attending directors as proposed

5. Performance of Corporate Social Responsibility and deviations from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.
	Yes	No	Summary	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	V		<ol style="list-style-type: none"> The company established the "Corporate Sustainability Committee" under the board of directors in August 2024. Two independent directors and one director served as members of the corporate sustainability committee to improve corporate sustainability management performance. Each unit of the company formulates strategies and work plans, prepares relevant budgets, plans and implements annual plans, and tracks implementation results to ensure that the sustainable development strategy is fully implemented in the company's daily operations. According to the company's "Corporate Sustainability Committee Organization Regulation", the Corporate Sustainability Committee holds at least one meeting every year. In 2024, the meeting held once. The business units report to the Corporate Sustainability Committee. Topics include: sustainability report preparation and assurance operations, energy management plans and green power plans. The Company consistently communicates with the Board of Directors regarding significant decisions and the execution of sustainable development strategies, including the timeline for promoting greenhouse gas inventory and verification. At each quarterly board meeting, the Board of Directors reviews and discusses the report, scrutinizing the content and direction of the work, and offering guidance as needed to oversee the management 	No material difference.

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.						
	Yes	No	Summary							
			team and make appropriate adjustments in a timely manner. In 2024, the Board of Directors passed a total of 25 resolutions.							
2. Does the Company perform risk assessments in environmental, social, and corporate governance issues relevant to its business activities according to the materiality principle and devise risk management policies and strategies accordingly?	V		<div>1. The Company has long used a sound risk management mechanism to identify potential risks and threats based on the principle of the materiality and has established functional committees and power and responsibility departments to manage and control, to ensure that the Company engages in various business developments under a comprehensive risk management system to reduce the impact of business activities on the environment, society, and corporate governance.</div> <div>2. Various types of risks are managed by the internal authority and responsibility units of the organization to formulate management rules for the front-line prevention and management. Through consistent standards, all levels of the Company can identify, measure, monitor and control risks when engaging in various businesses. The audit office also regularly performs various audit operations and projects to ensure the effective operation of the risk management system of each unit, and regularly reports to the Board of Directors.</div> <div>3. From the perspective of "systematic risk" and "non-systematic risk", the Company regularly assesses possible changes in the risks that the Company may face in the course of its business operations, and the management and countermeasures thereof are as follows. For more details, please refer to the Sustainability Report.</div> <table><tr><th>Risk type</th><th>Control focus</th></tr><tr><td>Commodity safety risks</td><td><ul style="list-style-type: none">Inspect the labels and effective period of the merchandise sold and displayed in the stores, and the quality and safety of food in restaurants and supermarkets in accordance with the latest laws and regulations and news in due course</td></tr><tr><td>Department store operational risks</td><td><ul style="list-style-type: none">Ensure the operation safety, and fire and public safety in department stores and assist in the inspection of department store renovation, the change of counter and acceptance of construction projects in order to provide the customers safe and comfortable shopping environment.Carry out inventory sampling and supervision of inventory counting on self-operating cosmetics, self-operating supermarket inventories, inventory of gifts, fixed assets, and</td></tr></table>	Risk type	Control focus	Commodity safety risks	<ul style="list-style-type: none">Inspect the labels and effective period of the merchandise sold and displayed in the stores, and the quality and safety of food in restaurants and supermarkets in accordance with the latest laws and regulations and news in due course	Department store operational risks	<ul style="list-style-type: none">Ensure the operation safety, and fire and public safety in department stores and assist in the inspection of department store renovation, the change of counter and acceptance of construction projects in order to provide the customers safe and comfortable shopping environment.Carry out inventory sampling and supervision of inventory counting on self-operating cosmetics, self-operating supermarket inventories, inventory of gifts, fixed assets, and	No material difference.
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				No material difference.
			Human resources management risk	
			Purchase and inspection payment management risk	
			Information security management risk	

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	Yes	No	Summary	
				No material difference.
			storage and disposition of IT assets.	
			Legal compliance risk <ul style="list-style-type: none"> • Comply with regulations issued by the competent authorities, implement the annual audit plan and internal audit reporting operations. • In response to digital management, plan the revision of the internal control system and internal audit implementation rules. • Monthly summarize law and regulation revisions and letter orders in Financial Supervisory Commission R.O.C., and Taiwan Stock Exchange Corporation, etc. to keep up to date with the latest news from the competent authority, and perform inspections in accordance with the latest regulations in a timely manner. 	
			Financial management risk <ul style="list-style-type: none"> • Remind and advise the financial management unit to comply with the requirements of the competent authority in due course. • Remind the subsidiaries to implement relative processes of financial management in comply with the regulation of Competent Authority in due course. • Perform audits on financial and accounting operations in accordance with laws and regulations, including capital loans, guarantees/endorsement, asset acquisition and disposal, related party transactions, the procedures for preparation of financial statements, derivatives, and operation of functional committees • Assist the accounting and financial units' supervision of counting of securities, sampling counting of the branches' financial revolving funds, gifts coupons and control of the treasury. 	
			Risks of subsidiary supervision <ul style="list-style-type: none"> • Supervise and manage financial and business information of subsidiaries in accordance with laws and regulations, and to compile quarterly reports and analysis of subsidiaries' supervision. • Supervise the annual audit plan of 	

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			<p>the subsidiaries Far Eastern Department Stores and Ya Tung Department Store Co., Ltd., and review operations, financial security, seal management, welfare fund management, contract deduction, catering and food safety, etc.</p> <ul style="list-style-type: none"> Revise the internal control system of subsidiaries according to the plan in line with the audit supervision of the parent company. 	
3. Environmental issues				
(1) Has the Company developed an appropriate environmental management system based on its distinctive characteristics?	V		The Company its subsidiaries actively promote various energy management and energy conservation goals, including: (1) water chiller and air condition switch control, (2) reduced backstage lighting, (3) replaced lighting (4) reduced elevator-usage during off-peak hours, and (5) addition of automatic escalator speed control devices (6) import i-Auto and replacement of old equipment in order to follow government policies, slow global climate change, and fulfill the corporate social responsibility of protecting the environment. The results are tracked and disclosed in the FEDS sustainability report and the company's website to continuously achieve the goals of improving energy performance and carbon emission management.	No material difference.
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		In order to properly protect the natural environment, the Company actively promotes the implementation of a code of practice that strives to improve the efficiency of various resources. Ecological impacts are always considered before any operating activity is conducted to reduce the Company's environmental impact . We also actively promote energy-saving improvement goals and energy management projects, giving priority to the selection and design of energy-efficient equipment to optimize energy efficiency.	No material difference.
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		<p>The Board of Directors as the highest decision-making unit for climate risk and opportunity and FEDS has established a Corporate Sustainability Committee to review the climate change strategy and goals, manage climate change risks and opportunities, and implement the IFRS Sustainability Disclosure Standards introduction plan, as well as conduct phased analysis and planning for future plan introduction.</p> <p>Global warming has caused the gradual rise of annual average temperatures. In response to relevant risks and opportunities, the Company's energy team referenced the internal control charts "indoor air-conditioning temperature limits" and "air-conditioning on/off timetable" as well as the operating hours, region, and category of different stores to establish standards for indoor temperature range and air-conditioning on/off hours. The Company also introduced the ISO 50001 energy management system to the FEDS Headquarters and Mega City Banqiao and the ISO 14064-1:2018 to all branches to conduct greenhouse gas inspections,</p>	No material difference.

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	Yes	No	Summary																																									
			Taoyuan Store tied-in ISO14046 water footprint, constantly achieving its goal to improve energy efficiency and carbon-emission management.																																									
(4) Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	V		<div>1. .The inventory of greenhouse gas emissions in 2023 and 2024 was verified by the third-party verification agency TUV Rheinland Technical Monitoring Consultants in accordance with the provisions of ISO14064-1:2018.</div> <div>The individual financial statements of parent companies have been audited since 2023, and the consolidated financial statements of subsidiaries have been audited since 2025.</div> <table><tr><th colspan="2" rowspan="2">Greenhouse gas emissions</th><th colspan="2">2023</th></tr><tr><th>CO2e (t)</th><th>CO2e (t)/Sales</th></tr><tr><td rowspan="3">FEDS</td><td>Categories 1</td><td>5,512</td><td rowspan="3"></td></tr><tr><td>Categories 2</td><td>72,050</td></tr><tr><td>(A)Total</td><td>77,562</td></tr><tr><td rowspan="3">consolidated financial statements</td><td>Categories 1</td><td></td><td rowspan="3"></td></tr><tr><td>Categories 2</td><td></td></tr><tr><td>(B)Total</td><td></td></tr><tr><td colspan="2">(C=A+B)Total</td><td>77,562</td><td>1.28</td></tr></table> <table><tr><th colspan="2" rowspan="2">Greenhouse gas emissions</th><th colspan="2">2024</th></tr><tr><th>CO2e (t)</th><th>CO2e (t)/Sales</th></tr><tr><td rowspan="3">FEDS</td><td>Categories 1</td><td>5,381</td><td rowspan="3"></td></tr><tr><td>Categories 2</td><td>71,012</td></tr><tr><td>(A)Total</td><td>76,393</td></tr></table>	Greenhouse gas emissions		2023		CO2e (t)	CO2e (t)/Sales	FEDS	Categories 1	5,512		Categories 2	72,050	(A)Total	77,562	consolidated financial statements	Categories 1			Categories 2		(B)Total		(C=A+B)Total		77,562	1.28	Greenhouse gas emissions		2024		CO2e (t)	CO2e (t)/Sales	FEDS	Categories 1	5,381		Categories 2	71,012	(A)Total	76,393	No material difference.
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			<table><tr><td rowspan="3">consolidated financial statements</td><td>Categories 1</td><td>21,615</td><td rowspan="3"></td></tr><tr><td>Categories 2</td><td>96,782</td></tr><tr><td>(B)Total</td><td>118,397</td></tr><tr><td colspan="2">(C=A+B)Total</td><td>194,790</td><td>1.44</td></tr></table> <p>2.FEDS headquarters and branch offices strive to implement water-saving measures:</p> <p>(1)The Company set water resource management indicators in 2019, began to track and manage the effectiveness of water consumption in branches on a monthly basis and from 2020, and incorporated counter water consumption into internal control items in 2022 to manage the counter water consumption by regular tracking and analysis.</p> <p>(2)Water-saving measures implemented at each store include installation of water-saving equipment, adjustment of the conductivity of the cooling tower to reduce water consumption of the air conditioners, detection of pipeline leaks, etc.</p> <p>(3)Mega City Banqiao Store, Top City Taichung Store, FEDS Xinyi A13 Store, and FEDS Zhubei Store (trial-operated in 2022) are equipped with a rainwater recovery system. Through proper management and equipment upgrades, FEDS effectively implement water conservation efforts to maximize the use of water resources.</p> <p>(4)FEDS took the Taoyuan Store as a model store and obtained the ISO14046 water footprint certification in 2020. The first water footprint inventory was completed in 2021, and the continued certification was completed in 2022. Through analyzing the water usage data, FEDS expects to improve the performance of water-saving management at each store.</p> <p>(5)In 2022, more than 90% of each store's water consumption came from air conditioning cooling water, kitchen water, and toilet water. Considering the fact that kitchen and drinking water is used for food safety reasons, we primarily focus on conserving water used for air conditioning cooling towers and toilets.</p> <p>Water consumption of FEDS over the past 2 years:</p> <table><tr><td>Year</td><td>Total water consumption (thousand kiloliters)</td></tr><tr><td>2023</td><td>2,254</td></tr><tr><td>2024</td><td>2,229</td></tr></table>	consolidated financial statements	Categories 1	21,615		Categories 2	96,782	(B)Total	118,397	(C=A+B)Total		194,790	1.44	Year	Total water consumption (thousand kiloliters)	2023	2,254	2024	2,229	No material difference.
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			<p>3. The company holds monthly energy management meetings and sets annual carbon reduction plans and targets for each branch. It also reviews the monthly and annual electricity and water consumption savings rates, and conducts energy-related education and training and opinion exchanges to continuously achieve energy conservation and carbon reduction.</p> <p>5. In recent years, the structural changes in department stores have attracted large-scale food vendors, contributing to the increase in waste. In order to control the amount of waste, Far Eastern Department Store has strengthened management since 2019, implementing resource recycling, banning the use of disposable tableware, encouraging in-restaurant use, and promoting the recycling of materials and consumables, and setting short- and medium-term goals.</p> <p>(1)Goals:</p> <p>(a) Waste Reducing</p> <p>-Short-term goal : Zero waste growth.</p> <p>-Mid-term goal : Reduce waste by 3% per year</p> <p>(b) Resource recycling management: The goal is to recycle 20% of the total waste each year.</p> <p>(2)Results:</p> <p>(a) General Waste: 7,812 tons in 2023, and 7,602 tons in 2024 and representing a decrease of 2.7%.</p> <p>(b) Resource: 1,372 tons in 2023, and 1,490 tons in 2022 and representing an increase of 8.6%.</p>	No material difference.
4. Social issues				
(1) Does the Company comply with relevant laws and regulations and internationally recognized covenants on human rights, and have related management policies and procedures in place?	V		<p>In order to protect the basic human rights of employees and create an environment that protects the human rights of employees, the Company agrees with the principles of the ILO Tripartite Declaration of Principles for Multinational Enterprises and Social Policies, the Guiding Principles for Multinational Enterprises of the Economic Cooperation and Development Organization, the United Nations Universal Declaration of Human Rights and the principles of the United Nations Global Covenant the Company's labor policies and regulations are formulated in accordance with labor laws and gender-work equality related laws and regulations. Check regularly every month to ensure compliance with all laws and regulations.</p> <p>In order to ensure a good labor-management relationship, labor-management meetings are held regularly, and any matters related to employee rights can be decided after full communication between labor and management. At the same time, in order to motivate employees' morale, ensure their legal rights and interests, and promote harmonious labor-management relations, we have specially formulated the Company's employees'</p>	No material difference.

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			<p>opinions handling methods, and employees whose rights have been violated or unfair events can submit appeals.</p> <p>The Company complies with the relevant regulations of the occupational safety and health laws and regulations, and the Company's most senior management signs an occupational safety and health policy declaration to demonstrate the Company's determination to promote occupational safety and health management matters. Occupational safety and health committee meetings are held regularly every quarter to discuss and review the Company's safety and health management related matters and work rules, management regulations, occupational safety and health management plan revisions, and record keeping.</p>	
(2) Does the Company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee compensation?	V	k	<p>The Company's articles of incorporation are disclosed in the Annual Report and the Company's official website, which clearly stipulate the provision of employee compensation. If the Company makes a profit during the year, it shall allocate 2% to 3.5% as employee compensation. For this purpose, the actual distribution ratio, amount, method and number of shares shall be decided by the Board of Directors and shall be processed after reporting to the shareholders meeting.</p> <p>In addition, in addition to setting up a "Remuneration Committee", the Company strengthens corporate governance and improves the salary and remuneration system. It also takes into account the salary standards of relevant peers and listed companies, formulates reasonable remuneration policies for employees, and clearly establishes incentive bonus systems such as monthly performance appraisal bonuses and weekly rewards. Bonuses for the achievement of celebration activities and year-end bonuses are all issued in conjunction with individual or departmental performance to promote overall business performance. At the same time, it also accelerates the promotion of key talents through annual appraisal, performance and salary adjustments, and promotes performance improvement. In 2024, the salary will not be adjusted comprehensively, and the salary will be adjusted according to the needs of the business. The average salary adjustment is about 3%~5%. Other working conditions, such as vacations and other welfare matters, are given in accordance with the law or even better than the law, to ensure the employees' legal and reasonable welfare measures.</p>	No material difference.
(3) Does the Company provide its employees with safe and healthy workplaces, and organize training on safety and health for its employees on a regular basis?	V		<p>The Company follows occupational safety and health regulations and establishes policies based on the principle of "safety first, health first". Under the support and leadership of senior management, we implement the "Occupational Safety and Health Policy" and meet the requirements of occupational safety and health to build a warm, healthy and happy work environment.</p> <p>【Implementation of Safe Environment】</p> <p>1. Review occupational safety and health related rules and measures in accordance with laws and regulations</p>	No material difference.

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			<p>on an annual basis to comply with the items stipulated in the laws and regulations.</p> <p>2. We regularly implement the work environment monitoring program every six months and conduct work environment monitoring (carbon dioxide and noise); the test results are in compliance with the legal standards, thus ensuring the safety of work environment.</p> <p>3. The Company conducts indoor air quality inspection every two years; the test items are in compliance with legal standards and reviewed the "Good" level.</p> <p>4. Drinking water quality inspection is conducted regularly every three months. The test results showed that drinking quality met the standards, so employees can drink water with relief.</p> <p>5. Every year, we draw up an education and training plan to arrange safety and health education and advocacy for new employees, employees in-service and with professional certificates to enhance their safety and health knowledge and emergency response capabilities:</p> <p>(1) Implement safety and health education, training, and exercises for new employees when they register.</p> <p>(2) Regularly promote safety and health and workplace health issues for in-service employees every year.</p> <p>(3) Implement professional training and regular retraining for personnel with safety and health related licenses (e.g. first aid personnel, fire protection managers, indoor air quality maintenance and management professionals and AED managers, etc.).</p> <p>6. Create a zero-accident workplace. In 2024, the Company's Xinyi Store, Banqiao Store, Hsinchu Store, Taichung Store, Tainan Store, and Kaohsiung Store were awarded the "Zero-Accident Time Record Certification" from the Ministry of Labor, and established a safe and healthy work environment.</p> <p>7. The Company implements self-management and meets automatic inspection programs, and establishes safety and health inspection procedures to inspect the implementation of self-management of each branch in accordance with the occupational safety and health management plan:</p> <p>8. Promote independent inspections on weekdays, provide safety and health inspection record results every week, implement improvements to missing items, effectively ensure store safety and provide a comfortable working environment.</p> <p>9. According to the occupational safety and health management plan, the general management office inspected the safety and health implementation status of 11 branches:</p> <p>(1) The General Management Office will visit each branch semiannually to inspect the safety and health operations, and review and improve together with the branch in the same month, and track the improvement results.</p>	No material difference.

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			<p>(2) The branch performs monthly self-management, and the General Management Office tracks the improvement results and implements the principle of "irregular inspection and immediate improvement of deficiencies" to significantly reduce the occurrence of accidents.</p> <p>10. There were no industrial safety accidents or disability injuries among employees and contractors in 2024.</p> <p>11. The company publishes the "Safety and Health E-News" from the first issue in February 2022. Until 2024, 32 E-News is issued in total, including safety and health promotions. Colleagues can enhance safety and health knowledge through the e-newsletter content.</p> <p>12. The company participated in the "National Workplace Safety and Health Week" of the Ministry of Labor in 2024. From the submission of the safety and health implementation plan in March to the implementation results by the end of December, the HQ and 10 branches have obtained participation certificates issued by the Ministry of Labor. In 2025.</p> <p>【Employee Healthcare】</p> <p>1. The Company has implemented its Health Management Guidelines, and for the elder. it also introduced the Middle-aged and Elderly Workers Health Protection Program to help protect the health of all employees. Furthermore, a dedicated unit draws up health management, occupational disease prevention, and health promotion plans based on the particular needs and characteristics of the staff, pursuing their implementation accordingly in order to protect the physical and mental health of workers.</p> <p>2. In 2023, in accordance with the Occupational Safety and Health Act and the Labor Health Protection Guidelines, the Company revised the questionnaires held under the Physical and Mental Health Protection Plan (musculoskeletal injury prevention, overwork prevention, workplace violence prevention, and maternal health protection) to better track and care for medium- and high-risk groups and maintain the physical and mental health of employees in the workplace.</p> <p>3. To encourage employees to actively participate in health promotion activities, we have held the "Forever Health Card" point collection activity for four consecutive years, and each time you participate in the activity, you can accumulate points and get a lottery ticket after collecting nine points, which will be drawn at the end of the year. A total of 100 lucky staff had their names drawn this year, a 50% increase on last year.</p> <p>4. To assist colleagues in checking the point balance of the Forever Health Card. Staff can now conveniently check their point balance anytime through the EIP mobile office and keep track of the balance for various items.</p>	No material difference.

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			<p>5. Taking into account employee surveys, daily observations, and current health and environmental concerns, we have devised a plan to facilitate health promotion activities. The annual Walk for Carbon Reduction competition was held for three months in 2023. The aim of the competition was to promote exercise in daily life through walking activities and to collaborate with the New Taipei City Department of Health. Participants were encouraged to download the New Taipei Health 2.0 app to track their daily steps and take part in the Forever Health Card point collection activity. Not only did the top three participants win product vouchers, participants also had the opportunity to earn points to exchange for lucky draw tickets. This generated enthusiastic participation from colleagues. In 2024, a total of 313,883,014 steps were taken, leading to a reduction of approximately 45,000 kilograms of carbon emissions.</p> <p>6. The company has set up a health area, stocked with common medical equipment (such as blood pressure monitors, blood glucose meters, body fat meters, etc.), epidemic prevention items, cold protection supplies, rainy day supplies, stress relief tools (such as massage guns, small stress relief items), and physical and mental books or magazines, etc., for staff.</p> <p>7. The "Health Information Zone" in the EIP disclosure health information E-news every month, including the latest health information, and update digital board health posters from time to time to provide employees with new safety and health information.</p> <p>8. The Company has set up AEDs (Automated External Defibrillators) and AED administrators, and more than 70% of colleagues participate in AED+CPR training. In 2024, all stores have all received the "AED Safe Place Certification", suggesting that we have created a high-quality store environment and a high level of safety.</p> <p>9. The Company sets up first-aid personnel with a number 50% higher than the specified number by regulations, to ensure that first-aid services are available immediately in case of emergency.</p> <p>10. In order to prevent employees suffering occupational diseases or accidental injuries at work, the Company is committed to protecting the safety and health of employees in the workplace. In 2024, HQ and all branches have obtained the "Healthy Workplace-Health Promotion Mark" certification.</p> <p>11. The Company organizes 146 safety and health seminars with 3,860 people in 2024. These seminars are conducted both in-person and online simultaneously. In 2024, we held 34 mental health seminars with 1,131 people. We offer aromatherapy relaxation courses to boost the physical and mental well-being of our employees.</p> <p>12. Employees are encouraged to set up club activities, with the Company hosting clubs such as a badminton club, yoga club, aerobics club, walking club, and table</p>	No material difference.

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			<p>tennis club. During their off-duty time, employees spontaneously form groups and exercise together to maintain good physical fitness and promote overall health. The Company's Employee Welfare Committee offers monthly subsidies for club expenses, encouraging colleagues to participate in physical activities and spend time outdoors to maintain a healthy work-life balance.</p> <p>13. In 2024, the Committee entered into a contract with a fitness center to offer colleagues a wider range of preferential programs and exercise options.</p>	
(4) Does the Company offer its employees effective occupational empowerment training programs?	V		According to personal work needs, performance appraisal results and career development needs, provide diversified learning channels and development resources, and strive to create a learning environment, including on-the-job training, classroom training, job guidance and job rotation, etc., so that employees can advance their personal careers and continue to learn happily with the development of the Company.	No material difference.
(5) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and has it established relevant consumer protection policies and grievance procedures?	V		<p>Products are provided by ethically and legitimately operated counters and exhibit the terms of use, country of origin, and certification labels which indicate that they comply with national standards. All products are in compliance with laws and regulations. In the event of any damage to their rights or interests, customers may report the problem to the customer service center of each store, our customer service hotline, or customer service mailbox. Complaints will be addressed and handled within 3 days.</p> <p>FEDS values the protection of consumers' personal data and privacy. Internally, the Company controls its personnel's use of consumers' personal data according to the Information Security Management Regulations. Externally, the Company discloses its consumer personal data protection clauses and provides avenues for consumers to delete their personal data and make complaints, appointing dedicated personnel to answer consumers' questions or delete their data. The Company also conducts irregular audits based on the aforementioned regulations to protect consumers' personal data. Customers may report any damages to their rights or interests to the customer service center at each store, customer service hotline/mailbox, the Mega City official website, or Mega City app. Complaints will be addressed and handled ASAP.</p>	No material difference.
(6) Has the Company established supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor	V		<p>1. In order to ensure that suppliers meet social and ethical standards in the process of providing products and services, understand and abide by laws, actively respond to environmental protection and social-related issues, and have the courage to assume corporate social responsibility and continue to improve, the Company has established "Contractor Management Regulations" "Regulate the operation of suppliers in terms of occupational safety and health.</p> <p>In addition to selecting suppliers by referring to</p>	<p>No material difference.</p> <p>No material difference.</p>

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.
	Yes	No	Summary	
and human rights? If so, describe the implementation results.			<p>supplier evaluation records, the Company also requires suppliers to sign the "Supplier Rules and Social Responsibility Commitment". In 2024, the new version of the "Supplier Rules and Social Responsibility Commitment " will be adjusted in line with the group's supplier management policy, instructing suppliers to continue to pay attention to "labor and human rights, health and safety, environmental protection, and business ethics." Standard" and use this as one of the supplier selection criteria.</p> <p>2. The Company has set up "Contractor Management Regulations" to comply with safety and health related laws and regulations, fulfill the obligation of notification of hazards, implement safety and health management and effectively implement safety and health work, reduce the incidence of disasters, and ensure personal safety.</p> <p>3. The Company's contracts with various suppliers have detailed the management of building environment, shopping mall management, product quality, store safety, personnel management, accounting treatment, customer service and other related matters, in order to achieve the goal of jointly enhancing corporate social responsibility. If the supplier violates it, it shall be dealt with in accordance with the law.</p>	
5. Does the Company adopt internationally widely recognized standards or guidelines when producing corporate sustainable reports and reports disclosing the Company's non-financial information? Does the Company obtain a third-party assurance or verification for such reports?	V		For disclosing the major themes and impacts on the economy, environment, and people (including human rights) identified by the company, the report was compiled with reference to the GRI Standards issued by Global Reporting Initiatives (GRI), as well as the United Nations Global Compact (UNGC), Task Force on Climate-Related Financial Disclosure (TCFD), SASB Standards, the "Rules Governing the Preparation and Declaration of Sustainability Reports for Listed Companies", the spirit of the Integrated Report (IR) framework and other sustainability standards. 2023 Sustainability Report is guaranteed by a third-party verification unit to confirm that it complies with the Type 1 Moderate Level of AA 1000 AS v3 guarantee standards, and is disclosed on the Company's website.	No material difference.

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.
	Yes	No	Summary	
6. If the Company has established sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the principles and the implementation:			<p>The Board of Directors resolved to formulate the Company's “Corporate Social Responsibility Policy” in March 2015, and amended the policy and renamed it as “Corporate Sustainable Development Policy” in March 2022 to strengthen and implement sustainable development of the Company. The Company regularly reviews the implementation of this policy and makes improvements on this basis, and there has been no discrepancy in its implementation to date.</p>	
7. Please state any other important information that would facilitate a better understanding of the Company’s status in the promotion of sustainable development:			<p>Please refer to the official website (https://www.feds.com.tw/), ESG sustainability zone (https://esg.feds.com.tw/), press releases and annual sustainability report, and etc..</p>	

● Categories of Social Welfare Events Organized by FEDS:



Types of Social Welfare Events Organized by FEDS

 International Events 29 sessions	 Help the Disadvantaged 234 sessions	 Woman and Child Care 310 sessions	 Environmental Protection 96 sessions	 Local Development 340 sessions	 Others 42 sessions
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Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and their causes.
	Yes	No	Summary	

8. Operation Status of the Corporate Sustainability Committee

In order to deepen the sustainable development of the enterprise and enhance the corporate brand image and value, FEDS established the "Corporate Sustainability Committee" under the board of directors on August 9, 2013 to enhance the performance of corporate sustainable management and enhance the competitiveness of the capital market. The Corporate Sustainability Committee consists of two independent directors and one director. The three members have the sustainable professional capabilities required by the committee, including corporate governance operations, public welfare organization operations, employee rights and interests care, corporate risk management, corporate strategic planning, etc. And actively perform the relevant duties and powers assigned by the board of directors as follows:

- (1). Promote and develop matters related to the sustainable development of enterprises.
- (2). Supervise other sustainable development-related work matters approved by the board of directors.

Term : Aug. 9, 2024~June 17, 2027

Title	Name	Curriculum vitae
Convener	Chee Ching	Ph. D in Management Information System, Purdue University, USA Vice President of Technology Development, AT&T President of Far EasTone Telecommunications Co., Ltd.
Member (Independent Directors)	Edward Wei	MBA, University of Georgia, USA. CEO of Deloitte Taiwan; Director of Deloitte Touche Tohmatsu; Chairman of United way of Taiwan; CPA of Georgia State, USA.
Member (Independent Directors)	Dong, Ding Yu	Ph.D. in Engineering Stanford University, USA Assistant Professor, San Jose State University, USA Chairman of Elite Material Co., Ltd.

Corporate Sustainability Committee	Agenda content	Resolution result	Attendance
November 12, 2024 (1st meeting of the 1th committee)	1. Compile and assure of sustainability reports 2. FEDS energy management report 3. FEDS green power report	Approved by all attending committee members	100%
March 4, 2025 (2nd meeting of the 1th committee)	1. Implementation status of IFRS Sustainability Disclosure Standards introduction plan 2. Compile and assure of sustainability reports		100%

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and their causes.
	Yes	No	Summary	

9. Climate-related Information for Listed and OTC Companies

Item	Implementation Status:
1. Describe the Board and management's supervision and governance of climate-related risks and opportunities.	<p>FEDS's Corporate Sustainability Committee has established the "Greenhouse Gas Inventory and Climate Change Response Team" to regularly discuss the potential impacts of climate change on both internal and external aspects of the Company, identify and assess relevant risks, and respond to corresponding impacts. Since 2022, quarterly reports on greenhouse gas inventory have been submitted to the Board of Directors. The Board reviews the operational content and directions, provides recommendations as needed, and supervises the management team to make timely adjustments. In 2024, a total of 4 reports were conducted, promoting more comprehensive analyses of climate-related risks and opportunities for the Company.</p> <p>FEDS has established a "Risk Management Policy" and has included "environmental and energy risks" in the important risk identification categories, including risks caused by global climate change, geographical resources, government energy and related fiscal and taxation policies. Relevant risks must use various information to determine the possibility of risk events occurring and assess the impact of their results on the company.</p>
2. Describe how the identified climate risks and opportunities impact the Company's business, strategy, and finances in the short-, medium-, and long-term.	<p>Impacts of climate change:</p> <p>(1) Business aspect: As the issue of climate change has received highly attention in the world, FEDS has already incorporated the potential impacts into its overall operational considerations, with different approaches in the short, medium and long term:</p> <p>(a) Short-term to reduce carbon footprint: We have been promoting various green environmental protection policies including paperless in management, replacement of energy-saving equipment, and encouragement of "reduction, recycling, and reuse" to reduce the carbon footprint of corporate operations and services.</p> <p>(b) Pursue sustainability in the mid- to long-term: planning to build green building, using green energy, green landscape adoption, and green consumption promotion for customers in departments, in order to be a leader in sustainable fashion and environmentally friendly operations.</p> <p>(2) Strategy: FEDS integrates potential effects of climate change into its overall operational considerations. The Company estimates the likelihood of risks, their impacts on the department store industry, and develops response plans and mitigation measures. Taking into account the nature of its business, risk strategy, and financial planning status, FEDS identifies entities and transformation risks and opportunities. The Company also advocates for various green environmental policies to reduce the carbon footprint of its operations and services by conducting simulations of potential climate-related financial impacts.</p> <p>(3) Financial aspect: FEDS evaluates potential risks climate change may pose, in participation of the global climate change discourse, and collaborates with financial institutions to explore the viability of related ventures. Currently, the Company has secured preferential loan interest rates by meeting ESG criteria, which has reduced borrowing costs; in the future, it plans to partner with financial institutions to pursue ESG-</p>

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and their causes.
	Yes	No	Summary	
<p>3. Describe the financial implications of extreme weather events and transitional actions.</p> <p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts thereof should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the plan, metrics, and objectives used to identify and manage entity and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the method for price determination should be explained.</p> <p>8. If climate-related targets are set, information on the activities covered, scope of GHG emissions, planning period, and annual achievement progress should be stated; if carbon offsets or renewable energy certificates are used (to achieve the relevant</p>			<p>related initiatives in accordance with FEDS's overall capital utilization plan.</p> <p>Extreme weather conditions may lead to higher energy consumption, increased energy costs, and additional expenses due to stricter environmental regulations. Seizing this opportunity, Far East Department Store has implemented paperless management and upgrades to energy-efficient equipment for cost reductions, and is planning to incorporate green energy and green building practices into its malls. The Company is also engaging with customers to promote eco-friendly consumption, reduce carbon emissions from both FEDS operations and customer activities, and minimize the financial impact of these transformations.</p> <p>According to the Company's Risk Management Policy, the risk management structure includes the Board of Directors and relevant management units. The identification, assessment and management process of climate risk is implemented in accordance with the Risk Management Policy.</p> <p>(1) FEDS assesses the impacts of potential climate disasters based on the RCP 8.5 climate scenario, and then analyzes the possible physical climate disasters based on public climate models and relevant diagram websites such as "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" and "3D Disaster Potential Map".</p> <p>(2) After analyzing the potential cost increase caused by climate change, FEDS intends to adopt eco-friendly construction and water-saving practices to cut expenses. Additionally, the Company aims to enhance eco-consciousness among customers, build trust, and minimize business disruptions.</p> <p>In order to achieve the net zero emission target by 2050, FEDS has taken practical actions to reduce carbon emissions in stages through four major driving directions: "energy saving, carbon reduction, green energy, and waste reduction".</p> <p>Until the date of publication of the annual report, the Company has not used internal carbon pricing tool.</p> <p>The Company's reduction goal is to achieve a 30% carbon emission reduction by 2030, with the inventory report following requirements of ISO14064-1:2018 and the GHG Protocol. The inventory report employs an operational control approach and recognizes 100% of the GHG emissions generated by facilities under FEDS's management or operation, with the inventory scope encompassing scopes 1 to 2.</p> <p>FEDS applied for green electricity certification for existing solar equipment in Taichung Store in November 2024. The application fee was</p>	

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and their causes.									
	Yes	No	Summary										
targets), the source and amount of carbon credits or renewable energy certificates offset should be stated.			NT\$94,000 (excluding tax). In 2024, FEDS obtained the renewable energy certificate (T-REC) for solar equipment and has issued 28 certificates totaling 28,000 kWh.										
9. Inventory and assurance of GHG emissions, reduction goals, strategies, and specific action plans			<p>(1) Information on greenhouse gas inventory: Greenhouse gas (GHG) inventory has been completed for the years 2023 and 2024, with the inventory already assured, and disclosed in official website and Sustainability Report</p> <p>Provincial Branch Companies' Greenhouse Gas Emissions</p> <table><tr><th>Annual Inventory</th><th>Scope 1and 2 (metric tons of CO₂e per year)</th><th>Intensity (etric tons of CO₂e per million dollars)</th></tr><tr><td>2023</td><td>77,562</td><td>1.28</td></tr><tr><td>2024</td><td>76,393</td><td>1.29</td></tr></table> <p>(2). Greenhouse Gas Reduction Goals, Strategies and Specific Action Plans The baseline year for reduction is set at 2022, which is when the FEDS completed greenhouse gas inventory. Energy saving is achieved through routine KPI management, including assessing the replacement of outdated energy-consuming equipment to improve energy efficiency, substitution of LED energy-saving lighting in stores, management of chillers' operation schedule, reduction of back-end lighting, decrease elevator use during non-peak hours, and other energy-saving measures, such as installing frequency conversion automatic deceleration devices for escalators; also continuously replace outdated chiller and import IAuto intelligent control platform to control the air-conditioning system. Energy conservation is also carried out through daily KPI management, with an estimated reduction target of 30% in 2030.</p> <p>(3).At the same time, we hold monthly energy management meetings, and set annual carbon reduction targets for each branch, reviewing monthly and annually. Also, with energy-related education and training, there are lots of opinion exchanges for achieving energy conservation and carbon reduction goals.</p>	Annual Inventory	Scope 1and 2 (metric tons of CO ₂ e per year)	Intensity (etric tons of CO ₂ e per million dollars)	2023	77,562	1.28	2024	76,393	1.29	
Annual Inventory	Scope 1and 2 (metric tons of CO ₂ e per year)	Intensity (etric tons of CO ₂ e per million dollars)											
2023	77,562	1.28											
2024	76,393	1.29											
(1-1) Information on greenhouse gas inventory:													
1. Start time for Verification : FEDS from 2023 and consolidated financial statements from 2025													
Since 2023, FEDS has regularly verified the company's greenhouse gas emissions every year to fully understand the use and emission of greenhouse gases and verify the effectiveness of reduction actions. In addition, the organizational scoop of the inventory report in the last two years refers to the requirements and recommendations of ISO14064-1:2018 and the Greenhouse Gas Inventory Protocol, and adopts the operational control method. The													

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.
	Yes	No	Summary	

organization recognize 100% of the greenhouse gas emissions caused by the facilities managed or under the operational control of the company. The inventory scope includes Scope 1 and 2, and is confirmed by the TUV Rheinland certification agency. The verification work is carried out in accordance with the specifications of ISO 14064-1:2018. The data covers all branches of Far Eastern Department Store Co., Ltd. in Taiwan.

Greenhouse gas emissions		2023		2024	
		CO2e (t)	CO2e (t)/Sales	CO2e (t)	CO2e (t)/Sales
FEDS	Scope 1	5,512		5,381	
	Scope 2	72,050		71,012	
	(A)Total	77,562		76,393	
consolidated financial statements	Scope 1			21,615	
	Scope 2			96,782	
	(B)Total			118,397	
(C=A+B) Total		77,562	1.28	194,790	1.44

1-1-2 Greenhouse gas assurance information

1. Start time for Assurance ; FEDS from 2023 and consolidated financial statements from 2027

Assure Scoop		2023 CO2e (t)	2024 CO2e (t)
FEDS	Scope 1	5,512	5,381
	Scope 2	72,050	71,012
	Total	77,562	76,393
	Verification/ Assurance	100.00%	100.00%
consolidated financial statements	Scope 1		
	Scope 2		
	Total		
	Verification/ Assurance		
Assurance Institutions		TUV Rheinland	TUV Rheinland

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.
	Yes	No	Summary	
Assurance description			TUV Rheinland	-
Assurance result			Unqualified opinion	-

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

1. Greenhouse gas reduction base year and reduction target:

In order to plan greenhouse gas reduction strategies, FEDS has been conducting individual verification and assurance since 2023, and the consolidated financial reporting subsidiaries have been conducting verification and assurance since 2025. The base year is 2012. By 2014, the cumulative carbon reduction in Scope 1 and Scope 2 emissions had reached 8.9%. Since 2025, the greenhouse gas emissions of subsidiaries in the consolidated financial statements have been disclosed. Therefore, the base year for FEDS and subsidiary companies has been adjusted to 2024, and the reduction target plan has been implemented together with the parent company, with the expectation of a 30% reduction in 2030.

2. Greenhouse gas reduction strategy and action plan:

(1) The carbon reduction actions taken by the consolidated subsidiaries in recent years include replacing old chiller equipment, installing inverters in air-conditioning boxes, replacing LED lighting in the hall, introducing an AI management system for central air-conditioning, raising carbon reduction awareness among employees and coordinating peak and off-peak electricity consumption schedule management.

(2) Greenhouse gas assurance information: The inventory report organization scope refers to ISO14064-1:2018 and the requirements and recommendations of the Greenhouse Gas Inventory Protocol. The operational control method is adopted. The organization recognize 100% of the greenhouse gas emissions caused by the facilities managed or under the operational control of the company. The inventory scope includes Scope 1 and 2. Assurance is obtained through the TUV Rheinland certification agency in Germany. The verification work is carried out in accordance with the specifications of ISO14064-1:2018.

(3) The base year is set as 2012, the year in which all branches and head office locations in Taiwan completed greenhouse gas inventories. At the same time, we actively promote various energy management and energy-saving improvement projects: control of the on/off schedule of chiller and air-conditioning equipment, reduction of back-of-house lighting and promotion of replacement of public area/counter LED lamps, reduction of lifting equipment during non-peak hours, and addition of variable frequency automatic deceleration devices to escalators. We also continuously evaluate the replacement of old chiller and air-conditioning equipment and introduce the IAuto smart graphics control platform to control the air-conditioning system.

(4) At the same time, we hold monthly energy management project meetings to set annual carbon reduction plans and targets for each branch, review the monthly and annual electricity and water consumption savings rates, and regularly track and analyze data to help underperforming branches identify the causes and develop improvement plans. We conduct education and training on energy issues, and share the performance of outstanding branches at monthly meetings. Through mutual exchange, discussion and learning, we inspire more plans to optimize energy use and reduce carbon emissions, establish optimal reduction and continuous improvement, and continue to aim for net

Evaluation Item	Operating status			Deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and their causes.
	Yes	No	Summary	

zero emissions.

(5) FEDS continues to promote energy-saving projects. In 2024, it implemented 28 energy-saving projects with a total investment of NT\$8,730,000 and a total energy-saving benefit of 3,001,708 kWh. All of these projects were completed in the same year. In terms of project content, there were 18 energy-saving improvement projects related to lighting, with a power-saving benefit of 1,755,751 kWh, and 7 energy-saving improvement projects related to air-conditioning equipment, with a power-saving benefit of 947,660 kWh. Through the improvement of air-conditioning and lighting equipment, the energy-saving benefits generated by the two accounted for 90% of the total energy-saving benefits.

(6) Annual electricity consumption intensity per unit area (EUI) is one of the important energy management indicators of FEDS. At the same time, the department store industry EUI average is used as a management target, and is tracked and controlled weekly by the Engineering Department. From the actual EUI figures, we can observe that FEDS has been reducing its dependence on energy year by year, and its energy efficiency performance is excellent. The EUI has dropped from 333 in 2017 to 309 in 2024, a decrease of 7.21%. The EUI in 2024 was also 1.87% lower than the previous year (excluding Baoqing store).

3. Reduction target achieved:

Year	2022	2023	2024
Scope 1 (CO2e (t))	5,815	5,512	5,381
Scope 2 (CO2e (t))	77,942	72,050	71,012
Total (CO2e (t))	83,757	77,562	76,393
Density (CO2e (t)/Million\$)	1.47	1.28	1.29
Differ to base year (%)		-13.21%	-12.39%

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

Assessment Items	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
1. Establishment of ethical corporate management policy and approaches				
(1) Has the Company implemented a board-approved business integrity policy and stated in its regulations and external correspondence its business integrity policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		The Company adopted the resolution of the Board of Directors to formulate the "Code of Ethical Conduct" and the "Code of Integrity Management" to regulate the Company's personnel to operate various business activities in accordance with the principle of integrity, and clearly stipulate that "bribery and acceptance of bribes" and "illegal political contributions are prohibited" "", "Prohibition of improper charitable donations or sponsorships", "Prohibition of unreasonable gifts, entertainment or other improper benefits" and other behavioral norms matters, of which the "Code of Integrity Management" applies to the Company's subsidiaries. In order to ensure the implementation of the policy, the Company's website (http://www.feds.com.tw) and Annual Report have clearly stated the policy of honest operation. The Board of Directors and senior management should commit to actively implement it and implement it in internal management and business activities. Through internal publications, various meetings and other channels, the ethical code of conduct and the concept of ethical management are implemented to all employees' daily business execution, and the Company's stakeholders are reminded to observe and respect the Company's ethics and integrity standards.	No material difference.
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure the continued effectiveness of the design and enforcement of the systems.	No material difference.

Assessment Items	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(3) Did the Company specify operating procedures, guidelines for conduct, punishments for violation, and complaint filing systems in the unethical conduct prevention plan? Does it implement and periodically review and revise the plan?	V		In order to implement the ethical management policy, the "Ethical Corporate Management Operating Procedures and Code of Conduct" has been formulated to specifically regulate the matters that the Company's personnel should pay attention to when performing business, establish a punishment and reporting appeal system for violations, and announce internal and external independent reporting mailboxes, with a view to Restrict the abuse of dishonesty and implement the policy of honest operation.	No material difference.
2. Implementation of ethical corporate management (1) Does the Company evaluate credit records of its counterparts and specify good faith terms and conditions in the contracts entered into?	V		<p>1. The company takes the founding spirit of "honesty, diligence, simplicity, prudence and innovation" as the highest guiding principle for its business development. We require stakeholders who have business dealings with our company, such as suppliers, contractors, or other partners, to abide by the same ethical standards as our managers and colleagues. For example, our company has gradually required suppliers, contractors, or other partners to sign a "Supplier Social Responsibility Commitment" in their service contracts since October 2016, which includes a clause on honest behavior, and to be committed to complying with the key points of the commitment, or to clearly specify a clause on honest behavior in the text of important contracts, and to continuously seize opportunities to communicate with stakeholders to continuously remind and promote them to avoid dishonest behavior.</p> <p>In addition to requiring suppliers, contractors or other partners to sign the "Supplier Code of Conduct and Social Responsibility Commitment" in the service contract and to be committed to complying with the key contents of the commitment, the company also continuously seizes opportunities to communicate with stakeholders to remind them to avoid dishonest behavior.</p> <p>2.The Company asks the supplier to provide product-related inspection records before dealing with suppliers, and carefully evaluates and understands the supplier's past information. The Company's contract with each supplier lists various management measures to achieve common and mutually beneficial operations, and against breach of contract and the contract suspension and confidentiality are all listed. If the supplier violates it, it shall be dealt with in accordance with the law.</p>	No material difference.

Assessment Items	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(2) Did the Company establish a dedicated unit under the Board of Directors to promote ethical corporate management and periodically (at least once a year) report to the Board of Directors about the supervision and implementation of the ethical corporate management policy and unethical conduct prevention plan?	V		In order to improve the management of ethical management, the Company's corporate governance director and the human resources department under the Board of Directors are responsible for the formulation, supervision and implementation of ethical management policies and prevention plans, and report to the Board of Directors on a regular basis (at least once a year). At the same time, internal audits conduct annual self-assessment operations in accordance with laws and regulations, include the implementation of ethical management in self-evaluation, summarize the results of self-evaluation by various departments, and report to the Board of Directors.	No material difference.
(3) Does the Company have policies that help prevent against conflict of interests and appropriate channels for filing related complaints in place and precisely enforce them?	V		When the directors, managers, or other personnel of the Company discover conflicts of interest with themselves, the legal persons or stakeholders they represent, etc., when performing the Company's business, the directors and managers shall be avoided when discussing and voting at the current Board of Directors. Other personnel should report the relevant situation to the direct supervisor and the Company's dedicated unit at the same time, and the direct supervisor should provide appropriate guidance.	No material difference.
(4) Does the Company have an effective accounting system and internal control systems set up to facilitate ethical corporate management? Does the internal auditing unit formulate audit plans based on unethical conduct risk assessment results? Does it audit compliance with the unethical conduct prevention plan or commission an accountant to perform the audit?	V		<p>The Company clearly stipulates the "Ethical Corporate Management Operating Procedures and Code of Conduct" and "Reporting and Disciplinary Measures for Violating Ethical Behaviors and Ethical Business Operations". If any personnel violates the ethical management regulations, they will be punished according to the rewards and punishments measures based on the severity of the circumstances. The Company has a complaint system to provide remedies for violators in accordance with relevant regulations.</p> <p>The Company's internal auditors check the compliance of the systems from time to time and without prior notice in accordance with the management rules of the Company's management unit, the accounting system, the internal control system, and the automated production of risk management reports through the audit digital system, and check the compliance of each system from time to time and without forewarning, and then prepare audit reports to be submitted to the Audit Committee and the Board of Directors.</p>	No material difference.

Assessment Items	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
(5) Does the Company organize internal and external educational trainings periodically to help enforce honest operations?	V		<p>In order to implement education and publicity, the code and other documents are posted on the Company's website. In addition to the education of new colleagues on ethical behavior and integrity requirements, the establishment of internal regulations, internal management requirements, education and training are also used to implement the ethical management policy.</p> <p>In 2024 the Company has held internal and external education and training related to ethical management issues and forbid of insider trading (including courses related to ethical management regulations and compliance, accounting systems, and internal control), and had a total of 2,193 participants and 1,775 course-hours.</p>	No material difference.
<p>1. Implementation status of the Company's reporting system</p> <p>(1) Does the Company have a substantial reporting and reward system as well as a convenient reporting channel in place with appropriate personnel to be assigned to assist the party being reported on?</p> <p>(2) Has the Company established standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?</p> <p>(3) Does the Company adopt measures to prevent reporters from improper treatment for filing the report?</p>	V		<p>The Company has specified relevant normative matters in the "Code of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Ethical Corporate Management Operating Procedures and Code of Conduct", and "Report and Disciplinary Measures for Violations of Ethical Behavior and Ethical Management".</p> <p>The Company's personnel should proactively report to the Audit Committee, managers, internal audit supervisors, corporate governance supervisors, human resources department, or other appropriate supervisors if they find any violations of the regulations on ethical management. Upon investigation, if the violation of the regulations on ethical management is confirmed, the Company will punish them according to the rewards and punishments based on the severity of the circumstances. The Company will keep the identity of the informant and the content of the report confidential, and promises to protect the informant from being improperly handled due to the report.</p>	No material difference.
<p>4. Enhance information disclosure</p> <p>Has the Company disclosed its Ethical Corporate Management Best Practice Principles and progress onto its website and MOPS?</p>	V		<p>In order to implement the "Code of Ethical Conduct", "Ethical Corporate Management Best Practice Principles" and "Report and Disciplinary Measures for Violation of Ethical Behavior and Ethical Management" set by the Company, the regulations are posted on the Market Observation Post System (http://www.feds.com.tw), as the code of conduct followed by every Far Eastern employee.</p>	No material difference.

Assessment Items	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons for deviation
	Yes	No	Summary	
5. If the Company has established Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancies between the principles and their implementation: No discrepancies				
6 Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management (such as the Company's review and revision of the Ethical Corporate Management Best Practice Principles): The Company abides by the Company law, securities exchange law, commercial accounting law, listing-related regulations and other business conduct related laws and regulations, and reviews the Company's internal regulations at any time to ensure the implementation of ethical management				

4.7 Other information relating to corporate governance:

4.7.1 The Company's intellectual property management plan

- (1) Intellectual property strategy, management policies, possible risks, and countermeasures: The Company's intellectual property strategy is to register new trademarks, protect existing trademarks, and train intellectual property management talents. Currently, the legal unit is responsible for the relevant procedures and management of trademarks, including the registration of new trademarks, and maintaining the validity of existing trademarks and patents. The legal unit searches for trademark counterfeiting or imitations. In case of such an event, the legal affair unit is responsible for the subsequent matters. For the licensing of trademarks to a third party, the individual contract shall include the methods of licensing, and violation penalties, in order to achieve risk control.
- (2) Execution Status for 2024: The Company acquired 135 domestic trademarks and 29 international trademarks in 2024. Furthermore, there were 63 trademark extensions in 2024. Moreover, we have obtained and maintained five domestic patents.

4.7.2 The "Procedures for Handling Material Inside Information", which was established to manage the Company's material inside information, has been announced to all directors, managers, and employees and published on the corporate website (<http://www.feds.com.tw>) for all personnel to follow in order to avoid violations or instances of insider trading.

4.7.3 Insiders such as newly appointed directors and managers shall be given the latest edition of "Regulations and Directions Governing Insiders' Equity at TWSE Listed Companies" formulated by TWSE for insiders to comply with.

4.7.4 The Company irregularly educates insiders about information regarding insider trading published on the TWSE website.

4.8 Implementation of Internal Control System

4.8.1. The declaration of internal control system

Far Eastern Department Stores Co., Ltd.

The Declaration of Internal Control System

Date: 4 March 2025

Based on the self-examination results of the internal control system for the year of 2024, Far Eastern New Century Corporation (the Company) therefore declares the following:

1. Board of Directors and the management of the Company understand that it is their responsibility to establish, implement, and maintain an internal control system, and such a system has been established. The purpose to establish the aforesaid system is to reasonably assure (1) the operating results and operating efficiencies (including profit, performance, and the safeguard of assets); (2) the reliability, instantaneity and transparency of the financial reports, and (3) the compliance of the relevant laws and regulations.
2. An internal control system, regardless how perfectly the system is being designed, can have its defects. A system that can reasonably assure the achievements of the three purposes mentioned in the preceding paragraph is considered as effective and useful. In addition, changes in the business environment and situation may, as a result, hinder the effectiveness of an adequate system. However, the internal control system of the Company has included a self-examination mechanism; the Company will make immediate corrections considering the materiality when material errors are detected.
3. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with “Guidelines for the Establishment of Internal Control Systems by Public Companies” (the Guidelines). The Guidelines are made to exam the following five items during the internal control process: (1) Control Environment, (2) Risk Evaluation and Management, (3) Control Activities, (4) Information and Communication, and (5) Monitoring processes. Details of each area being examined can be found in the Guidelines.
4. Based on the items mentioned in the preceding paragraph, the Company has evaluated the design of the internal control system and the effectiveness of the implementation of the aforesaid system.
5. The Company management declares that the internal control system (including Subsidiary Governance) as of 31 Dec. 2024 has effectively assured that the following objectives have been reasonably achieved during the assessment period:
 - (1) The effectiveness and efficiency of business operations; (2) The reliability, timeliness, transparency, and regulatory compliance of the financial reports; (3) The compliance of the relevant laws/regulations.
6. This Declaration is a significant content in the annual report and prospectus of the Company, and it is available to the general public. If it contains false information or conceals any material contents, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the ROC Securities and Exchange Act.
7. The Board of Directors has approved the Declaration of Internal Control System in the board meeting held on 4 March 2025. All of 9 Directors present consented to the Declaration, and no dissenting opinion was expressed.

Far Eastern Department Stores Ltd

Chairman: Douglas Tong Hsu

President: Nancy Hsu

4.8.2 Independent Auditor’s Review Report: The Company did not contract an independent auditor to review the internal control system, therefore, this is not applicable. : None.

4.9 Major resolutions of shareholders' meetings and Board meetings in the recent year and up to the Annual Report publication date

4.9.1 Resolutions in the Annual Shareholders' Meeting

Date: June 18, 2024

Location: Taipei Hero House, No. 20, Sec. 1, Changsha St., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)

Resolutions of Shareholders' Meeting	
Reported Items	<ol style="list-style-type: none"> 2023 Business Report. 2023 Financial Report. The Audit Committee's review report of the 2023 financial statements. 2023 employees' compensation and Directors' remuneration.
Approving Items	<ol style="list-style-type: none"> 2023 Financial Statements. Resolution: The number of votes in favor has exceeded the statutory amount, resolution passed. The Company's 2023 distribution of earnings proposal. Resolution: The number of votes in favor has exceeded the statutory amount, resolution passed. Implementation status: 2023 distribution of earnings. Cash dividend was NT\$1.6 per share. The ex-dividend date was settled as July 22, 2024, and cash dividends were distributed by August 6, 2024.
Items for Discussion and Election	<ol style="list-style-type: none"> PROPOSAL TO ELECT DIRECTORS(INCLUDING INDEPENDENT DIRECTORS) OF THE COMPANY List of elected directors : Douglas Tong Hsu Ding & Ding Management Consultants, Co., Ltd. Representative: Nancy Hsu Far Eastern New Century Corporation Representative: Nicole Hsu and Philby Lee Asia Cement Corporation Representative : Chee Ching Yuli Investments Corporation Representative: Jin-lin Liang Independent Director : Edward Wei, Dong, Ding Yu, and Susan S. Chang Implementation status : The business was executed in accordance with the resolution of the shareholders' meeting and was approved for registration by the Ministry of Economic Affairs on July 18, 2024 and disclosure on the company's website. PROPOSAL TO RELEASE THE NON-COMPETITION RESTRICTION FOR THE COMPANY'S DIRECTORS.. Resolution: The number of votes in favor has exceeded the statutory amount, resolution passed. Implementation status: The business was executed in accordance with the resolution of the shareholders' meeting

4.9.2 Important Resolutions of Board Meetings until the annual report being published

Term	Date	Important Resolutions
11th Board Meeting of the 19 th term	2024/03/01	<ol style="list-style-type: none"> 1. Approved the 2023 employee compensation and director remuneration 2. Approved the Company's 2023 consolidated financial statements and individual financial statements. 3. Approved the Company's 2023 distribution of earnings proposal. 4. Approved the Company's 2024 operating budget. 5. Approved the Company's 2023 Statement on Internal Control System. 6. Approved the amendment to the Company's "Meeting Rules of Board of Directors". 7. Approved the amendment to the Company's "Audit Committee Charter". 8. Approved to elect directors (including independent directors) of the company 9. Approved the date of the 2024 Annual General Shareholders' Meeting and relevant matters.
12th Board Meeting of the 19 th term	2024/05/08	<ol style="list-style-type: none"> 1. Approved the Company's 2024 1st. quarter financial report 2. Approved the Company's 2023 business report. 3. Approved the candidates for Board of Directors 4. Approved to release the non-competition restriction for directors
1st Board Meeting of the 20th term	2024/06/18	<ol style="list-style-type: none"> 1. Approved Douglas Tong Hsu as the chairman of the board of directors of the company
2nd Board Meeting of the 20th term	2024/08/09	<ol style="list-style-type: none"> 1. Approved the Company's 2024 2nd quarter financial report. 2. Approved the re-election of members of the 6th Remuneration Committee of the Company. 3. Approved the Company's "Risk Management Policy" 4. Approved the organizational regulations and the election of members of the Corporate Sustainability Committee. 5. Approved the Company's "sustainability report compilation and assurance procedures". 6. Approved 2023 Sustainability Report
3rd Board Meeting of the 20th term	2024/11/12	<ol style="list-style-type: none"> 1. Approved the Company's 2024 3rd quarter financial report. 2. Approved the Company's 2025 audit plan 3. Approved the amendment of internal control System and Internal Audit Implementation Rules 5. Approved the amendment of Rules Governing Financial and Business Matters Between this Corporation and its Related Parties 6. Approved the change of Financial Officer
4th Board Meeting of the 20th term	2025/03/04	<ol style="list-style-type: none"> 1. Approved the 2024 employee compensation and director remuneration 2. Approved the amendment to the Company's "Articles of Incorporation". 3. Approved the Company's 2024 consolidated financial statements and individual financial statements. 4. Approved the Company's 2024 distribution of earnings proposal. 5. Approved the Company's 2025 operating budget. 6. Approved the change of auditing CPA from Deloitte & Touch since 2025 1st quarter. 7. Approved the Company's 2024 "Statement on Internal Control System". 8. Approved the Company's 2024 business report 9. Approved the date of the 2025 Annual General Shareholders' Meeting and relevant matters.

4.10 In recent years until the annual report being published, Dissenting Comments On Major Board of Director Resolutions from Directors and Supervisors: None

4. Audit Fees

4.1 Professional Fees of CPA in Recent Year:

Unit: NT\$ thousands

Accounting Firm	CPA name		Audit Period	Audit fee	Non-audit Fees	Total
Deloitte & Touche	Kuo-Ning Huang	Chih-Ming Shao	2024/01/01-2024/12/31	6,400	1,060	7,460
Remarks	Non-audit Fees are mainly for services such as tax, VISA and transfer pricing.					

4.2 If accounting firm was replaced and if the audit fees paid for the fiscal year in which such replacement took place are lower than those for the previous year, the fees before and after the change and the reason(s) should be disclosed: the Company has not changed its accounting firm.

4.3 If the audit fee is more than 10% less than that paid in the previous year, the amount and percentage of decrease and reason shall be disclosed: None.

5. Information For Change of CPA:

5.1 About the previous CPA:

Replacement Date	March 2023 and March 2025		
Replacement reasons and explanations	In order to maintain the independence of CPA, and implement the internal rotation of Deloitte Taiwan.		
Describe whether the Company terminated or the CPA did not accept the appointment	Party	CPA	The Company
	Situation		
	Termination of appointment	Not applicable	Not applicable
	No longer accepted (continued) appointment	Not applicable	Not applicable
Audit opinions other than unqualified opinions in the most recent two years and reason	None		
Has different opinion from the Company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None	✓	
	Description		
Other disclosures Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

5.2 About the successor CPA:

Name of accounting firm	Deloitte & Touche
CPA name	Shu-Chuan Yeh and Kuo-Ning Huang
Date of appointment	March 2024
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	Not applicable
Succeeding CPA's written opinion of disagreement toward the former CPA	Not applicable

5.3 Reply of the predecessor auditor regarding Article 10, Subparagraph 6, Item 1 and Point 3 of Item 2 of the Guidelines: Not applicable.

6. The Company's Chairman, President and Managers Responsible for Finance or Accounting Who Have Held a Position in Company's Audit Firm or its Affiliations in the Last Year: None

7. Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of the Company Shares or More:

Please refer to MOPS <https://emops.twse.com.tw/server-java/t58query>

8. Relationships Between Top 10 Shareholders:

Jul. 18, 2024

Name	Current Shareholding		Spouse & Minor Children's Shareholding		Shareholding in Name of Others		Name, relationship of top ten shareholders are Spouses of within 2 degrees of consanguinity to each other		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Far Eastern New Century Corporation Representative: Douglas Tong Hsu	241,769,702	17.06	0	0	0	0	Asia Cement Corporation, Yuan Ze University, Yuan Ding Investment Co., Ltd Tranguil Enterprise Ltd Yuan Tong Investment Co., Ltd	The same Chairman The same Chairman The same Chairman The same Chairman Invested by evaluated by Far Eastern New Century Corporation and evaluated by equity method	N/A
Yuan Ding Investment Co., Ltd. Representative: Douglas Tong Hsu	97,468,985	6.88	0	0	0	0	Far Eastern New Century Corporation Asia Cement Corporation Yuan Ze University Tranguil Enterprise Ltd. Yuan Tong Investment Co., Ltd.	The same Chairman The same Chairman The same Chairman The same Chairman Invested by evaluated by Far Eastern New Century Corporation and evaluated by equity method	N/A
Asia Cement Corporation Representative: Douglas Tong Hsu	80,052,950	5.65	0	0	0	0	Far Eastern New Century Corporation Yuan Ze University Yuan Ding Investment Co., Ltd. Tranguil Enterprise Ltd Yu Yuan Investment Co., Ltd.	The same Chairman The same Chairman The same Chairman The same Chairman Invested by evaluated by Asia Cement Corporation	N/A

								and evaluated by equity method	
Yuan Tong Investment Co., Ltd Representative: Jian Cheng Wang	79,699,530	5.62	0	0	0	0	Far Eastern New Century Corporation Yuan Ding Investment Co., Ltd.	Invested by evaluated by Far Eastern New Century Corporation and evaluated by equity method	N/A
Yuan Ze University Representative: Douglas Tong Hsu	67,373,794	4.75	0	0	0	0	Far Eastern New Century Corporation Asia Cement Corporation Yuan Ding Investment Co., Tranguil Enterprise Ltd	The same Chairman	N/A
Yuanta Taiwan High Dividend Low Volatility ETF	52,390,000	3.70	0	0	0	0	N/A	N/A	N/A
Mega Bank Finance Department	46,600,000	3.29	0	0	0	0	N/A	N/A	N/A
HSBC as the custodian of Ghisallo Capital Management LLC Securities Trading Account	31,409,000	2.22	0	0	0	0	N/A	N/A	N/A
Labor Pension Fund of Far Eastern Department Stores Co., Ltd.	29,926,799	2.11	0	0	0	0	N/A	N/A	N/A
Yu Yuan Investment Co., Ltd. Representative: Peter Hsu	29,130,476	2.06	0	0	0	0	Asia Cement Corporation	Invested by evaluated by Asia Cement Corporation and evaluated by equity method	N/A

9. The combined shareholding ratio of the Company, Director, Supervisor, President and the Business that is controlled by the Company directly or indirectly on the Invested Company:

31 Dec, 2024 Unit: Thousand shares; %

Affiliated Company (Note 1)	Investment of the Company		Directors, Supervisors, Managements and Direct or Indirect Investment of the Affiliated company		Consolidated Investment	
	Shares	%	Shares	%	Shares	%
Far Eastern Ai Mai Co., Ltd.	87,744	100	0	0	87,744	100
Bai Ding Investment Co., Ltd.	151,776	67	75,924	33	227,700	100
Bai Yang Investment Co.	1,654,991	100	0	0	1,654,991	100
Yu Ming Advertising agency Co., Ltd	3,500	100	0	0	3,500	100
Ya Tung Department Store Ltd.	51,000	100	0	0	51,000	100
Far Eastern Hon Li Do CO., Ltd.	1,571	56	1,259	44	2,830	100
Asians Merchandise Company	950	100	0	0	950	100
FEDS Development Ltd.	218	54	185	46	403	100
Pacific Liu Tong Investment Co., Ltd	281,734	35	485,644	61	767,378	96
Far Eastern City Super Ltd.	47,827	96	2	0	47,829	96
Oriental Securities Corporation	83,008	20	220,772	52	303,780	72
Ding Ding Integrated Marketing Services. Ltd.	3,631	10	3,631	10	7,262	20

Note 1: Long-term investment accounted for using equity method

III. Capital Overview

1. Capital and shareholding of the Company

1.1 Issued Shares

March 4, 2025 unit: shares; NT\$

Month/Year	Par Value (NT\$/share)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
12/2015	10	1,750,000,000	17,500,000,000	1,416,940,589	14,169,405,890	Capital reduction by treasury shares	None	None

Note : 2015.12.3 MOEA Ruling Reno. 10401255720

Type of Stock	Authorized Capital			Remarks
	Outstanding issued shares	Un-issued Shares	Total Shares	
Common Shares	1,416,940,589 (Listed)	333,059,411	1,750,000,000	None

1.2 Major Shareholders

July 18, 2024

Major Shareholders	Shares	%
Far Eastern New Century Corporation	241,769,702	17.06
Yuan Ding Investment Co., Ltd.	97,468,985	6.88
Asia Cement Corporation	80,052,950	5.65
Yuan Tong Investment Co., Ltd	79,699,530	5.62
Yuan-Ze University	67,373,794	4.75
Yuanta Taiwan High Dividend Low Volatility ETF	52,390,000	3.70
Mega Bank Finance Department	46,600,000	3.29
HSBC as the custodian of Ghisallo Capital Management LLC Securities Trading Account	31,409,000	2.22
Labor Pension Fund of Far Eastern Department Stores Ltd.	29,926,799	2.11
Yu Yuan Investment Co., Ltd.	29,130,476	2.06

1.3 Dividend policy and implementation status

1.3.1 The Company's dividend policy declared in the Articles of Incorporation:

If there is a surplus in the Company's annual final accounts, after paying the income tax for profitable businesses in accordance with the law, it shall first make up for the previous years' losses. Ten percent of the legal earnings reserve is set aside, and the special surplus reserve is set aside according to laws and regulations, together with the accumulated undistributed surplus of the previous year, as the surplus available for distribution, but a portion may be reserved depending on the business situation, share dividends to shareholders evenly based on all shares, but in case of capital increase, the dividends that should be distributed to the new shares in the current year shall be handled in accordance with the resolutions of the shareholders meeting.

The Company's dividends shall be distributed with the objective of maintaining stable dividends, taking into account the characteristics of the business climate change, considering the impact of the life cycle of each product or service on the future demand for funds and the tax system. The distribution of dividends shall not be less than the balance of the current year's after-tax net profit after deducting the amount of loss, the legal earnings reserve and the special surplus reserve, except for the improvement of the financial structure and the capital needs to support transfer investment, capacity expansion or other major capital expenditure 50%, the cash dividend shall not be less than 10% of the shareholder dividend for the year.

Taking the dividends paid by the Company in the last three years as an example, the dividend payout rates for 2022, 2023 and 2024 are 80%, 82% and 82%, respectively. The distribution of cash dividends is in line with the cash dividends in the Company's Articles of Incorporation and is not less than 10% of the shareholders' dividends for the year. The calculation method is as follows

Year	EPS (A)	Cash Dividend (B)	Stock Dividend (C)	Dividend Per Share (D=B+C)	Payout Ratio (D/A)	Cash Payout Ratio (B/D)
2022	1.37	1.10	0.00	1.10	80%	100%
2023	1.95	1.60	0.00	1.60	82%	100%
2024	1.65	1.35	0.00	1.35	82%	100%

1.3.2 Current year dividend distribution proposal to the shareholders' meeting: A cash dividend of NT\$1.35 per share will be distributed.

1.4 Effects on Business Performance and EPS Resulting from Stock Dividend Distribution Proposed by 2023 Annual General Shareholders' Meeting: Not applicable due to no stock dividend distribution.

1.5 Remuneration to Employees and Directors

1.5.1. Description regarding compensation for employees and Directors in the Articles of Incorporation:

The standard is set according to Articles of Incorporation of the Company: "If there is profit for the current year, the Company shall set aside 2%~3.5% of it as compensation for employees and, shall set aside not more than 2.5% of it as compensation for Directors. If there is accumulated loss on the books of the Company, portion of the profit equaling the loss shall first be set aside to cover the latter.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-third of the total number of Directors, determine the actual ratio, amount, form (in the form of shares or in cash) and the number of shares of the profit distributable as employees' compensation, and, in addition, thereto report of such distribution shall be submitted to the shareholders' meeting. The actual ratio and amount of the profit distributable as Directors' remuneration shall also be determined by Board of Directors, and a report of such distribution shall be submitted to the shareholders' meeting.

1.5.2. The accounting treatment for the differences between actual and accrued amount of compensation for employees and Directors:

The estimated amount of compensation for employees and directors is based on the employee's remuneration and director's remuneration from 2% to 3.5% and not more than 2.5%, respectively, prior to the pre-tax benefit of the deduction of staff and directors' compensation. The 2024 annual estimates are based on 3.2% and 2.4% of the pre-tax benefits mentioned above. These amounts were allotted in cash on March 4, 2025. If the amount of the annual financial report is significantly changed by the resolution of the Board of Directors before the date of issuance, the change will be adjusted to the original annual cost. If the amount of the annual financial report still changes after the date of publication, it will be adjusted according to the accounting estimate and adjusted in the next year.

1.5.3. Proposed employees' compensation and Directors' remuneration:

The 2024 employees' compensation and Directors' remuneration was resolved on 4 March 2025 by 4th Board Meeting of the 20th term. The amounts and forms are listed below:

- (1) The amount of employees' compensation and Directors' remuneration in cash or in shares:
The Board of Directors of the Company resolved to distribute employees' compensation of NT\$91.597 million in 2024 and directors' compensation is NT\$68.697 million. These amounts are not different from the amount recognized in the 2024 accounts.
- (2) Proposed employee compensation by shares as percentages of net income and total employee compensation: None

1.5.4. Remuneration to employees and Directors of Year 2023. The discrepancy, if there is any, between the total amount being actually paid as employees' compensation, remuneration for Directors for 2022 (including number of shares, dollar amount, and share price) and the amount of such compensation and remuneration being recognized should be stated, and the reason for such discrepancy:

- (1) The Board of Directors resolved to allot employees for NT\$106.185million and actually issued NT\$105.006 million for 2023.
- (2) The Board of Directors resolved to allot 2023 directors' compensation for NT\$79.639 million and actually issued NT\$44.5 million for 2023.
The number of differences will be released in the following years or supplemented with the remaining years of the previous year.

1.6 Shares buyback by the Company: The Company did not buy back share during year 2023 until the annual report being published.

2. Corporate Bonds:

- (1) **Corporate Bond Issued and Outstanding:** None
- (2) **Convertible Bond:** None
- (3) **Exchangeable Bond:** None
- (4) **Shelf Registrations for Issuing Corporate Bonds:** None
- (5) **Bond with Warrants:** None

3. Preferred Shares: None

4. Issuance of Overseas Depository Receipts: None

5. Employee Stock Options: None

6. Employee Restricted Stock Options: None

7. Share Issued for Merger or Acquisition: None

8. Fund Utilization Plans and Status

8.1 Plan: Uncompleted bond issues, private placement of securities, completed bond issues or private placement of securities in recent 3 years whose return of investment has not emerged: None

8.2 Implementation Status: None

IV. Business Overview

1. Business activities

1.1 Business Scope

1. The Company's main business activity is as follows:

The Company and its subsidiaries are single industries that operate retail department stores and supermarkets.

2. Main business content and proportion:

Year Items	2023		2024	
	Sales	%	Sales	%
Sales of goods	20,409,393	56	19,030,345	54
Commissions from concessionaires' sales	13,189,647	36	12,771,856	37
Advertisement and promotion fee income	781,515	2	743,548	2
Rental income	1,536,648	4	1,606,649	5
Others	807,900	2	854,355	2
Total	36,725,103	100	35,006,753	100

3. New product development plan: None.

1.2 Industry Overview

1. The industry's current status and developments

In 2024, the overall retail market (department stores, convenience stores, supermarkets, and hyper markets) maintained steady growth. Among them, department store sales reached 447.8 billion, with an annual growth rate of 1.2%, which is NO.1 among the comprehensive merchandise retail channels. Convenience stores, on the other hand, have continued to grow in scale due to rapid store expansion and cross-industry mergers and acquisitions, and have the opportunity to challenge the leading position. In addition, the convenience of online shopping has made it an important shopping channel for consumers, which has also prompted department store operators to accelerate their transformation efforts, expand virtual and physical integration, and actively build a more resilient new retail model.

Driven by emerging technologies such as AI, Department store operators are continually leveraging technology to cater to the varied requirements of their customers and provide a more extensive range of digital services. In addition to the launch of our online shopping platform, we have consistently been upgrading our application to cater to the convenience-oriented shopping preferences of our customers, combining online to offline. Our application provides a variety of versatile services, integrating features such as convenient parking, discount notifications, electronic gift cards, and point rewards, all tied together with a mobile payment system. Numerous department stores are proactively fostering customer loyalty via specialized mobile applications. Leveraging big data analytics, they can acquire a deeper understanding of customer purchasing habits. This enables them to execute precise marketing tactics and improve the comprehensive shopping experience.

In the future, with the assistance of big data analysis, department store operators should invest in the research and application of smart retail, accelerate the integration of physical retail and online shopping, build a marketing network that is more in line with consumer trends, provide more real-

time, interesting, rich and relevant product and event information that is close to consumers' lives, design a more cohesive offline merge online shopping journey, and continue to deepen the advantages and competitiveness of physical retail.

2. Relationship between the industry's up-, mid-, and down-stream

According to the definition of the industry classification, department stores belong to retail sale in non-specialized stores, which refers to the business model of engaging in a wide range of products and retailing by department. Therefore, the relevance of the upper, middle and lower reaches of the department store industry is mainly composed of the manufacturers (or counters) that provide products in the upstream, the department stores that provide sales places in the midstream, and the customers who come to buy the products from the downstream. Various factors, including the location of department stores, the characteristics of business district, the consumer crowd, and convenience in public transportation, are closely related to the performance of department stores.

3. Product development trends and competition

Over the next five years, a significant number of department stores in Taiwan are proactively gearing up to inaugurate new outlets, with the aim of broadening their retail footprint. These businesses possess strong brand assets and distribution benefits, factors that are anticipated to heighten the competitive landscape within the department store industry. In 2024, the three major chain department stores, Far Eastern Department Stores, Far Eastern Sogo, and Shin Kong Mitsukoshi, collectively achieved a performance of over NT\$205.6 billion (figures to be provided by the accounting department), capturing a market share of over 46%. This highlights the prevailing trend in the department store market, where larger players continue to dominate. In the next three years, new department stores, shopping malls, and outlets will be opened one after another, and most of them will be large shopping malls with a scale of more than 33,000 square meters. In addition to intensifying market competition, they will also bring strong growth momentum to the department store market.

1.3 Overview of technology and R&D

FEDS offers comprehensive education and training programs for its employees to meet the diverse needs of various business areas, thereby ensuring continuous professional growth. The training program is structured for new hires, professionals, and employees at different management levels. It is divided into three types of courses: fundamental company training, specialized core training, and personal development training. In 2024, the program offered a total of 28,362 hours of training. The Company, through a variety of comprehensive training programs, seeks to augment the skills and knowledge of its employees. It also aims to embody its core values and ensure consistent growth in conjunction with FEDS. As a leading domestic listed department store company, FEDS has become the first Asian department store to become a member of IGDS (Intercontinental Group of Department Stores), and the only department store company representing Taiwan in the group. In Taiwan, it also joined 49 department store business associations and other related public associations, including the Republic of China Department Store Retailers Association, the Republic of China Chamber of Commerce and Industry Association, and Taiwan Enterprise Sustainability Research and Training Center, aiming to promote the booming development of the domestic department store retail industry and enhance its own management capabilities, and contribute to the prosperity of the industrial economy, and lay the key cornerstone of a sustainable enterprise.

1.4 Long-term and short-term business development plans

1. Short term:

- (1) To enhance growth momentum, each branch company will continue to adjust the brand lineup and industry segments in response to market trends and the local characteristics of the business district to enhance the merchandise power of the mall.
 - (2) To organize special events, organize international exhibitions and various activities in accordance with festivals, seasons and popular topics, increase interaction with customers, and strengthen malls' ability to gather customers and operate.
 - (3) To optimize app and other digital tools to provide customers with innovative services and experiences, conducting more detailed segmented marketing through customer relationship management (CRM) data analysis, and provide smarter personal services.
 - (4) Embracing digital technology, strengthening social media marketing, developing online shopping, constructing all-customer channels, optimizing customer shopping experience, and moving towards innovative and smart new retail.
 - (5) Cross-industry and different industry integration, co-operating with industry players to launch a series of merchandise or exhibition activities to create topical department stores and increase shopping retention rate.
2. Long term:
- (1) Deeply cultivating local operations, continue to build a new type of digital shopping mall, and expand the scale of operation and grow niche.
 - (2) With an innovative spirit that keeps pace with the times, making good use of digital tools, adjusting existing operations, management and service processes to create a new shopping journey for customers.
 - (3) Create a smart shopping mall with technology and environmental protection, create customer-specific happiness and fashion, become a sustainable retail leading brand, and fulfill corporate social responsibilities.

2. Market, production and sales

2.1 Market analysis

1. The main regions where our products (services) are sold (provided):
Taiwan and China.
2. Domestic market share of main products (KPI value):
The Company's market share in Taiwan (including FE SOGO and The Mall) is 25%.
3. Supply and demand and growth potential of the market:
In the next three years, the department store market will continue to have new shopping malls opening, which will become a driving force to boost market revenue, but it is also expected to bring more fierce market competition.
4. Main competitor:
Shinkong Mitsukoshi Department Store.
5. Competitive niche and favorable and unfavorable factors for long-term growth and response strategies:
 - (1) Competitive niche
 - ① Long-term accumulation of professional industry knowledge and experience.
 - ② Decent, pragmatic, forward-looking and innovative business philosophy and strategy.
 - ③ Excellent management team, loyal customer base.
 - ④ Good corporate reputation, all suppliers fully support and cooperate
 - (2) Favorable conditions for future development
 - ① Continue to launch new stores, expand the market scale, and increase revenue and profits.
 - ② With abundant resources, the Group will develop smart retail in conjunction with related companies and move towards omni-channel operations.
 - (3) Unfavorable conditions for future development
 - ① E-commerce, chain convenience stores, and super market sales grew strongly.
 - ② Competitors in the same industry in department stores are aggressively selling drugs for promotion, which significantly increases operating costs.
 - ③ Large shopping malls and outlet malls have opened successively to increase market competition.
 - (4) Countermeasures
 - ① According to the conditions of each store's business circle, adjust the product structure, screen the target audience, and carry out differentiated marketing.
 - ② Strengthen experience marketing and create a more interactive and experience shopping service.
 - ③ Develop online shopping and jointly innovate mobile marketing with FERG to provide a more convenient consumer experience.
 - ④ Create management efficiency, promote innovative program to increase revenue and reduce expenditure, and save costs.

2.2 Important applications and manufacturing processes of major products: Not applicable because the Company is in the department store industry.

2.3 State of supply of major raw materials: Not applicable because the Company is in the department store industry.

2.4 The names of customers who have accounted for more than 10% of the total purchases (sales) in any of the most recent two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease. However, because of the contractual agreement, the name of the customer or the transaction partner, if it is an individual and not a related party, can be codenamed.

1. Procurements: None.
2. Sales: None.

3. Employee Information in Recent 2 Years up to the Annual Report being Published

Year		2023		2024		As of March 4, 2025	
		The Company	All companies in the Financial Report	The Company	All companies in the Financial Report	The Company	All companies in the Financial Report
Number of employees	Management	443	1,393	439	1,314	443	1,309
	Other personnel	839	3,430	802	3,142	788	3,078
	Total	1,282	4,823	1,241	4,456	1,231	4,387
Average age		39.6	41.6	40.4	42	40.6	42.2
Average years of service		13.2	12.4	14	12.6	14.1	12.8
Education distribution	Ph.D.	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%
	Masters	5.2%	3.9%	5.4%	3.8%	5.3%	3.8%
	College	80.9%	68.4%	80.1%	69.4%	79.8%	69.3%
	High School	13.7%	25.1%	14.3%	25.1%	14.7%	25.1%
	High School and below	0.2%	2.6%	0.2%	1.6%	0.2%	1.7%

4. Environmental protection expenditure information

Store	Dates	Disposition reference numbers	Violated article	Violations	The content of the dispositions	Improvement measures
Taichung Store	Mar. 21, 2024	30-113-030019	Paragraph 1 of Article 7 of the Water Pollution Control Act	The effluent wasn't in compliance with emission standards	The fine is NT\$462,000.	Accelerate the progress of installing sewerage pipelines
Taichung Store	Mar. 21, 2024	30-113-030020	Article 18 of the Water Pollution Control Act, and Article 6 of the Water Pollution Control Measures and Test Reporting Management Regulations	Sewerage monitoring device showing abnormalities	The fine is NT\$12,500.	Strengthen patrolling and inspection, and implement regular maintenance procedures
Zuibei Store	Sep. 19, 2024	40-113-090001	Paragraph 1 of Article 31 of the Waste Management Act	D-0299 and D-069 are over loading	1. The fine of NT\$6,000 (paid by the garbage removal company) 2. Environmental lecture for 1 hour	Let the garbage removal company to adjust the number of declarations

5. Labor relations

5.1 Current employee welfare measures and systems:

1. Employee benefits measures

(1) The Company:

- ① Establish an employee welfare committee to allocate welfare funds to handle various employee welfare measures. In addition to bonuses, year-end, and three festival bonuses, there are also birthdays, marriages, childbirth, hospitalization, funerals, children's school allowances, and employee travel subsidies, etc. A number of welfare measures.
- ② Staff shopping discounts at the Company and related companies' consumption discounts.
- ③ Employee group insurance guarantees the safety of employees' lives.

(2) Affiliated enterprises:

Following the Group's spirit of labor-management harmony, various employee welfare measures have also been planned to provide employees with a safe and secure working environment.

2. Staff training and training:

(1) The Company:

- ① In order to meet the work needs of various positions and levels, the Company also plans to handle relevant professional training in operation management, marketing services, and product information to meet the needs of colleagues at work. In 2024, a total of 46,543 person-times and a total of 40,247 hours were handled.
- ② Each year, according to the needs of colleagues' business and work, and in line with their personal development potential, suitable colleagues are selected to participate in various training courses conducted by the Far East Group's Human Development Center. In 2024, there will be a total of 243 person-times and 1,209 training hours.
- ③ In order to enhance the professional ability of colleagues and absorb the latest information

to increase work efficiency, we recommend that colleagues participate in various professional courses conducted by professional institutions from time to time. In 2023, there will be a total of 175 person-times and 1,212 hours of training.

- ④ The average training hours per person in 2023 is 22.9 hours, and the training expenses are about NT\$ 787 thousand.

(2) Affiliated enterprises:

According to the management needs of each company, complete and diversified education and training courses are planned to cultivate various professional and career development capabilities of employees.

3. Retirement plan:

(1) The Company:

The Company has established employee retirement policies and established a labor retirement reserve supervision committee in accordance with the provisions of the Labor Standards Law. The old retirement reserve is allocated at 2% of the salary every month and deposited in the special account of the Taiwan Bank for the management of the labor retirement reserve. After the implementation of the New Labor Retirement Regulations, for employees who choose the new system, the Company also contributes 6% of their wages to the special account of the Labor Insurance Bureau on a monthly basis, and appoints a consulting company to conduct the actuarial calculation of the old retirement reserve every year. Ensure the pension rights of all employees.

(2) Affiliated enterprises:

In accordance with the Labor Standards Law, Labor Pension Regulations and local laws and regulations, or better than the laws and regulations, the relevant matters concerning the allocation and payment of employee pensions are handled.

5.2 The Company's various administrative measures strive to be fair and reasonable. If colleagues have different opinions, they can reach communication and coordination through complaint channels such as suggestion boxes and e-mails. Both employers and employees can coexist in harmony and communicate rationally to establish mutual benefits. Virtuous circle.

5.3 Losses due to labor-management disputes during in the most recent year and up to the Annual Report publication date:

Store	Dates	Disposition reference numbers	Violated article	Violations	The content of the dispositions
FEDS	Jul. 18, 2024	No.11346510781	Paragraph 2 of Article 32 of the Labor Standard Act	Working hours exceed limit	The fine is NT\$50,000
Improvement measures : Strengthen announce that daily working hours including overtime should not exceed 12 hours, and appropriately adjust shift schedules and properly arrange manpower					

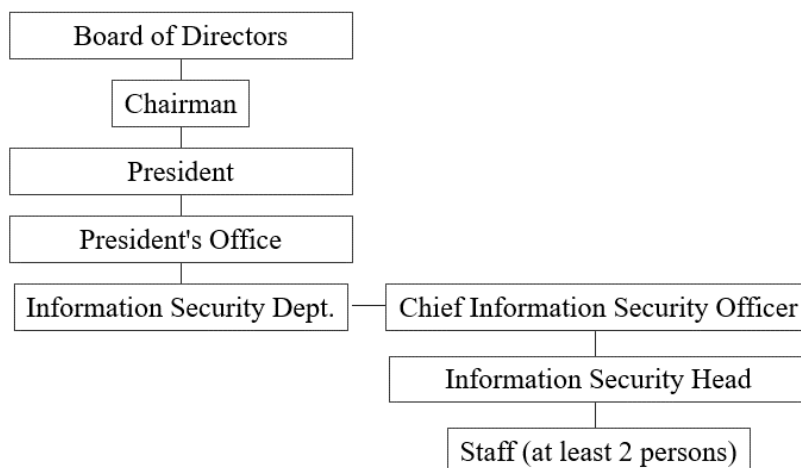
6. Information security management

- (I) Describe the information security risk management framework, information security policies, specific management plans and resources devoted to information security management, etc.

1. Information security risk management framework:

- (1) In 2022, the Company established the “Information Security Department” to be responsible for promoting, coordinating, monitoring and reviewing information security management matters. The relevant information security policies and implementation targets are approved by the Vice President or higher executives, and the information security management performance, information security-related issues or future implementation plans will be reported regularly to the President, Directors, Board of Directors or Audit Committee on a regular basis. In order to meet the information security needs changing with the times, the Information Security Department, together with the Information Center, Legal Team and Information security related departments, holding inter-departmental meetings on a regular basis to properly review and adjust information security and information protection policies and guidelines from the perspective of technology, procedures, operations, legal compliance and risk control, in order to effectively implement the information security management measures.

(2) Information security organization structure of the Company:



2. Information security policy

(1) Purpose of the Company's information security policy:

The Company will analyze and manage the threats to the information environment according to the industrial characteristics of close and real-time interaction between the department stores and customers, as well as from the perspective of system, technology, operation and legal compliance, and establish appropriate information security management regulations to improve the accuracy (including integrity) and availability (ensure that authorized personnel can use the information they need immediately and without interruption) and confidentiality (ensure that only authorized personnel have access to that information) in the process of information generation and circulation, so as to maintain all of the Company's intangible and tangible assets, fulfill the Company's commitment to attaching importance to customer trust and privacy, and practice the Company's philosophy and spirit of “sustainable management”.

(2) Information security management objectives and contents:

A. The information security policies and operation and management processes shall be in

compliance with national laws and regulations.

- B. Establish an information security and personal data protection organization to be responsible for establishing and promoting the Company's information security system.
- C. All employees of the Company shall be responsible for maintaining information security and shall comply with the relevant information security management regulations.
- D. Carry out information security education and training, and publicize information security policy and related implementation regulations.
- E. Regulate the permissions for using network systems and prevent unauthorized access.
- F. Establish a management mechanism for the use of hosts and networks to achieve coordinated allocation and effective use of resources.
- G. Establish security protection measures for information rooms and the environment, and carry out regular maintenance.
- H. Before new equipment is built, risk and security factors are considered to prevent the occurrence of situations that endanger system security

(3) Revision and announcement:

This policy shall be announced periodically and evaluated annually, or reevaluated when significant changes occur, in order to comply with relevant laws and regulations and the latest developments of technology, organization and operation.

3. Specific management plans

Scope	Item
Control measures, systems and specifications	<ul style="list-style-type: none">* User account and permission inspection and management* Mandatory regular change of core information system password* Encrypted communication verification for telecommuting core information system* Specifications for employees using IT equipment and information software* PC management methods and management details* Network management regulations* Machine room management regulations* Procedures for scrapping and disposal of information equipment and storage devices
Information security technology enhancement	<ul style="list-style-type: none">* Anti-virus software upgrade* Network firewall and network control* Email filtering mechanism* Intrusion detection and defense mechanism* Prevention measures for continuous threats and attacks* Information security threat detection and management mechanism* Data redundancy storage and control* Implementation of a Secure Encryption Mechanism
Information security awareness and professional ability enhancement	<ul style="list-style-type: none">* Education, training and advocacy* Join the information security information sharing organization to obtain information security early warning information, information security threat and vulnerability information.
Implement the information security management audit mechanism and make	<ul style="list-style-type: none">* Strictly follow the information security and personal data protection, continuing to implement information security protection through the PDCA cycle (Plan-Do-Check-Act), and conduct regular audits to ensure the effectiveness of the system.

continuous improvement.	The audit results include missing points, suggestions for improvement, and effectiveness evaluation and results after improvement, and provide a report on the measurement of effectiveness.
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4. The resource of devoting in Information security policy

- (1) Since the establishment of the Information Security Department, the Company will hold at least two meetings per week to closely discuss the establishment and implementation of the Company's information security system with the MIS Center, the Legal Department, the Digital Transformation Office, and other departments highly correlated to information security.
 - (2) The company has established a complete information security risk management structure, formulated information security policies and specific management plans in accordance with international standards, and reduced information security risks in a systematic way. Our policies cover all aspects of information protection, including access control, data encryption, system monitoring and event management, to ensure the effectiveness and sustainability of information security. FEDS have obtained ISO 27001 Information Security Management System (ISMS) certification in September 2024, proving that our information security management system complies with international standards and is expected to be able to effectively respond to increasingly complex information security threats.
 - (3) Personal data protection policies have been formulated in accordance with relevant provisions of the Personal Data Protection Act and international standards. This policy aims to ensure the legality, legitimacy and transparency of personal data, covering the entire life cycle of personal data collection, processing, storage and deletion. In addition, the policy clearly regulates the exercise of the rights of the parties and reiterates the company's commitment to protecting the security of personal data. It has completed the BS10012:2017 Personal Information Management System (PIMS) assurance on Dec. 2024, and the result is recommended for evidence collection.
 - (4) In 2024, information security supervisors and personnel have taken a total of more than 200 hours of professional courses. In order to strengthen the information security awareness of all employees and the executive, the company held one information security training course for all employees and six information security courses for management executives.
 - (5) Promote IT equipment and software regulations to new colleagues, requiring the confidentiality of sensitive information, and sign a closing document at the same time.
 - (6) Apply for the TWCERT/CC information security information reporting organization, paying attention to the latest information security information, and evaluate control measures and the necessity of purchasing information security insurance for various high-risk issues.
 - (7) Upgrade our information security control technologies such as firewall, anti-virus software, monitoring software, analysis software, and backup equipment to respond to the global and up-to-date information security attack techniques.
- (II) For the most recent year up to the publication date of this annual report, the loss, possible impact and response measures of major information security incidents, if not reasonably estimated; however, there are no reasons they could not be reasonably estimated: None.

7. Important contracts

Nature of contract	Company	Party	Start and end date of the contract	Main items covered	Restriction clauses
	Far Eastern Department Stores Co., Ltd.	Ministry of Education	4/2006 to 4/2027	Lease of state-owned school property land located at Nos. 89 and 91 in Huiguo Section, Xitun District, Taichung City	None
	Pacific SOGO Department Store. Co., Ltd.	Taipei City Government MRT Engineering Bureau Taipei City Government Finance Bureau Hong Tong Commercial Development Company	1/2007 to present	Public real estate lease of joint development building at Zhongxiao Fuxing Station (BR4) of MRT Muzha Line	None
	Far Eastern Department Stores Co., Ltd.	Far Eastern Ai Mai Co., Ltd.	10/2009~10/2029	B1 & 3F, No. 581, Heping Road, Hualien City storage area lease	None
	Far Eastern Department Stores Co., Ltd.	FEDS Asia Pacific Development Co., Ltd.	10/2016~10/2036	B5 - 18F, No. 21, Sanduo 4th Road, Kaohsiung City real estate lease	None
	Far Eastern Department Stores Co., Ltd.	Taoyuan City Farmers' Association	5/2018 to 5/2033	Commercial building lease in front of Taoyuan City Farmers' Association Station	None
	Far Eastern Ai Mai Co., Ltd.	Far Eastern Construction Co., Ltd	3/2020 to present	Land leasing and construction of wholesale stores	None
	Pacific SOGO Department Store. Co., Ltd.	Farglory Dome Co., Ltd	6/2022 to 12/2045	Commercial Facility Lease for the Taipei Dome BOT Project	None
Set up a superficies contract	FEDS Asia Pacific Development Co., Ltd.	Asia Cement Corporation	1/1998 to present	Land leasing construction and operation of Kaohsiung Asia Corporate Finance Center Building (Far Eastern Department Store Asia Pacific Shopping Center)	None
	Far Eastern Department Stores Co., Ltd.	Taipei City Government	10/2003 to present	Leasing superficies (Xinyi District No. A13) by the Taipei City Government, Taipei City	None
	Chubei New Century Shopping Mall Co., Ltd.	Hsinchu County Government	7/2015 to present	Entrusting private participation in the construction and operation of Tanba Parking Lot in Zhubei City, Hsinchu County	None
Joint venture contract	Far Eastern Department Stores Co., Ltd.	Malaysia City Super Limited	7/2004 to present	To develop the integrity of the retail system in food and everyday products	None
Building in charge contract	Far Eastern Department Stores Co., Ltd.	Far Eastern Construction Co., Ltd	6/2011~12/2026	Utilization and management of B4 to 13F of lots 8, 9, 10, 14, 14-1 and B1 to 3F of lot 8 at Subsection 2, Xinban Section, Banqiao District, New Taipei City.	None
Long-term borrowings Long-term borrowings Long-term borrowings	Far Eastern Department Stores Co., Ltd.	Mega Bank	9/2024~9/2026	borrowings	None
		Bank of Taiwan	11/2024~11/2027		
		Hua Nan Bank	8/2024~8/2026		
		CTBC Bank	11/2024~10/2026		
		Bank of China	7/2024~7/2026		

Nature of contract	Company	Party	Start and end date of the contract	Main items covered	Restriction clauses
		Mizuho Bank	8/2024~8/2026		
		KGI Bank	12/2024~12/2027		
	Pacific Sogo Department Store	Mizuho Bank	9/2024~9/2026	borrowings	None
		Bank of China	7/2024~7/2026		
		Bank SinoPac	5/2024~5/2026		
		Sumitomo Mitsui Banking Corporation	8/2024~8/2026		
		Mega Bank	9/2024~8/2026		
		KGI Bank	9/2024~9/2026		
		Hua Nan Bank	6/2024~6/2026		
		Taiwan Cooperative Bank	12/2024~12/2026		
		BNP Paribas	11/2024~11/2026		
	Far Eastern Ai Mai Co., Ltd.	Far Eastern International Bank	5/2024~5/2027	borrowings	None
		SK Bank	12/2024~12/2026		
	Far Eastern CitySuper Co., Ltd.	CTBC Bank	10/2023~10/2025	borrowings	None

V. Review and Analysis of the Financial Condition, Performance and Risk Management

1. Analysis of Financial Conditions

Financial Conditions Analysis

Unit: NT\$ thousands

Item \ Year	2023	2024	Increase (decrease) amount	Percentage Change(%)
Current assets	27,245,238	27,318,271	73,033	0
Investment using the equity method	8,540,496	8,820,441	279,945	3
Property, plant and equipment	32,462,952	31,800,752	(662,200)	(2)
Other assets	65,582,352	74,323,751	8,741,399	13
Total assets	133,831,038	142,263,215	8,432,177	6
Current liabilities	50,419,328	48,698,251	(1,721,077)	(3)
Non-current liabilities	45,937,902	56,173,927	10,236,025	22
Total liabilities	96,357,230	104,872,178	8,514,948	9
Total equity attributable to owners of the Company	31,322,486	31,565,826	243,340	1
Common stock	14,169,406	14,169,406	0	0
Capital surplus	3,343,595	3,343,600	5	0
Retained earnings	8,664,462	8,746,292	81,830	1
Other equity	5,242,133	5,403,638	161,505	3
Treasury stocks	-97,110	-97,110	0	0
Non-controlling interests	6,151,322	5,825,211	(326,111)	(5)
Total equity	37,473,808	37,391,037	(82,771)	(0)
An analysis of the amount of the change in the amount of 10% and the amount of assets in the current year is more than one percent:				
1. Increase in other assets: Refers mainly to the increase of rights-of-use assets.				
2. Increase in non-current liabilities: Refers primarily to an increase in lease obligations and long-term borrowings.				

2. Analysis of Financial Performances

2.1 Comparative Analysis of Financial Performances

Unit: NT\$ thousands

Item \ Year	2023	2024	Increase (decrease) amount	Percentage Change(%)
Operating Revenues	36,725,103	35,006,753	-1,718,350	(5)
Gross Profit	20,545,085	19,833,294	-711,791	(3)
Operating Profit	5,500,612	4,068,618	-1,431,994	(26)
Non-operating Income (Expenses)	-327,046	-486,058	-159,012	49
Income Before Income Tax	5,173,566	3,582,560	-1,591,006	(31)
Net Profit For The Year	3,962,531	2,872,575	-1,089,956	(28)
1. Analysis and explanation of the increase and decrease ratio: Decrease in operating profit: Mainly attributable to decrease in gross profit from operations and the increase of administration fee. Decrease in non-operating income and expenses: Mainly attributable to the increase in impairment loss. Decrease in net profit for the year: Mainly attributable to decrease in net profit from operations.				
2. Expected volume of sales and its basis of the future year, and the possible impact on the Company's future financial operations and response plan: Please refer to "Letter to Shareholders".				

2.2 Analysis of operating gross profit: Not applicable

3. Analysis of Cash Flow

Unit: NT\$ thousands

Cash and cash equivalents - Beginning balance in 2023 (1)	Total cash inflows from operating activities (2)	Total cash inflows from investing and financing activities (3)	Cash and cash equivalents – Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
19,957,709	7,591,570	8,211,461	19,337,818	-	-
1. Analysis of cash flow changes in the current year: Net cash inflow from operating activities of NT\$7.6 billion: Mainly derived from operational cash flow. Net cash outflow from investing activities of NT\$0.22 billion: Mainly attributable to the acquisition of property, plant and equipment. Net cash outflow from financing activities of NT\$6 billion: Mainly attributable to the payment of cash dividends. 2. Remedial measures for cash deficit and liquidity analysis: No cash deficit. 3. Cash flow analysis for the coming year:					
Cash and cash equivalents - Beginning balance (1)	Total cash inflows from operating activities (2)	Total cash inflows from investing and financing activities (3)	Cash and cash equivalents – Ending balance (1)+(2)-(3)	Remedy plans for negative balance of cash and cash equivalents	
				Investment plan	Financing plan
19,337,818	9,447,474	9,241,143	19,544,149	-	-
1. Analysis of cash flow changes in the current year: Net cash inflow from operating activities of NT\$9.4 billion: Mainly mainly attributable to cash inflow from operations. Net cash outflow from investing activities of NT\$3.2 billion: Mainly attributable to the acquisition of property, plant and equipment. Net cash outflow from financing activities of NT\$6 billion: Mainly attributable to the repayment of debts and the payment of cash dividends. 2. Remedial measures for cash deficit and liquidity analysis: No cash deficit.					

4. Impact of major capital expenditures on corporate finances and business in the most recent year: None

5. Investment policy, main causes for profits or losses, improvement plans in the most recent year and the investment plans for the coming year

In terms of the overall performance of the consolidated company, the investment income recognized by the equity method comes from the stable profit of the investment company; In addition, the retail group is also continuing to expand and mobilize markets with consumer potential. Adhering to the tradition and spirit of being the first department store in Taiwan, the retail group has been deeply involved in Taiwan, focusing on the mainland, and providing a full range of products and services to satisfy the needs of both sides of the strait. Consumer demand.

With the continuous expansion of the retail business, profits will be expected to inject new growth momentum, and the growth of the overall revenue and profit of the retail group will also be more significant. To this end, the Company and its subsidiaries still adopt a prudent investment evaluation strategy, continue to strengthen the management of reinvestment businesses and improve the synergy of operations in order to achieve successful diversified business goals.

6. Risk analysis and evaluation

6.1. The impact and Response to Interest Rates, Exchange Rates, and Inflation Level on the Company in the Year Preceding Publication of Annual Report

6.1.1. Interest Rate Risk Analyses and Response strategy:

Because the entities in the consolidated company borrow funds at fixed and floating interest rates at the same time, interest rate risk is incurred. The consolidated company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The book amounts of financial assets and financial liabilities of the consolidated company exposed to interest rate exposure on the balance sheet date are as follows:

	<u>2024 Dec. 31</u>	<u>2023 Dec. 31</u>	Unit: NT\$ thousands
Fair value interest rate risk			
- Financial assets	\$ 16,876,841	\$ 15,212,820	
- Financial liabilities	41,117,399	31,212,409	
Cash flow interest rate risk			
- Financial assets	2,755,468	2,592,454	
- Financial liabilities	27,963,826	28,466,866	

Sensitivity analysis

The following sensitivity analysis is determined based on the interest rate risks on the balance sheet date, and the risk is measured for financial assets and financial liabilities with floating interest rates. The rate of change used when reporting interest rates within the group to key management is a 100 base points increase/decrease in interest rates, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables had been held constant, the income before income taxes for the ended 2024 and 2023 would have decreased/increased by \$252,084 thousand and \$258,744 thousand, respectively.

6.1.2. Exchange Rate Analyses and Response strategy:

The consolidated company holds foreign currency assets and liabilities, so the consolidated company is exposed to risk of exchange rate fluctuations.

The book value of monetary assets and monetary liabilities denominated in non-functional currencies of the consolidated company on the balance sheet date (including monetary items denominated in non-functional currencies that have been offset in the consolidated financial report) are as follows:

	<u>2024 Mar. 31</u>	<u>2023 Dec. 31</u>	Unit: USD\$ thousands
Assets			
USD	<u>\$ 5,219</u>	<u>\$ 5,313</u>	
Liabilities			
USD	<u>\$10,140</u>	<u>\$10,506</u>	

Sensitivity analysis

The consolidated company was mainly affected by the floating exchange rates of USD denominated assets and liabilities. The sensitivity analyses below were determined based on the Group's exposure to exchange rates for non-derivative instruments at the end of the reporting period. The change of exchange rates reported to the senior management of the consolidated company was

based on a 1% increase or decrease in exchange rate which also denotes the management's assessment for the reasonableness of the fluctuation of exchange rates.

If exchange rates had been 1% higher or lower and all other variables were held constant, the profit before income tax or equity of the Group for the ended 2024 and 2023 would decrease/ increase by \$1,613 thousand and increase/decrease \$1,595 thousand, respectively.

6.1.3. Impact of inflation on the Company's profit and loss, and response measures:

According to the Consumer Price Index (CPI) for 2024 announced by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, because the effect of interest rate hikes, international commodities prices fell, and the CPI decreased at an annual rate of 2.18% in 2024. The overall price trend was similar to that of neighboring countries with similar economic structures. In 2024 and as of the publication date of the Annual Report, the consolidated company has not yet had an immediate and significant impact due to inflation. The Company will continue to pay attention to the inflation situation and take corresponding countermeasures in a timely manner.

6.2 Policies for Risky or Highly Leveraged Investments, Lending, Endorsements, Derivative Financial Instruments, and Related Gains or Losses, in the Year Preceding Publication of Annual Report:

1. High-risk, high-leverage investment: The consolidated company did not engage in high-risk, high-leverage investments in 2023 and 2024.
2. Loaning of capital to others: As of 2023 and 2024, the balance of funds loaned by our merged companies were NT\$5,066,799 thousand and NT\$3,824,320 thousand, respectively. Loaning of capital to others by merged companies must be implemented in compliance with the "Procedures for Lending of Capital to Others" approved by the Board of Directors and the shareholders' meeting, so as to comply with risk control, and prevent any unfavorable impact arising therefrom on the Company.
3. Endorsements and guarantees: As of 2023 and 2024, the balance of endorsements and guarantees provided by our merged companies were NT\$24,229,539 thousand and NT\$26,752,472 thousand, respectively. Provision of endorsements and guarantees by our merged companies must be implemented in compliance with the "Procedures For Endorsements and Guarantees" approved by the Board of Directors and the shareholders' meeting, so as to comply with risk control, and prevent any unfavorable impact arising therefrom on the Company.
4. Derivative commodity transactions: The consolidated company did not engage in derivative commodity transactions in 2023 and 2024.

6.3 R&D Plans and Estimated Expenses in Recent Years and until the Annual Report being Published

Our consolidated companies does not engage in product R&D and manufacturing, so there are no R&D plans or expenses. However, it is evident from the characteristics of the industry that nurturing and developing talents and improving the quality of management personnel are necessary steps for companies to move toward internationalization. With the increasingly intense competition in the global industry, the shopping mall war is no longer just about money, but also a war for talents. Therefore, rapidly enhancing talent competitiveness has become a key factor to ensuring success in store expansion. Our consolidated companies are committed to improving "soft power" and actively promoting corporate culture and brand value. We aim to provide systematic and professional service quality training courses via complete education and training mechanisms to nurture employees' professional, leadership and innovation skills, further improving the competitiveness of our companies in response to the rapid changes in the industry.

6.4 Effects of and Response to Material Changes of Policies and Regulations in Taiwan and Foreign Countries in Year Preceding Publication of Annual Report:

The Company has taken appropriate measures to deal with important domestic and foreign policy and legal changes in the most recent years. In the future, the Company's legal, financial and accounting units will keep abreast of the latest regulatory changes and seek professional opinions from lawyers, accountants, etc. Discuss response measures to important policy and legal changes in order to comply with the law and reduce the impact on the Company's financial business.

6.5 Technology Developments and Impacts on the Company and its subsidiaries from last year up to the Annual Report being published:

In view of the rapid changes in technology and information security attack techniques, the Company obtains various information security-related information through information security information sharing organizations and other channels, regularly reviews the applicability and effectiveness of internal information security-related regulations to emerging technologies, analyzes risk levels based on customer privacy protection, asset value, threats and impacts, and strengthens the security of information service systems to cope with possible malicious attacks. We also continue to promote and strengthen the concept of personal information and privacy awareness, and enhance information security awareness and related professional capabilities through education and training.

6.6 Changes of Corporate Image and Impacts on the Company's Crisis Management in the Recent Years: None

6.7. Expected Benefits and Risks from Mergers in Recent Years until the Annual Report being Published:

In 2024 and as of the publication date of the Annual Report, the consolidated company has no plans for mergers and acquisitions. However, if there is a merger plan in the future, the Company will follow the acquired company's acquisition or disposal of assets processing procedures, uphold a cautious assessment attitude, consider whether the merger can bring specific performance to the Company, so as to ensure the Company's interests and shareholders' rights.

6.8. Expected Benefits and Risks from Plant Expansion in Recent Years until the Annual Report being Published:

The consolidated company has detailed evaluation and planning of relevant units for the expansion of business base plans, and fully evaluates the expected benefits and possible risks through a rigorous financial module; After the establishment of the new business location, pay close attention to changes in the industry and business conditions at any time, and propose appropriate countermeasures against possible risks.

6.9. Risks from Concentration in Supply or Sales in the Recent Year until the Annual Report being Published:

The Company is a department store retail business, and sells diversified products, and does not purchase or sell goods to a single manufacturer or customer. Therefore, there is no risk of purchase or sales concentration.

6.10. Impacts and Risks from Major Shareholding Transfers or Changes of Directors, Supervisors, or Shareholders with More than 10% Shareholding and Subsequent Response Measures in the Recent Year up to the Publication of the Annual Report:

In 2024 and as of the publication date of the Annual Report, our consolidated companies did not have any instance of major shareholding transfers or changes.

6.11. Impacts and Risks from Changes of Ownership in the Recent Year until the Annual Report being Published: None

6.12. Litigations or non-Litigations: None.

6.13. Other Major Risks: not applicable

7. Others: None

VI. Special Disclosure

1. **Affiliated Companies** : Please refer to MOPS
<https://emops.twse.com.tw/server-java/t58query>
2. **Private Placement Securities in the Latest Year**: None
3. **Other Supplementary Information**: None.
4. **Pursuant to the Article 36-3-2 of Security Exchange Act, Event Having Material Impact on Shareholders' Equity or Share Price in the Latest Year until the Annual Report being Published**: None.



18F, No.16. Xinzhan Rd., Banqiao Dist., New Taipei City 220, Taiwan, R.O.C.
Tel +886 2 7727-8168