

Stock Code: 2707



Formosa International Hotels
Corporation

2025

Annual Report

Company's website: <https://www.silkshotelgroup.com/tw/>

Website for annual report: <https://mops.twse.com.tw>

Printed on April 18, 2026

- ◎ The spokesperson and acting spokesperson of the Company:
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Telephone: (02)2504-8125
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- ◎ Certified Public Accountant for Financial Statement of Most Recent Year:
Name of Firm : PricewaterhouseCoopers (PwC) Taiwan
Name of CPAs : CPAs Chin-Lien Huang and Hsiu-Ling Li
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Website: <https://www.pwc.com.tw/>
- ◎ Name of any exchange where the Company's securities are traded offshore, and the
method by which information about the offshore securities may be accessed: None
- ◎ Company's website: <https://www.silkshotelgroup.com/tw/>

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One. Letter to Shareholders

Dear Shareholders,

With international business and leisure travelers steadily returning, Formosa International Hotels Group delivered exceptionally strong results in 2025. Regent Taipei recorded growth of nearly 20% in both guestrooms and food and beverage, while Regent Galleria's revenue performance was also unaffected by tariff volatility and also outperformed the same period last year. Silks Place Tainan, located in the historic city of Tainan in southern Taiwan, maintained stable revenue performance through innovative services integrating local culture. Silks Place Taroko, which reopened following the April 3rd Earthquake in Hualien, saw its business recover and operations remain stable, and continued to attract returning travelers seeking harmony with the mountains and forests. Wellspring by Silks Beitou, which commenced operations in September 2024, has already reached stable operation, posting an occupancy rate of 90% and an average room rate exceeding NT\$10,000 during the winter season, thereby making substantial contributions to both the Group's overall revenue and profitability.

I. The 2025 Business Outcome Report of the Company is as follows:

(I) Business Report:

1. Guestrooms: In 2025, the Company's consolidated guestroom departments received a total of 854,575 guests, an increase of 36,557 guests, or 4.47%, from 818,018 in the same period of 2024, mainly due to the official opening of the new property, Wellspring by Silks Beitou, in April 2025. The guestroom occupancy rates were 80.48% for Regent Taipei, 76.83% for Silks Place Tainan, 66.91% for Wellspring by Silks Jiaoxi, 63.44% for Wellspring by Silks Beitou, 74.74% for Just Sleep Taipei NTU, 84.36% for Just Sleep Taipei Ximending, and 73.09% for Just Sleep Yilan Jiaoxi. Total revenue of the guestroom departments amounted to NT\$2,507,923 thousand, an increase of NT\$228,960 thousand, or 10.05%, from NT\$2,278,963 thousand in the same period of 2024.
2. Food and beverage: The Company's consolidated total revenue from food and beverage departments for the full year of 2025 amounted to NT\$3,400,805 thousand, an increase of NT\$223,818 thousand, or 7.04%, from NT\$3,176,987 thousand in the same period of 2024. The total number of food and beverage customers from January to December 2025 was 1,998,970, an increase of 64,184, or 3.32%, from 1,934,786 in the same period of 2024.

(II) Financial Report:

1. Net assets and liabilities:

As of December 31, 2025, the Company's consolidated total assets amounted to NT\$10,204,353 thousand, of which total liabilities amounted to NT\$5,859,001 thousand, accounting for 57.42% of total assets, and total equity was NT\$4,345,352

thousand, accounting for 42.58% of total assets. The ratio of liabilities to total assets was relatively high, mainly because the adoption of IFRS 16 in 2019 resulted in lease liabilities of NT\$3,259,677 thousand in the current period.

2. Profit and loss:

From January to December 2025, the Company's consolidated operating and non-operating revenue totaled NT\$6,990,365 thousand, while operating and non-operating expenses totaled NT\$5,186,921 thousand. Profit before tax was NT\$1,803,444 thousand, and net profit after tax attributable to the parent company was NT\$1,455,480 thousand, an increase of NT\$109,447 thousand, or 8.13%, from NT\$1,346,033 thousand in 2024.

(III) Budget implementation status:

In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to publicly disclose its 2025 financial forecast information. Therefore, there is no 2025 budget implementation information.

II. 2026 Business plan overview and future company development strategies:

2026 will remain a year with strong growth momentum. Regent Taipei has successively completed the renovation of its guestrooms and executive floors, as well as the innovative, integrated 5G applications in its banquet and meeting venues. These upgrade projects have continued to generate results and, through increases in room rates and banquet pricing, have driven business growth and created higher output value for the hotel.

In food and beverage operations, the chef team will continue to safeguard food safety for consumers through the food safety laboratory and make good use of seasonal ingredients to enhance the overall dining experience. The international pop-up strategy featuring renowned establishments, which was highly successful in 2025, will also continue, to be implemented throughout 2026 with cuisine prepared by celebrated restaurant chefs from around the world and trendy signature desserts. Silks House, the renowned Cantonese restaurant on the third floor of Regent Taipei, was recently selected for Asia's 50 Best Restaurants 51-100 list and is the only Chinese restaurant in Taiwan to be included. The Group will continue to strive for excellence in enhancing food and beverage quality and implementing its operating philosophy, "bringing Taiwan's best to the world and bringing the world's best to Taiwan".

With respect to brand development, the Board of Directors has approved the latest lease project under the Just Sleep brand, and Just Sleep Taipei Zhongshan is scheduled for official opening in June 2026. Silks Place Linkou, Just Sleep New Taipei Linkou, and the Group's second property in Osaka Shinsaibashi, which are currently being actively developed, are also scheduled to open sequentially in 2027. At that time, the Group's total

number of hotels will reach 18, and its total number of guestrooms will exceed 2,800. The expansion of its operating footprint will continue to drive business growth.

III. Impact of the external competition, legal and overall business environments:

The Group continues to put the concepts of mutual learning, co-creation, common good, and coexistence into practice, encouraging employees to cultivate multi-faceted capabilities and incorporate new perspectives on sustainable development into service content and daily operations. With the active participation of all employees, the Company has made progress in reducing greenhouse gas emissions, improving energy efficiency and conservation, and building a positive workplace environment.

In the face of external volatility arising from the global economic situation, U.S. tariff policies, and wars, the Group will adjust its operating strategies at any time in response to market conditions, while actively integrating resources from all parties to reduce the impact. In terms of human resources management, in addition to continuing to strengthen employee retention policies and promote various talent development programs, the Group has also actively cooperated with the policies of the competent government authorities by participating in talent matching and project-based recruitment activities organized by the Tourism Administration and the Ministry of Labor, endeavoring to fill labor gaps and increase service capacity. At the same time, the Group also continues to strengthen talent cultivation in the tourism industry, seeking to introduce smart services and reduce reliance on manpower, while applying digital technologies to improve service efficiency. It is hoped that technology-driven innovative services will enhance service quality and customer satisfaction.

Once again, the Company would like to thank all shareholders for their long-term support and valuable advice.

Chairman: Steven Pan

Managerial officer: Wei-Cheng Wu

Accounting Officer: Chien-Nan Tsao

Two. Corporate Governance Report

I. Information of Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches:

(I) Information of directors-1

April 18, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election/ Assumption of Office	Tenure	Date first elected	Shareholding when Elected		Current shareholdings		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Education and experience	Concurrent positions in this and other companies	Other officers, directors or supervisors of the Company who is a spouse or relative within the 2nd degree of kinship under the Civil Code		
							Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)			Title	Name	Relationship
Chairman	Republic of China	Representative of Ching Cheng Investment Co., Ltd.: Steven Pan	Male Age 60-70	2024.06.13	3 years	2009.06.10	NA	NA	302,743	0.24%	-	-	-	-	UC Berkeley, Graduate Institute of Columbia University	Director of Nan Feng Hsing Enterprise Co., Ltd. and institutional director representative of Grand Formosa Taroko, Ching Cheng Investment Co., Ltd., Formosa International Development Corp., and Silks Palace At National Palace Museum Corp.	Director Director	Yi-Hui Chiang Kong-Wen Li	Spouse Relatives by marriage
Director	United States	Representative of Ching Cheng Investment Co., Ltd.: Yi-Hui Chiang	Female Age 60-70	2024.06.13	3 years	2009.06.10	-	-	-	-	302,743	0.24%	-	-	UC Berkeley	-	Chairman Director	Steven Pan Kong-Wen Li	Spouse Relatives by marriage

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election/ Assumption of Office	Tenure	Date first elected	Shareholding when Elected		Current shareholdings		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Education and experience	Concurrent positions in this and other companies	Other officers, directors or supervisors of the Company who is a spouse or relative within the 2nd degree of kinship under the Civil Code		
							Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)			Title	Name	Relationship
Director	Republic of China	Representative of Ching Cheng Investment Co., Ltd.: Rung-Wei Wang	Female Age 70-80	2024.06.13	3 years	2009.06.10	-	-	-	-	-	-	-	-	Department of Library and Information Science, Graduate Institute of Business Administration, National Taiwan University	President of JRV Co., Ltd.	None	None	None
Director	Republic of China	Representative of Ching Cheng Investment Co., Ltd.: Se-Chen Lai	Female Age 70-80	2024.06.13	3 years	2015.06.17	-	-	-	-	-	-	-	-	Master of Management Science, National Chiao Tung University; Department of Business Administration, Fu Jen Catholic University	Independent Director, AN-SHIN FOOD SERVICES CO., LTD.	None	None	None
Director	Republic of China	Ching Cheng Investment Co., Ltd.	-	2024.06.13	3 years	2009.06.10	11,015,923	8.65%	11,015,923	8.65%	-	-	-	-	-	-	-	-	-

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election/ Assumption of Office	Tenure	Date first elected	Shareholding when Elected		Current shareholdings		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Education and experience	Concurrent positions in this and other companies	Other officers, directors or supervisors of the Company who is a spouse or relative within the 2nd degree of kinship under the Civil Code		
							Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)			Title	Name	Relationship
Director	Republic of China	Representative of Formosa International Development Corp.: Kong-Wen Li	Male Age 70-80	2024.06.13	3 years	2009.06.10	NA		30	-	487,388	0.38%	-	-	Department of Finance and Accounting, Ling Tung University Honorary Doctor of Engineering, National Pingtung University of Science and Technology	Chairman of O-TA Precision Industry Co., Ltd., Jiangxi O-TA Precision Technology Co., Ltd. (Ganzhou, Jiangxi), Linghang Composite Technology (Huizhou) Co., Ltd.; Honorary Chairman, Hanlon Information Technology Co., Ltd.; Director, Hong Kong Fung Tai International Co., Ltd.	Chairman Director	Steven Pan Yi-Hui Chiang	Relatives by marriage Relatives by marriage
Director	Republic of China	Representative of Formosa International Development Corp.: Chi-Shang Kao	Male Age 70-80	2024.06.13	3 years	2002.06.11	NA		58,775	0.05%	73,746	0.06%	-	-	Master of Public Administration, University of San Francisco	Chairman, I-Mei Foods Co., Ltd.; Chairman, Taiwan Association for International Economic Cooperation; Chairman, Taiwan Committee of International Chamber of Commerce; Director, Taishin International Bank	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election/ Assumption of Office	Tenure	Date first elected	Shareholding when Elected		Current shareholdings		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Education and experience	Concurrent positions in this and other companies	Other officers, directors or supervisors of the Company who is a spouse or relative within the 2nd degree of kinship under the Civil Code		
							Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)			Title	Name	Relationship
Director	Republic of China	Formosa International Development Corp.	-	2024.06.13	3 years	2000.06.27	2,351,222	1.85%	2,351,222	1.85%	-	-	-	-	-	-	-	-	-
Independent Director	Republic of China	Kuo-Chun Chang	Male Age 60-70	2024.06.13	3 years	2015.06.17	-	-	-	-	-	-	-	-	MBA, Columbia University; Department of Sociology, National Taiwan University	Chairman of Guofeng Media	None	None	None
Independent Director	Republic of China	Wen-Jie Wang	Male Age 70-80	2024.06.13	3 years	2021.08.20	-	-	-	-	-	-	-	-	Department of Business Administration, National Taiwan University	Chairman, Lion Travel Service Co., Ltd. and Lions United International Travel Service Co., Ltd.	None	None	None
Independent Director	Republic of China	Wei Wang	Male Age 60-70	2024.06.13	3 years	2024.06.13	-	-	-	-	-	-	-	-	MBA, Harvard University M.E., Carnegie Mellon University	Chairman and CEO, Sercomm Corporation; Independent Director, Cathay Financial Holding Co., Ltd.	None	None	None

Note: If the Chairman of the Board and the General Manager (or someone with an equivalent position, i.e., the highest-ranking manager) are the same person, spouse, or relative of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures shall be explained (e.g., adding the number of independent directors, and that more than half of the directors are not employees or managers concurrently): None.

Table 1: Major Institutional Shareholders

April 18, 2026

Name of institutional shareholder	Major corporate shareholders and their shareholding percentages	
Formosa International Development Corp.	Nan Feng Hsing Enterprise Co., Ltd.	100.00%
Ching Cheng Investment Co., Ltd.	Nan Feng Hsing Enterprise Co., Ltd.	100.00%

Table 2: Major Shareholders of Institutional Shareholders in Table 1

April 18, 2026

Name of institution	Major shareholders of the juristic person and their shareholding percentages	
Nan Feng Hsing Enterprise Co., Ltd.	World Commerce Enterprise Co., Ltd., British Virgin Islands	99.74%

Information of directors-2

1. Information disclosure on the professional qualifications of directors and the independence of independent directors:

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Chairman Steven Pan	<p>MBA, Columbia University, U.S.A. Currently Chairman of Formosa International Hotels Group, with outstanding business management capabilities and expertise in financial strategy planning, and has successfully managed global brands based in Taiwan.</p> <p>Does not meet the conditions specified in Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or any of its affiliated enterprises.</p> <p>(2) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party.</p> <p>(3) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person.</p> <p>(4) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse.</p> <p>(5) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company.</p> <p>(6) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses.</p>	0

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Director Yi-Hui Chiang	Graduated from the University of California, Berkeley, U.S.A. Has long served as a professional director, supervising and providing advice on business management, and is active in entrepreneurial organizations, international chambers of commerce in Taiwan, and Ivy League alumni activities. Does not meet the conditions specified in Article 30 of the Company Act.	<ul style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party. (4) Directors who are not corporate shareholders of the Company who directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (5) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person. (6) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse. (7) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company. (8) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses. 	0

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Director Rong-Wei Wang	<p>Possess at least 5 years of working experience required for the Company's business operations. Currently the President of JRV Co., Ltd., creating the image and narrative for the leading brands of the Company.</p> <p>Does not meet the conditions specified in Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party. (4) Not a managerial officer as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the second degree of kinship under the Civil Code as specified in (2) and (3). (5) Directors who are not corporate shareholders of the Company who directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (6) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person. (7) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse. (8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company. (9) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses. (10) Not a spouse or relative within the second degree of kinship to any other director. 	0

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Director Se-Chen Lai	<p>Possess at least 5 years of working experience required for the Company's business operations. He is currently the Chairman of the Taiwan Tourism Interchange Association and has extensive experience in food and beverage, tourism, human resources issues, and talent development.</p> <p>Does not meet the conditions specified in Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party. (4) Not a managerial officer as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the second degree of kinship under the Civil Code as specified in (2) and (3). (5) Directors who are not corporate shareholders of the Company who directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (6) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person. (7) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse. (8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company. (9) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses. (10) Not a spouse or relative within the second degree of kinship to any other director. 	1

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Director Kong-Wen Li	<p>He holds an Honorary Doctoral Degree from Pingtung University of Science and Technology and has profound financial and accounting experience. Currently, he is the Chairman of O-TA Precision Industry Co., LTD.</p> <p>Does not meet the conditions specified in Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or any of its affiliated enterprises.</p> <p>(2) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party.</p> <p>(3) Directors who are not corporate shareholders of the Company who directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act.</p> <p>(4) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person.</p> <p>(5) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse.</p> <p>(6) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company.</p> <p>(7) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses.</p>	0

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Director Chi-Shang Kao	<p>Possess at least 5 years of working experience required for the Company's business operations. Currently, he is the Chairman of Yi Mei Food Co., Ltd.</p> <p>Does not meet the conditions specified in Article 30 of the Company Act.</p>	<ol style="list-style-type: none"> (1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party. (4) Not a managerial officer as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the second degree of kinship under the Civil Code as specified in (2) and (3). (5) Directors who are not corporate shareholders of the Company who directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act. (6) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person. (7) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse. (8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company. (9) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses. (10) Not a spouse or relative within the second degree of kinship to any other director. 	0

Criteria Name	Professional qualifications and experience	Independence	Number of concurrent independent director posts to other public companies
Independent Director Kuo-Chun Chang	Possess at least 5 years of working experience required for the Company's business operations. MBA, Columbia Business School, Columbia University, U.S.A. Currently the Chairman of The Storm Media, with extensive expertise in finance, financial services, accounting, and corporate governance, and concurrently serves as the convener of the Company's Audit Committee and Remuneration Committee. Does not meet the conditions specified in Article 30 of the Company Act.	(1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Not a natural person shareholder who holds 1% or more of the total number of issued shares of the company in the name of his/her spouse, underage children, or in the name of a third party. (4) Not a managerial officer as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the second degree of kinship under the Civil Code as specified in (2) and (3).	0
Independent Director Wen-Jie Wang	Possess at least 5 years of working experience required for the Company's business operations. He is currently the Chairman of Lion Travel Service Co., Ltd., and is committed to the vertical integration of the travel industry. Does not meet the conditions specified in Article 30 of the Company Act.	(5) Directors who are not corporate shareholders of the Company who directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act.	0
Independent Director Wei Wang	Possess at least 5 years of working experience required for the Company's business operations. Currently Chairman and CEO of Sercomm Corporation. With nearly 30 years of experience in the technology industry and the field of Internet communications, he has accumulated extensive industry-academia expertise as well as business management experience. Does not meet the conditions specified in Article 30 of the Company Act.	(6) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person. (7) Not a director, supervisor, or employee of any other company or institution where the Chairman, President, or someone with an equivalent position is the same person or spouse. (8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company. (9) Not a professional, sole proprietor, partnership, company, or institution owner that provides audits or commercial, legal, financial, or accounting-related services for the company or any of its affiliated enterprises for less than NT\$500,000 in remuneration in the past two years; Partners, directors, supervisors, managerial officers and their spouses. (10) Not a spouse or relative within the second degree of kinship to any other director. (11) Not elected according to Article 27 of the Company Act is a government, institution, or its representative.	1

2. Board diversity and independence

(1) Diversity of Board of Directors

The Company clearly stipulates that the composition of the Board of Directors should be diversified in the "Corporate Governance Best-Practice Principles", and formulates an appropriate diversity policy based on the Company's own operations, business types, and development needs, including but not limited to the following two major standards:

I. Basic requirements and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industrial experience.

The Company's 23rd term of the Board of Directors was reelected in 2024 in accordance with the policy of diversity. The members have extensive experience and expertise in the fields of finance, commerce, and management. In addition, the proportion of independent directors of the Company is 33%. The Company also pays attention to gender equality in the composition of the Board of Directors. The target ratio of female directors is over 30%. Currently, there are 9 directors, including 3 female directors, with a ratio of 33%. The implementation of diversity among directors is as follows:

Diversified projects	Nationality	Gender	Length of term of independent director	Operational judgment	Accounting and Finance	Crisis management	Knowledge to Industries	International market perspective	Leadership decision making
Name of Director									
Director: Representative of Ching Cheng Investment Co., Ltd.: Steven Pan	Republic of China	Male		✓	✓	✓	✓	✓	✓
Director: Representative of Ching Cheng Investment Co., Ltd.: Yi-Hui Chiang	United States	Female		✓		✓		✓	✓
Director: Representative of Ching Cheng Investment Co., Ltd.: Rong-Wei Wang	Republic of China	Female		✓		✓	✓	✓	✓
Director: Representative of Ching Cheng Investment Co., Ltd.: Se-Chen Lai	Republic of China	Female		✓		✓	✓	✓	✓
Director: Representative of Formosa International Development Corp.: Kong-Wen Li	Republic of China	Male		✓	✓	✓		✓	✓
Director: Representative of Formosa International Development Corp.: Chi-Shang Kao	Republic of China	Male		✓	✓	✓	✓	✓	✓
Independent Director: Guo-Jun Chang	Republic of China	Male	9 years and above	✓	✓	✓		✓	✓
Independent Director: Wen-Chieh Wang	Republic of China	Male	3-9 years	✓	✓	✓	✓	✓	✓
Independent Director: Wei Wang	Republic of China	Male	Less than 3 years	✓	✓	✓		✓	✓

(2) Independence of the Board of Directors

The Company's Board of Directors currently consists of 9 members, including 3 independent directors (33.33% of all directors). So far, all independent directors have complied with the requirements of the Financial Supervisory Commission on independent directors, and the relationships among the directors and independent directors comply with Article 26-3,

paragraphs 3 and 4, of the Securities and Exchange Act. Please refer to page 4 to page 7 (Information on Directors-1) of the Company's members.

(II) Information of Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branches:

April 18, 2026

Title	Nationality	Name	Gender	Date of Election/Assumption of Office	Current shareholdings		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Education and experience	Concurrent positions in other companies	Managerial officers of the Company who is a spouse or relative within the 2nd degree of kinship under the Civil Code		
					Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)			Title	Name	Relationship
General Manager	Republic of China	Wei-Cheng Wu	Male	2013.03.01	945	-	-	-	-	-	Los Angeles Culinary Institute	The institutional director representative of Grand Formosa Taroko Hotel Corporation and Silks Palace at National Palace Museum Corporation	None	None	None
General Manager	Republic of China	Hui-Fang Chen	Female	2011.03.07	670	-	-	-	-	-	Department of Tourism, Chinese Culture University	None	None	None	None
General Manager	Republic of China	Jing-wen Li	Female	2021.04.01	5,002	-	-	-	-	-	Doctor of Business Administration, Macau University of Science and Technology EMBA, National Chengchi University	Supervisor of Grand Formosa Taroko	None	None	None
Accounting Officer	Republic of China	Chien-Nan Tsao	Male	2022.07.27	-	-	-	-	-	-	Master of Management, Fu Jen Catholic University	Institutional supervisor representative of Silks Palace At National Palace Museum Corp.	None	None	None
Financial Officer	Republic of China	Wen-Yun Wang	Female	2024.03.11	-	-	-	-	-	-	Chinese Culture University	The institutional director representative of Grand Formosa Taroko Hotel Corporation and FIHC Property Management Corp.	None	None	None
Corporate Governance Officer	Republic of China	Mei-Fang Lien	Female	2023.06.01	-	-	-	-	-	-	Takming Institute of Technology	None	None	None	None

Note: Where the President or an equivalent (the highest-ranking managerial officer) and the Chairman are the same person, spouse, or relative of the first degree of kinship, the cause, legitimacy, necessity, and countermeasures must be disclosed (e.g. adding the number of independent directors and more than half of the directors are not employees or managers concurrently): None.

II. Remuneration paid to directors, president, and vice presidents during the most recent year:

1. Remuneration to ordinary directors and independent directors

Unit: NTS thousands; December 31, 2025

Title	Name	Remuneration of Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant remuneration received by directors who are also employees								Ratio of total compensation (A+B+C+D+E+F+G) to net income		Compensation paid to directors from an invested company other than the company's subsidiary		
		Base Compensation (A)		Retirement Pension (B)		Remuneration of directors (C)		Service execution expenses (D) (Note: 1)				Salaries, Bonus and Special Expenditure (E)		Severance Pay (F)		Employee Compensation (G)								
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements					
Director	Representatives of Ching Cheng Investment Co., Ltd.: Steven Pan, Yi-Hui Chiang, Ltd.: Rung-Wei Wang, Se-Chen Lai	2,608	2,608	-	-	5,909	5,909	1,503	1,512	10,020	10,029	-	-	-	-	-	-	-	-	10,020	10,029	0.688%	0.689%	None
	Formosa International Development Corp.: Kong-Wen Li, Chi-Shang Kao																							
Independent Director	Kuo-Chun Chang									3,694	3,694									3,694	3,694			None
	Wen-Jie Wang	-	-	-	-	3,667	3,667	27	27	0.254%	0.254%	-	-	-	-	-	-	-	-	0.254%	0.254%			None
	Wei Wang																							

1. The remuneration policy, system, standards and structure of the Company's directors and independent directors, and the relevance of the remuneration to the amount of remuneration based on the responsibilities, risks, investment time and other factors: The Company's Articles of Incorporation stipulate the principles of payment of directors' remuneration, which authorizes the Board of Directors to determine it according to the extent of their engagement in the Company's operations and the value of their contributions, and by taking reference to the standards among the industry. The Articles of Association also clearly stipulate that 0.5% of annual profit at most shall be used as directors' remuneration.

2. Remuneration received by directors for services provided in the most recent year, other than those disclosed in the above table: None

Note 1: Housing rent of NT\$1,440 thousand was rental expense; remuneration to the driver was NT\$710 thousand.

Range of Remunerations

Ranges of remuneration paid to each of the Company's directors	Name of Director			
	Total of A+B+C+D		Total of A+B+C+D+E+F+G	
	The Company	All companies included in the financial statements H	The Company	All companies included in the financial statements I
under NT\$1,000,000	Yi-Hui Chiang, Rung-Wei Wang, Kong-Wen Li, Chi-Shang Kao, Se-Chen Lai	Same as left	Yi-Hui Chiang, Rung-Wei Wang, Kong-Wen Li, Chi-Shang Kao, Se-Chen Lai	Same as left
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	Kuo-Chun Chang, Wen-Jie Wang, Wei Wang	Same as left	Kuo-Chun Chang, Wen-Jie Wang, Wei Wang	Same as left
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Steven Pan	Same as left	Steven Pan	Same as left
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
over NT\$100,000,000	-	-	-	-
Total	9	9	9	9

2. Remuneration to supervisors: Not applicable
3. Remuneration to the President and Vice Presidents

Unit: NT\$ thousands; December 31, 2025

Title	Name	Salary (A)		Retirement Pension (B)		Bonus and Special Expenditure (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income		Compensation paid to directors from an invested company other than the company's subsidiary
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Wei-Cheng Wu													
General Manager	Hui-Fang Chen													
General Manager	Jing-wen Li	22,404	22,404	540	540	-	-	4,620	0	4,620	0	27,564 1.89%	27,564 1.89%	None
Accounting Officer	Chien-Nan Tsao													
Financial Officer	Wen-Yun Wang													

Range of Remunerations

Ranges of remuneration paid to each of the Company's president(s) and vice president(s)	Name of General Manager and Vice President	
	The Company	All companies included in the financial statements
under NT\$1,000,000		
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	Chien-Nan Tsao, Wen-Yun Wang	Chien-Nan Tsao, Wen-Yun Wang
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	Wei-Cheng Wu, Hui-Fang Chen, and Ching-Wen Li	Wei-Cheng Wu, Hui-Fang Chen, and Ching-Wen Li
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
over NT\$100,000,000		
Total	5	5

3-1. Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEX listed Company:
Not applicable.

4. Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025

	Title	Name	Stock amount	Amount in cash (in thousands)	Total (NTD thousand)	Total amount as a % of net profit
Managerial Officer	General Manager	Wei-Cheng Wu	-	4,778	4,778	0.33
	General Manager	Hui-Fang Chen				
	General Manager	Jing-wen Li				
	Accounting Officer	Chien-Nan Tsao				
	Financial Officer	Wen-Yun Wang				
	Corporate Governance Officer	Mei-Fang Lien				

5. A comparative description and an analysis of the ratios of the total remuneration paid to the directors, president, and vice presidents of the Company in the most recent two years by the Company and all companies included in the consolidated financial statements as a percentage of after-tax earnings indicated in the entity financial statement, and a description of the policies, standards, and Remuneration package, procedures for determining remuneration, and the correlation between business performance and future risks.
- A. Analysis of the total remunerations paid to the Company's directors, president, and vice presidents in the most recent two years by the Company and all companies included in the consolidated financial statements as a percentage of after-tax earnings indicated in the entity financial report:

Title	2024		2025	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Director	0.976%	0.977%	0.942%	0.943%
General Manager and Deputy General Managers	2.09%	2.09%	1.89%	1.89%
Net profit after tax in the parent company only financial reports	NT\$1,346,033 thousand		NT\$1,455,480 thousand	

Directors' remuneration includes transportation, compensation, and directors' remuneration. Transportation expenses are handled in accordance with Article 22 of the Company's Articles of Association and are paid based on each director's in-person attendance at Board meetings. Compensation is handled in accordance with Article 22-1 of the Company's Articles of Association. Directors' remuneration is handled in accordance with Article 30 of the Company's Articles of Association. If the Company records profit for the year, it shall set aside 5% as employees' remuneration and not more than 0.5% as directors' remuneration. Such distribution shall be resolved by the Board of Directors with the attendance of at least two-thirds of all directors and the approval of a majority of the directors present, and shall be reported to the shareholders' meeting. Remuneration to the President and Vice Presidents includes salaries, bonuses, dormitory, car and employee bonuses, and is determined in accordance with the positions and responsibilities assumed.

- B. Procedures for determining remuneration: In order to evaluate the compensation and remuneration of directors and managerial officers on a regular basis, the remuneration is based on the evaluation results of the Company's "Board of Directors Performance Evaluation Policy" and the "Performance Appraisal Policy" applicable to managerial officers and employees. Based on the level of participation and contribution to the Company's operations, and the achievement rate of work targets, the salaries of managerial officers are determined with reference to the salary level in the same industry in order to maintain the overall competitiveness of human resources and ensure the Company's operational performance.

To motivate employees to actively create profits for the Company and reward employees for their efforts, the Company has established the Performance Bonus Guidelines. Performance bonuses are calculated by multiplying profit or loss after tax by the bonus allocation ratio, linked to the operating performance results of profit centers, and paid to managerial officers at year end.

The degree of participation in and contribution to the company's operations as referred to above is highly correlated with the goal achievement rate and performance evaluation, and includes financial indicators (such as the company's profitability) and non-financial indicators (such as operational safety management, customer satisfaction and the implementation of quality assurance and management-related performance targets).

The remuneration of directors and managerial officers is regularly assessed and determined by the Remuneration Committee, and is submitted to the Board of Directors for approval.

C. Correlation with business performance and future risks:

The review of the payment standards and system related to the Company's remuneration policy is mainly based on the overall operating status of the Company, and determines payment standards based on the performance attainment rate and contribution to improve the overall organizational team effectiveness of the Board of Directors and managerial officers. Remuneration to directors is related to the Company's operating performance, and the Remuneration Committee regularly evaluates the reasonableness of the connection between the performance of individual directors and managers and the Company's operating performance and future risks in order to determine their remuneration.

III. Status of Corporate Governance

(I) Operation of the board of director:

In 2025, the Board of Directors convened 4 meetings (A), and the attendance of directors is as follows :

Title	Name	Actual attendance rate (B)	Attendances by proxy	Actual attendance rate (%) (B/A)	Remark
Chairman	Representative of Ching Cheng Investment Co., Ltd.: Steven Pan	4	0	100%	
Director	Representative of Ching Cheng Investment Co., Ltd.: Yi-Hui Chiang	4	0	100%	
Director	Representative of Ching Cheng Investment Co., Ltd.: Rung-Wei Wang	4	0	100%	
Director	Representative of Ching Cheng Investment Co., Ltd.: Se-Chen Lai	4	0	100%	
Director	Representative of Formosa International Development Corp.: Kong-Wen Li	3	0	75%	
Director	Representative of Formosa International Development Corp.: Chi-Shang Kao	2	0	50%	
Independent Director	Kuo-Chun Chang	4	0	100%	
Independent Director	Wen-Jie Wang	4	0	100%	
Independent Director	Wei Wang	4	0	100%	

Other information required for disclosure:

- I. For Board of Directors meetings that meet any of the following conditions, state the date, session, motions, opinions of all independent directors, and how the company has responded to the opinions of the independent directors:
 - (I) Listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee. The requirements of Article 14-3 of the Securities and Exchange Act are not applicable. For related information, please refer to the Operation of the Audit Committee of this Annual Report.
 - (II) Any other documented objections or qualified opinions raised by independent directors against board resolutions other than those referred to above : None.
- II. For the execution of avoidance of interest-conflicting motions, the name of the director, the content of the motion, the reason for the avoidance of conflicts of interest, and the participation in the voting process shall be described: There were no matters requiring recusal due to conflicts of interest at Board meetings during the year.
- III. Information on the evaluation cycle, duration, scope, method, and content of self-evaluation (or peer evaluation) of the Board of Directors:

Assessment cycle	Assessment duration	Scope of assessment	Assessment methods	Assessment contents (Note)
Conduct once a year	2025.01.01~2025.12.31	Performance evaluation of the Board of Directors, individual board members, and functional committees	The Board of Directors' internal self-assessment Self-Evaluation of the Directors	(I) Performance evaluation of the Board of Directors: 1. Participation in the Company's operations 2. Improving the quality of board of directors' decision making 3. Composition and structure of the Board of Directors

Assessment cycle	Assessment duration	Scope of assessment	Assessment methods	Assessment contents (Note)
				4. Election and continuing education of directors 5. Internal control (II) Performance evaluation of directors 1. Alignment of the Company's goals and missions 2. Awareness of the duties of directors 3. Participation in the Company's operations 4. Internal relationship management and communication 5. Directors' professional qualifications and continuing education 6. Internal control (III) Performance evaluation of functional committees 1. Participation in the Company's operations 2. Awareness of the duties of the functional committee 3. Decision-making quality of the functional committee 4. Composition of functional committees and election of members 5. Internal control

Note:

1. The self-evaluation of the overall Board of Directors, individual directors, and functional committees was conducted by questionnaire this time:
 An average total score of 90 points or above is rated as "significantly exceeds standards".
 An average total score of 80 points or above but below 90 points is rated as "exceeds standards".
 An average total score of 70 points or above but below 80 points is rated as "meets standards".
 An average total score below 70 points is rated as "requires improvement".
 2. The self-evaluation results of the Company's Board of Directors, individual directors, and functional committees for 2025 were all rated as "significantly exceeds standards", with no major matters requiring improvement. The evaluation results were submitted to the Board of Directors on March 9, 2026.
- IV. Enhancement of the functions of the Board of Directors in the current year and the most recent year (such as the establishment of an Audit Committee and the improvement of information transparency, etc.), and the implementation evaluation:
- (I) Implementation of corporate governance and enhancement of information transparency: The operation of the Board of Directors is conducted in accordance with the "Rules of Procedure for Board of Directors Meetings", and the Company's Board meetings are convened in compliance with these rules. The implementation status has been good.
 - (II) Proactively assisting the Directors in participating in courses related to the Company's industry in accordance with the Company's corporate governance regulations, in order to improve the functions of the members of the Board of Directors.

(II) Operation of the Audit Committee:

The Audit Committee held 4 meetings in 2025 (A). The attendance record of independent directors is as follows:

Title	Name	No. of meetings attended in person (B)	Attendances by proxy	In-person attendance rate (%) (B/A)	Remark
Independent Director	Kuo-Chun Chang	4	0	100%	
Independent Director	Wen-Jie Wang	4	0	100%	
Independent Director	Wei Wang	4	0	100%	

The Company's Audit Committee convened a total of 4 meetings in 2025. The key tasks and matters reviewed were as follows:

1. Financial statements certified or reviewed by CPAs.
2. Earnings distribution.
2. Passed the appointment and remuneration of CPAs.
4. Review the audit plan for the following year.

Other information required for disclosure:

- I. In the event of any of the following in the operation of the Audit Committee, state the date and session of the Audit Committee meeting, the contents of the agenda, dissenting opinions, qualified opinions, or major recommendations of the independent directors, the Audit Committee's resolution results, and the Company's response to the Audit Committee's handling of opinions.

(I) Matters specified in Article 14.5 of the Securities and Exchange Act:

Audit Committee Convening date	Discussion of proposal	Dissenting opinions, qualified opinions, or major recommendations of independent directors	Resolution of the Audit Committee	The Company's response to the opinions of the Audit Committee
The 3rd meeting of the 2nd term (2025.03.10)	2024 Business Report and Financial Statements	None	Unanimously approved by all present committee members	Unanimously approved by the present directors
	2024 Earnings Distribution Proposal			
	Proposal for the evaluation of the independence and competence of the certifying CPA.			
	2024 Internal Control System Statement			
The 4th meeting of the 2nd term (2025.05.13)	2025 first quarter consolidated financial statements	None	Unanimously approved by all present committee members	Unanimously approved by the present directors
	2025 first quarter earnings appropriation			
The 5th meeting of the 2nd term (2025.08.11)	Consolidated financial statements for the first half of 2025	None	Unanimously approved by all present committee members	Unanimously approved by the present directors
	Earnings appropriation for the first half of 2025			
The 6th meeting of the 2nd term (2025.11.10)	2025 third quarter consolidated financial statements	None	Unanimously approved by all present committee members	Unanimously approved by the present directors
	2025 third quarter earnings appropriation			
	Amendment to the "internal control system"			
	2026 Annual Audit Plan			

- (II) Other than those referred to above, other resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None of such situations.

- II. In the case of recusal of conflicts of interest among independent directors, the name of the independent director, the content of the proposal, the reason for the recusal, and the participation in voting of the independent directors shall be described:
None.
- III. Communication between independent directors and the internal audit head and accountants (including major issues, methods, and results of communication on the company's financial and business status).
- (I) The communication between independent directors and the chief audit officer is as follows:
Internal auditors conduct monthly audits according to the annual audit plan and submit audit reports to independent directors, and the audit supervisor also reports on important audit business to the independent directors on a quarterly basis; the audit committee held a meeting on November 10, 2025 to review and approve the audit plan for the next year. Independent directors may discuss the operation of the Company's internal control system with the internal audit supervisor at any time; if the internal audit supervisor finds abnormal conditions, he will report to the independent directors at any time.
- (II) Communication between independent directors and CPAs is as follows:
The Company's CPAs communicated with independent directors in writing or by way of meetings on governance matters during the annual audit. When independent directors have questions about the Company's financial status or internal control system, they may contact the CPAs for inquiry and discussion at any time.
CPAs participated in the Audit Committee on March 10, 2025, communicated with independent directors, and reported the audit results of the 2024 financial statements.

(III) Deviation and causes of deviation from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies:

Indicator	Operations			Difference from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its Corporate Governance Best-Practice Principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and discloses the principles on the Market Observation Post System and the Company's website.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
II. The shareholding structure of the Company and shareholders' rights and interests (I) Does the company stipulate internal operating procedures to process matters in regard to the shareholders' recommendations, doubts, disputes and litigation, and conduct implementation based on these procedures? (II) Does the Company have a list of major shareholders who actually control the company and a list of shareholders who ultimately control these major shareholders? (III) Does the Company create and implement risk control and firewall mechanism with the related companies? (IV) Does the Company stipulate internal regulations that prohibit insiders from buying and selling securities with the unpublished information on the market?	✓		(I) The Company has appointed a spokesperson and an acting spokesperson to handle related matters; any disputes will be handled by the Company's legal advisors. (II) The Company keeps track of it according to the roster of shareholders provided by the stock registrar and as required by the competent authority. (III) The Company establishes the "Regulations Governing the Supervision of Subsidiaries" to establish risk control and firewall mechanisms for the affiliated enterprises, and the audit personnel regularly supervise their implementation. (IV) The Company has established the "Insider Trading Prevention Management Procedure" to prohibit the insiders from utilizing the undisclosed information to trade securities.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
III. Composition and responsibilities of the board of directors (I) Does the Board of Directors have the diversity policy formulated and specific management goals implemented?	✓		(I) The Company has established the "Corporate Governance Best-Practice Principles" and stipulated the policy of diversity in Chapter 3 "Enhancing the Functions of the Board of Directors". The composition of the Company's Board of Directors emphasizes the elements of diversity, and the members of the Board of Directors of the Company generally possess the necessary knowledge to perform their duties, necessary skills and	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.




Indicator	Operations			Difference from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
(II) Other than the establishment of Remuneration Committee and Audit Committee which are required by law, does the Company plan to set up other functional committees?		✓	competencies. For the diversity policy and implementation, please refer to pages 16. (II) The Company has set up the Remuneration Committee, Audit Committee and Sustainable Development Committee, but has not yet set up other functional committees. In the future, additional committees will be set up as needed.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(III) Does the Company stipulate performance assessment regulations and assessment methods for the board of directors and conduct the performance assessment on a yearly basis, and was the result of performance assessment reported to the board of directors for the reference of individual directors' salary and nomination of reappointment?	✓		(III) The Company has established the "Regulations Governing the Evaluation of the Performance of the Board of Directors", and the results of the performance evaluation of the Board of Directors shall be the reference for the selection or nomination of directors, and the performance evaluation of individual directors shall be the reference for determining the compensation and remuneration of individual directors. The Company also evaluates the performance of functional committees (including the Audit Committee and the Remuneration Committee). The 2025 Board of Directors Performance Evaluation Report was submitted to the Board of Directors on March 9, 2026. The evaluation results were all "significantly exceeding the standards".	
(IV) Does the company regularly evaluate its certified public accountant's independence?	✓		(IV) To establish relevant evaluation criteria in accordance with Article 47 of the Certified Public Accountant Act and No. 10 of "Integrity, Objectivity, and Independence" of the Certified Public Accountant Code of Ethics of the Republic of China, and evaluate the independence of CPAs on a regular basis every year. The independence assessment of CPAs for this year was approved by the audit committee on March 9, 2026 and submitted to the Board of Directors for resolution. After the assessment, the independence and suitability of the two CPAs were satisfactory, and the statement of independence and "Audit Quality Indicators (AQIs)" were issued. The criteria for assessing the independence of the CPAs are as follows:	





Indicator	Operations			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons										
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			<table border="1"> <thead> <tr> <th>Indicator</th> </tr> </thead> <tbody> <tr> <td>1. Does not have any direct or material indirect financial interest relationship with the Company or any of its affiliated enterprises.</td> </tr> <tr> <td>2. There is no loaning of funds with the Company or any of its affiliated enterprises.</td> </tr> <tr> <td>3. Not currently employed by the Company as a regular employee receiving a fixed salary or serving as a director.</td> </tr> <tr> <td>4. Not a spouse, direct relative by blood, direct relative by marriage, or collateral blood within the second degree of kinship with the Company's management.</td> </tr> <tr> <td>5. Not concurrently operating other businesses that may lose its independence.</td> </tr> <tr> <td>6. No business-related commissions were collected.</td> </tr> <tr> <td>7. Not having a material or close business relationship with the Company or any of its affiliates.</td> </tr> <tr> <td>8. No audit service has been provided to the Company for seven consecutive years.</td> </tr> <tr> <td>9. Management functions that do not involve decision-making by the Company or any of its affiliated enterprises.</td> </tr> </tbody> </table>	Indicator	1. Does not have any direct or material indirect financial interest relationship with the Company or any of its affiliated enterprises.	2. There is no loaning of funds with the Company or any of its affiliated enterprises.	3. Not currently employed by the Company as a regular employee receiving a fixed salary or serving as a director.	4. Not a spouse, direct relative by blood, direct relative by marriage, or collateral blood within the second degree of kinship with the Company's management.	5. Not concurrently operating other businesses that may lose its independence.	6. No business-related commissions were collected.	7. Not having a material or close business relationship with the Company or any of its affiliates.	8. No audit service has been provided to the Company for seven consecutive years.	9. Management functions that do not involve decision-making by the Company or any of its affiliated enterprises.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
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IV. Does the listed or OTC company have qualified and suitable number of corporate governance personnel, and does the company appoint a corporate governance officer to be responsible for matters regarding corporate governance (including but not limited to providing directors and supervisors with information required for the implementation of business operations, assisting directors and supervisors to comply with laws and regulations, processing the matters regarding the board of directors meeting and shareholders meeting, and preparing meeting minutes for the board of directors meeting and shareholders meeting, etc.)?		✓	The Company appointed a corporate governance officer by the Board of Directors on June 1, 2023. The officer’s main duties include handling matters relating to Board meetings and shareholders’ meetings in accordance with laws and regulations, preparing minutes of Board meetings and shareholders’ meetings, assisting directors in assuming office and undertaking continuing education, providing directors with information necessary for the performance of their duties, and assisting directors in complying with laws and regulations.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.										

Indicator	Operations			Difference from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
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V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), set up a page especially for stakeholders on the company's website, and appropriately responded to the important corporate social responsibility issues of concern to stakeholders?	✓		There is a contact area on the Company's website where any stakeholder may exchange opinions with the Company at any time. A link to the stakeholder questionnaire is also available in the area to collect information on relevant issues. The Sustainability Committee reports the status of communication with stakeholders to the Board of Directors at least once a year. The status of communication with stakeholders in 2025 was reported to the Board of Directors on November 10, 2025. Please refer to page 33~34 (Note 1) for details on the communication channels with stakeholders.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VI. Does the Company entrust a professional shareholder services agency to conduct matters regarding the shareholders meeting?	✓		The Company has commissioned a professional share registrar named "Shares Registration Department, Taishin Securities" to handle matters related to shareholders' meetings and share affairs.	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
VII. Information disclosure (I) Does the Company create a website to disclose information regarding its finance, business operations and corporate governance? (II) Does the Company adopt other methodology of information disclosure (such as creating an English website, appointing a dedicated person to be responsible for the collection and disclosure of the Company's information, implementing the spokesperson system, and uploading videos of the investor conferences on the company's website)? (III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, third quarter financial reports and the monthly operation status earlier than the specified deadline?	✓ ✓		(I) The Company's website: https://www.silkshotelgroup.com/tw/ (II) The Company has set up a designated person responsible for the disclosure of material information of the Company and discloses information on the MOPS and the Company's website on time. A spokesperson system has also been implemented as required and was uploaded to MOPS and the Company's official site. (III) The Company announces and declares its annual financial statements, the first, second and third quarterly financial statements and the operation status of each month well in advance. com.tw/)	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Indicator	Operations			Difference from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
VIII. Does the Company have other important information that can help in gaining a better understanding about the operations of corporate governance (including but not limited to the employees' rights, employee care, investor relations, supplier relation, rights of interested parties, training status of directors and supervisors, implementation status of risk management policies and standards of risk measurement, the implementation of customer policies, the purchase of liability insurance for directors and supervisors by the Company, etc.)?	✓		<ol style="list-style-type: none"> 1. Employee rights: The Company protects the rights and interests of its employees in accordance with the Labor Standards Act. 2. Employee care: The Company provides a sound welfare system and education and training (such as employee trips, health checkups, etc.) to build mutual trust with employees. 3. Investor relations: There is a dedicated service and stock affairs unit to handle shareholder affairs. 4. Supplier relations: The Company evaluates suppliers on a regular basis, and the two sides have maintained good relations with suppliers through sufficient communication. 5. Stakeholders' rights: Stakeholders may communicate with and make suggestions to the Company in order to protect their legitimate rights and interests. 6. Implementation of customer policy: The Company maintains stable and good relationship with its customers to create corporate profits. 7. The Company has purchased liability insurance for directors and has reported to the board of directors. 	Compliance with Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
<p>IX. Please explain the improvement status of the corporate governance assessment results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year and propose improvement measures for those matters that have not been improved.</p> <p>The Company will propose enhancement priorities and improvement measures for the following projects:</p> <ol style="list-style-type: none"> 1. The Company will continue to evaluate and consider possible improvement plans for items in which it has not yet achieved full marks in the Corporate Governance Evaluation and the latest indicators. 2. To facilitate access to relevant information by foreign institutional investors, the Company has disclosed Chinese and English interim financial reports since 2024. 3. In response to the international capital market's advocacy of shareholder value action plans, the Company has formulated the "Corporate Value Enhancement Plan", which was reported to the Board of Directors on August 11, 2025. 				

Note 1: Communication channels with stakeholders:

Stakeholders	Material impact topics	Frequency and method of communication	Key achievements in 2025
 Employees	Talent development and cultivation Employee cares and benefits Human rights, diversity, and inclusion Occupational safety and health Customer health and food safety	-Irregular announcements, Regent Academy APP, and training course questionnaire surveys -Employee satisfaction surveys, human rights due diligence, and employee grievances -Employee Welfare Committee, labor-management meetings, occupational safety and health meetings, and other regular meetings - Annual training plan	*Regular labor-management meetings and Occupational Safety and Health Committee meetings were convened. * Implemented diverse on-the-job career training programs, with a cumulative total of 10,527 participant attendances and 22,669 training hours. Among these were 13 human rights-related courses attended by 428 participants, totaling 774.5 training hours, continuously enhancing employees' awareness of human rights.
 Shareholders/investors	Economic performance Sustainable development strategy Customer privacy and information security Customer health and food safety Service quality and customer experience	Board of Directors meetings and annual shareholders' meeting (annual) Annual report and sustainability report (annual) Financial statements (quarterly) Institutional investor conference and investment forum Market Observation Post System Company website, complaint hotline and email	* 4 Board of Directors meetings and 1 shareholders' meeting held * Held 3 institutional investor conferences * Publication of annual sustainability report
 Customers/consumers and mall tenants	Customer health and food safety Service quality and customer experience Customer privacy and information security	Corporate website, Sustainability Report Customer satisfaction survey, complaint hotline Social media, press releases Telephone, E-mail Club Membership Bulletin	* Publication of annual sustainability report * Customer Satisfaction Score: 84

Stakeholders	Material impact topics	Frequency and method of communication	Key achievements in 2025
 <p>Strategic partners (e.g., suppliers and contractors)</p>	<p>Human rights, diversity, and inclusion</p> <p>Customer health and food safety</p> <p>Service quality and customer experience</p> <p>Sustainable supply chain</p> <p>Occupational safety and health</p>	<p>Non-scheduled supplier meetings</p> <p>Written supplier evaluations, once a year</p> <p>On-site supplier audit evaluations, at least once a year</p> <p>Unscheduled visit to new suppliers</p> <p>Telephone hotline and e-mail for reporting unethical conduct</p>	<p>*A total of 169 written reviews of contractors and 17 on-site audits of contractors were conducted. The evaluation results showed no suppliers failed with a total score below 60 points.</p> <p>*No reports of violations of integrity or ethical conduct occurred.</p>
 <p>Media/online communities</p>	<p>Corporate Governance</p> <p>Economic performance</p> <p>Customer health and food safety</p> <p>Service quality and customer experience</p>	<p>Unscheduled Press Conference</p> <p>Unscheduled press releases, exclusive interviews</p> <p>Hotline, E-mail</p>	<p>24 media events held</p> <p>Average of 11 press releases issued per month</p> <p>Social media promotions and updates released on an ongoing basis</p>
 <p>Competent Government authorities</p>	<p>Corporate Governance</p> <p>Ethical corporate management</p> <p>Legal compliance</p> <p>Customer health and food safety</p> <p>Occupational safety and health</p> <p>Customer privacy and information security</p>	<p>Periodic regulatory review</p> <p>Market Observation Post System</p> <p>Competent authority correspondence and advocacy of laws and regulations</p>	<p>*Conducted internal regulatory compliance checks and audit operations</p> <p>* Released 20 pieces of material information</p> <p>*Responded promptly to competent authority correspondence, and implemented communication of laws and regulations through internal announcements and education and training</p> <p>*Information security management system</p>
 <p>Communities and non-profit organizations</p>	<p>Community care and engagement</p> <p>Waste and pollution management</p> <p>Biodiversity</p>	<p>Participation in social welfare activities and organizational advocacy</p> <p>Publication of annual sustainability report</p> <p>Meeting with villagers</p> <p>Telephone, email, letter communication customerservice@regenttaiwan.com</p>	<p>A series of year-end charity and community care activities were held at the Group's properties, including Regent Taipei, Silks Place Tainan, Silks Place Taroko, Wellspring by Silks Jiaoxi, and Just Sleep.</p>

(IV) Composition and operation of the Remuneration Committee:

The responsibilities of the Remuneration Committee shall be with the care of a good administrator, faithfully performing the following functions and powers, and shall submit its suggestions to the Board of Directors for discussion:

- a. Regularly review the organizational procedures and propose amendments.
- b. Formulate and periodically review the annual and long-term performance goals and compensation and remuneration policies, systems, standards, and structures for the Company's directors and managerial officers.
- c. Regularly evaluate the achievement of the performance targets of the Company's directors and managerial officers, and set the content and level of individual compensation and remuneration.

(1) Information on the Remuneration Committee members

December 31, 2025

Identity	Criteria Name	Professional qualifications and experience	Independence	Number of concurrent remuneration committee member posts to other public companies
Convener and Independent Director	Kuo-Chun Chang	Please refer to pages 9-15 for information on the disclosure of directors' professional qualifications and independence.	(1) Not an employee of the Company or any of its affiliated enterprises. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Not a natural person shareholder holding 1% or more of the total number of issued shares of the Company in the name of his/her spouse, underage children, or in the name of a third party.	0
Independent Director	Wen-Jie Wang		(4) Not a managerial officer as specified in (1) nor a spouse, a blood relative at the second degree of kinship under the Civil Code, or a blood relative at the second degree of kinship under the Civil Code as specified in (2) and (3). (5) Directors who are not corporate shareholders of the Company that directly hold 5% or more of the total number of issued shares of the Company, or who are among the top five shareholding companies, or who have	0

Independent Director	Wei Wang		<p>appointed a representative to serve as the Company's directors, supervisors or employees in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act.</p> <p>(6) Not a director, supervisor, or employee of another company whose majority of seats or voting shares are controlled by the same person.</p> <p>(7) Not a director, supervisor, or employee of any other company or institution that is the same person or spouse as the chairman, president, or someone with equivalent position of the company.</p> <p>(8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of shares of any company or institution that has financial or business relationship with the Company.</p> <p>(9) Not a professional individual, nor an owner, partner, director, supervisor, nor managerial officer of a sole proprietorship, partnership, company, nor 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 has received cumulative compensation exceeding NT\$500,000 in the past 2 years, nor a spouse thereof. provided this restriction does not apply to a compensation committee member, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or the Business Mergers and Acquisitions Act or related laws or regulations.</p>	0
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(2) Information on the operation of the Remuneration Committee

- I. The Company's Remuneration Committee consists of 3 members.
- II. Term of office of the current committee members: June 17, 2024 to June 12, 2027. The Remuneration Committee convened 2 meetings in 2025 (A). The qualifications and attendance of the committee members were as follows:

Title	Name	No. of meetings attended in person (B)	Attendances by proxy	In-person attendance rate (%) (B/A) (Note)	Remark
Convener	Kuo-Chun Chang	2	0	100%	
Committee member	Wen-Jie Wang	2	0	100%	
Committee member	Wei Wang	2	0	100%	

Other information required for disclosure:

- I. When BOD rejects or modifies the recommendations made by the Remuneration Committee, please state the date and session of board meeting, the proposal, BOD resolutions, and settlement on the opinions of Remuneration Committee members (if the salary and compensation approved by BOD are superior to that recommended by the Remuneration Committee, please specify the differences and causes): NA.
- II. For resolutions made by the Remuneration Committee, if any member has objections or reservations that are recorded or stated in writing, the date of the Remuneration Committee, the session, the content of the proposal, and the handling of the opinions of all members and the opinions of the members should be described: No such situation.

- III. Discussions and resolutions of the Compensation Committee in the latest year, and the Company's response to members' opinions:

The Committee shall abide by the following principles in the performance of its functions and powers:

1. Ensure that the Company's compensation arrangement complies with relevant laws and regulations and is sufficient to attract outstanding talents.
2. The performance evaluation and remuneration of directors and managerial officers shall be made with reference to the general level of payment in the same industry, and shall also take into account the time invested, responsibilities, achievement of personal goals, performance in other positions, and equivalent positions offered by the Company in recent years. The achievement of the Company's short-term and long-term business goals and the financial status of the Company shall assess the reasonableness of the connection between individual performance and the Company's operating performance and future risks.
3. Directors and managerial officers shall not be induced to engage in behaviors that exceed the Company's risk appetite in pursuit of compensation.

4. The percentage of short-term performance bonus paid to directors and senior managerial officers and the timing of payment of some of the variable salaries shall be decided in consideration of industry characteristics and the nature of the Company's business.
5. Members of the Committee are not allowed to participate in the discussion and voting of their own salary and remuneration.

The Company's Remuneration Committee held meetings and reviewed and assessed the information on the Company's remuneration in the last year as follows:

Remuneration Committee Convening date	Discussion of proposal	Resolution	The Company's account to suggestion made by the Remuneration Committee
The 1st meeting on March 10, 2025	Review of the distribution of 2024 remuneration to employees and directors of the Company.	Approved with the consent of all committee members.	Reported to the board and approved by all attending directors of the board.
The 2nd meeting on November 10, 2025	Review of the compensation and remuneration items to be implemented by the Company in 2026.	Approved with the consent of all committee members.	Reported to the board and approved by all attending directors of the board.

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development unit with Board of Directors authorization for senior management, which is supervised by the Board of Directors?	✓		<p>The Company has established a comprehensive sustainable governance framework and established a "Sustainable Development Committee" at the Board level to coordinate the planning and promotion of sustainability strategies. The Committee is responsible for setting specific sustainability goals and key performance indicators, and planning relevant action plans. Through regular reviews and a rolling adjustment mechanism, the Company ensures that sustainability principles are effectively implemented from the strategic level into daily operations, thereby internalizing them as a core driver of long-term corporate development.</p> <p>The Sustainable Development Committee regularly reports the promotion results and implementation status to the Board of Directors, which reviews and provides guidance to ensure that the governance level has sufficient understanding of and support for sustainability-related issues. Through the integration of sustainability strategies with the Group's overall operating policies, the Company continues to strengthen the supervisory effectiveness of the Board of Directors, enabling the Company to promptly respond to changes in the external environment as well as emerging risks and opportunities, adjust its business strategies in a timely manner, and enhance overall operational resilience.</p> <p>In 2025, the Sustainable Development Committee reported the results of sustainability promotion to the Board of Directors on a quarterly basis, and presented the Company's sustainability strategies and development goals, continuously incorporating the guidance and recommendations of the Board of Directors to improve various sustainability management measures.</p> <p>The Sustainable Development Committee is composed of cross-departmental mid-level and senior executives, with members covering key areas such as public relations, finance, room operations, procurement, engineering, and human rights management. The position of Associate Vice President of Sustainability Development has also been established to be responsible for coordinating and integrating the Group's sustainability-related affairs. In addition, dedicated teams have been established by topic, including corporate governance, environmental sustainability, supply chain, labor and human rights, occupational safety, and food safety, to promote various sustainability actions through division of responsibilities and strengthen the depth and breadth of implementation.</p> <p>The Sustainable Development Committee convenes at least one meeting each month to review the progress and effectiveness of various sustainability actions and continuously optimize strategic directions. In addition, with reference to international sustainability standards and frameworks, such as GRI and SASB, the Company systematically identifies material issues of concern to stakeholders,</p>	No significant difference

Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons														
	Yes	No	Summary															
			and formulates and adjusts action plans accordingly to ensure that the Company's sustainability development direction is aligned with international trends and stakeholder expectations. Through the operation of a comprehensive governance mechanism, the Company continues to optimize its sustainability performance and steadily enhance its long-term corporate value and competitiveness.															
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues that are relevant to its operations and stipulate risk management policies or strategies based on principles of materiality?	✓		<p>The Company follows the principle of materiality to systematically identify environmental (E), social (S), and governance (G) issues related to its operations, and conducts risk and opportunity assessments accordingly to establish a comprehensive risk management mechanism and response strategies:</p> <table border="1"> <thead> <tr> <th>ESG aspect</th> <th>Risk category</th> <th>Risk description</th> <th>Risk management strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Environmental aspect (E)</td> <td>Climate change risks</td> <td>Extreme weather events, such as typhoons, high temperatures, and heavy rainfall, may affect customers' willingness to travel, supply chain stability, and operational continuity, and may increase facility maintenance and overall operating costs.</td> <td>The Company has adopted the TCFD framework to identify climate-related risks and opportunities, conduct greenhouse gas inventories and carbon reduction targets, strengthen energy management and equipment efficiency, and enhance operational resilience in response to the impact of extreme weather events.</td> </tr> <tr> <td>Energy and carbon management risks</td> <td>Hotels are a high energy consumption industry. If energy efficiency is inadequate, operating costs will increase and pressure from carbon emissions will intensify.</td> <td>The Company has established energy and water resources management mechanisms, installed high-efficiency equipment, and introduced energy-saving measures to continuously monitor usage efficiency and reduce resource consumption.</td> </tr> <tr> <td>Geopolitical energy crisis</td> <td>International geopolitical conflicts may lead to instability in energy supply and price</td> <td>The Company has established energy management and monitoring mechanisms, promoted energy-saving</td> </tr> </tbody> </table>	ESG aspect	Risk category	Risk description	Risk management strategies	Environmental aspect (E)	Climate change risks	Extreme weather events, such as typhoons, high temperatures, and heavy rainfall, may affect customers' willingness to travel, supply chain stability, and operational continuity, and may increase facility maintenance and overall operating costs.	The Company has adopted the TCFD framework to identify climate-related risks and opportunities, conduct greenhouse gas inventories and carbon reduction targets, strengthen energy management and equipment efficiency, and enhance operational resilience in response to the impact of extreme weather events.	Energy and carbon management risks	Hotels are a high energy consumption industry. If energy efficiency is inadequate, operating costs will increase and pressure from carbon emissions will intensify.	The Company has established energy and water resources management mechanisms, installed high-efficiency equipment, and introduced energy-saving measures to continuously monitor usage efficiency and reduce resource consumption.	Geopolitical energy crisis	International geopolitical conflicts may lead to instability in energy supply and price	The Company has established energy management and monitoring mechanisms, promoted energy-saving	No significant difference
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Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			<p>fluctuations, affecting energy costs and carbon management performance, and increasing pressure for carbon reduction and energy transition.</p> <p>measures, and introduced high-efficiency equipment; evaluated renewable energy and green electricity procurement to reduce dependence on external energy; strengthened supply chain diversification and local procurement strategies; and continued to monitor changes in the international energy market and adjust operating strategies in a timely manner to enhance energy resilience.</p>	
			<p>Waste and pollution management</p> <p>Food and beverage and accommodation services tend to generate large amounts of waste and wastewater. Improper management may result in violations of environmental protection laws and regulations and affect the Company's corporate image.</p>	<p>The Company implements mechanisms for waste sorting, reduction, and recycling, and strengthens the management of wastewater and air pollutant emissions to ensure compliance with environmental protection laws and regulations.</p>
			<p>Supply chain risks</p> <p>If suppliers fail to comply with environmental management standards or low-carbon manufacturing processes, this may increase the supply chain carbon footprint and affect the Company's carbon reduction performance</p>	<p>The Company has established supplier environmental evaluation and management systems, gives priority to suppliers with environmental certifications or strong low-carbon performance, promotes green procurement, and regularly reviews supplier environmental performance to ensure that the supply chain meets</p>

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			<p>pressure, and supply chain operations. In addition, economic cycles and changes in the tourism market may lead to fluctuations in revenue and profitability, increasing operational uncertainty.</p>	<p>finances, the Company has introduced an enterprise risk management (ERM) mechanism to continuously monitor international conditions and risk changes, and has established early warning and response mechanisms. The Company also adjusts procurement and pricing strategies, tracks market and operating performance, and optimizes its product and service portfolio to maintain sound financial performance and operational resilience.</p>
			<p>Operational risks</p> <p>Affected by economic cycles, changes in the tourism market, and unexpected events, such as pandemics, geopolitical developments, and market changes, revenue may fluctuate.</p>	<p>The Company continuously monitors market changes and operating performance, and optimizes its product and service portfolio to maintain sound financial performance.</p>
			<p>Food safety and supply chain risks</p> <p>If suppliers experience food safety incidents or quality non-compliance, this may affect product safety, operational stability, and corporate reputation.</p>	<p>The Company has established a comprehensive food safety management system, implements controls over the sources of raw materials and quality audit mechanisms, and strengthens supplier evaluation and management to ensure food safety and stable quality.</p>

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III. Environmental Issues (I) Has the Company set up an Environmental management system suitable to industry characteristics?	✓		<p>Based on the characteristics of the hospitality and food and beverage industry, the Company has established a comprehensive environmental management system covering energy management, greenhouse gas inventory, waste, and pollution prevention and control, and has established an Environmental Sustainability Team to coordinate promotion and supervise implementation results. In response to the high energy consumption and resource-intensive nature of its operations, the Company continues to promote energy conservation and carbon reduction measures, including the introduction of high-efficiency equipment, improvement of energy efficiency, and setting of carbon reduction targets. The Company also implements green procurement and the use of local ingredients to reduce the supply chain carbon footprint. In addition, the Company strictly complies with environmental protection laws and regulations, establishes management mechanisms for waste, wastewater, and air pollution, and strengthens employees' environmental awareness through education and training. The Company implements performance monitoring and risk control as it moves toward low-carbon and sustainable operations.</p>	No significant difference			
(II) Is the Company committed to enhancing the energy efficiency and using renewable materials that have low impact on the environment?	✓		<p>The Company is committed to improving energy efficiency and prioritizing the use of recycled, renewable, and sustainable materials with lower environmental impact, so as to reduce the impact of its operations on the environment.</p> <p>In terms of energy management, the Company continues to promote energy-saving measures. Regent Taipei has successively upgraded its chiller equipment over the past five years, and has introduced a smart energy management system, energy-saving air-conditioning, and lighting equipment. Through continuous monitoring and optimization of energy performance, the Company has effectively improved energy efficiency and reduced carbon emissions.</p> <p>In terms of material usage, the Company gives priority to products with environmental labels, or that are recyclable, renewable, or have low environmental impact, and reduces the use of disposable items to implement the concept of a circular economy. At the same time, through its green</p>	No significant difference			

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			procurement policy, the Company prioritizes cooperation with suppliers that demonstrate environmental and social responsibility, and introduces sustainable raw materials and local ingredients to reduce the carbon footprint of transportation and support the development of local industries.	
(III) Does the Company assess potential risks and opportunities associated with climate change and undertake measures in response to climate issues?	✓		<p>The Company has followed the Task Force on Climate-related Financial Disclosures (TCFD) framework to systematically assess the potential risks and opportunities of climate change to its current and future operations, and has formulated relevant management strategies and response measures accordingly.</p> <p>In terms of risk and opportunity identification, the Company conducts analysis from the two major aspects of "transition risks" and "physical risks". Transition risks include stricter regulations, rising carbon costs, and energy price fluctuations. Physical risks cover the impact of extreme weather events on operating locations and the supply chain, and the Company further assesses their potential financial impact. At the same time, the Company also identifies climate-related opportunities, including the introduction of energy-saving technologies, the development of low-carbon products and sustainable services, and market opportunities arising from the growth in demand for green tourism.</p> <p>In terms of management mechanisms, the Sustainable Development Committee coordinates climate-related issues. Dedicated units, such as the Energy Management Team, are responsible for risk identification, impact assessment, and strategic planning. Climate risks are also incorporated into the overall risk management system for regular review and tracking.</p> <p>For identified material risks and opportunities, the Company has promoted a number of specific response measures, including energy conservation and carbon reduction plans, improvement of energy efficiency, strengthening of supply chain resilience, and development of low-carbon products and sustainable services, so as to reduce climate risks and enhance operational resilience.</p> <p>In the future, the Company will continue to refine its climate risk assessment methods, strengthen data management and scenario analysis capabilities, gradually enhance the maturity of climate governance, and strengthen its long-term competitiveness and sustainable capabilities.</p>	No significant difference
(IV) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total volume of waste in the past two years, and formulated policies for greenhouse gas reduction, water consumption, or other waste management?	✓		<p>Greenhouse gas reduction, water management, and waste management policies</p> <p>The Company has established environmental management-related systems, and calculates and monitors greenhouse gas emissions, water consumption, and waste generation. Based on the results, the Company formulates greenhouse gas reduction, water resources management, and waste reduction policies to continuously reduce the impact of its operations on the environment.</p> <p>In terms of greenhouse gas reduction, the Company has established a carbon management mechanism. Through the replacement of energy-saving equipment, introduction of a smart energy management system, and improvement of energy efficiency, the Company continues to reduce</p>	No significant difference

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			<p>carbon emission intensity. In addition, by combining low-carbon operation measures and supply chain management, the Company is gradually reducing direct and indirect emissions as it moves toward low-carbon transition and net-zero targets.</p> <p>Greenhouse gas emissions</p> <p>The major energy consumption of the Group's hotels in 2025 was as follows: electricity consumption totaled 39,471,486 kWh, natural gas consumption totaled 2,184,043 cubic meters (m³), and liquefied petroleum gas (LPG) consumption totaled 56,385 liters (L).</p> <p>The status of the greenhouse gas inventory conducted by the Company and certain subsidiaries included in the consolidated financial reports, including the parent company and its subsidiary Silks Place Taroko, Silks Palace At National Palace Museum is described as follows:</p> <table border="1"> <thead> <tr> <th>The Company</th> <th>Classification</th> <th>Unit</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td rowspan="3"></td> <td>Category 1 Direct emissions</td> <td>tonnes CO2e</td> <td>6,770.044</td> <td>4,796.1131</td> </tr> <tr> <td>Scope 2 Location-based Indirect emissions</td> <td>tonnes CO2e</td> <td>17,664.224</td> <td>15,760.6470</td> </tr> <tr> <td>Subtotal</td> <td>tonnes CO2e</td> <td>24,681.996</td> <td>20,556.7601</td> </tr> <tr> <td rowspan="4">Certain subsidiaries included in the consolidated financial reports</td> <td>Category 1 Direct emissions</td> <td>tonnes CO2e</td> <td>2,168.860</td> <td>1,701.7660</td> </tr> <tr> <td>Scope 2 Indirect emissions</td> <td>tonnes CO2e</td> <td>1,489.374</td> <td>2,928.8520</td> </tr> <tr> <td>Subtotal</td> <td>tonnes CO2e</td> <td>3,658.234</td> <td>4,630.6180</td> </tr> <tr> <td>Total Location-based</td> <td>tonnes CO2e</td> <td>28,340.230</td> <td>25,187.3781</td> </tr> </tbody> </table> <p>In terms of water resources management, the Company has established a comprehensive water resources risk control framework and formulated relevant standard operating procedures (SOPs), including mechanisms for emergency response to natural disasters and flooding, water shortage response management, water conservation measures, monitoring of water resources use, water recycling and reuse, and review of water conservation performance. The Company has also established a disaster response team to regularly review and optimize disaster prevention</p>	The Company	Classification	Unit	2024	2025		Category 1 Direct emissions	tonnes CO2e	6,770.044	4,796.1131	Scope 2 Location-based Indirect emissions	tonnes CO2e	17,664.224	15,760.6470	Subtotal	tonnes CO2e	24,681.996	20,556.7601	Certain subsidiaries included in the consolidated financial reports	Category 1 Direct emissions	tonnes CO2e	2,168.860	1,701.7660	Scope 2 Indirect emissions	tonnes CO2e	1,489.374	2,928.8520	Subtotal	tonnes CO2e	3,658.234	4,630.6180	Total Location-based	tonnes CO2e	28,340.230	25,187.3781	
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			<p>procedures, and strengthens response capabilities through disaster prevention drills, so as to reduce the impact of extreme weather on operations and improve water resource use efficiency.</p> <p>The Company has also established a disaster response team to regularly review and optimize disaster prevention procedures, and strengthens real-time response capabilities through disaster prevention drills, so as to reduce the impact of extreme weather on operations.</p> <p>Water consumption statistics of the Group's hotels for the most recent three years</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Unit</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Water consumption</td> <td>Thousand cubic meters</td> <td>927.448</td> <td>931.389</td> <td>954.702</td> </tr> </tbody> </table> <p>Note: The 2025 data includes 74.332 thousand cubic meters of hot spring water consumption and covers the parent company, branches, and subsidiaries, including Silks Place Taroko and Silks Palace At National Palace Museum.</p> <p>In terms of waste management, the Company has established a comprehensive waste management system in accordance with relevant environmental protection laws and regulations, and promotes measures such as source reduction, waste sorting and recycling, and resource reuse. Through food waste reduction, circular use, and employee education and training, the Company continues to reduce waste generation and its impact on the environment, while also reducing related carbon emissions.</p> <p>In addition, the Company enhances resource use efficiency through innovative management measures, such as the introduction of an AI food waste management system to effectively reduce food waste generation, and the promotion of the "EcoMeet Sustainable Meeting" project to reduce the use of disposable materials, strengthen resource recycling and reuse, and expand overall environmental benefits.</p> <p>Through institutionalized management and a continuous improvement mechanism, based on the monitoring and analysis results of greenhouse gas emissions, water resources use, and waste generation, the Company continues to optimize relevant management measures, improve resource use efficiency, reduce overall environmental impact, and strengthen the performance and value of corporate sustainability.</p> <p>The Group's hotels generated 1,890.308 metric tons of general waste in 2025, including 826.142 metric tons of food waste and 238.068 metric tons of paper and bottle/can recyclables. In addition, 16.263 metric tons of used cooking oil were collected for recycling.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>General waste</th> <th>Leftover</th> <th>Recyclable materials (paper/bottles and cans)</th> <th>Waste food oil</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item	Unit	2023	2024	2025	Water consumption	Thousand cubic meters	927.448	931.389	954.702	Item	General waste	Leftover	Recyclable materials (paper/bottles and cans)	Waste food oil						
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			Recycling frequency	Once a day	Once a day	Once a day	Once a week	
			2024 output / metric tons	2,069.563	641.314	190.960	17.003	
			2025 output / metric tons	1,890.308	826.142	238.068	16.263	
			Note: Increase attributable to the addition of Wellspring by Silks Beitou as a new operating location.					
IV. Social issues (I) Has the Company established relevant management policies and procedures in accordance with applicable laws and international conventions on human rights?	✓		<p>The Global Reporting Initiative (GRI) requires enterprises to disclose their human rights policies and due diligence, including management measures such as DEI (Diversity, Equity, and Inclusion). DEI has become a management culture highly valued by international enterprises and is also one of the important indicators of sustainable development. The Company also supports internationally recognized human rights principles and standards, including the "United Nations Universal Declaration of Human Rights", the "United Nations Global Compact", the "United Nations Guiding Principles on Business and Human Rights", and the "International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy", and has formulated its human rights management policy based on the spirit and guiding principles of these frameworks.</p> <p>The Company is committed to eliminating any acts that infringe upon human rights, and has established relevant management mechanisms to regularly review and assess human rights risks and implementation status, ensuring that all employees and stakeholders are treated fairly, respectfully, and with dignity, and continuously fulfilling its commitment to human rights protection.</p> <p><u>2025 Formosa International Hotels Group Human Rights Due Diligence (Human Rights Risk Assessment Results)</u></p> <p>The Company referred to international human rights conventions, relevant guidelines, and human rights due diligence practices of benchmark enterprises to compile potential human rights risk issues, and assessed human rights risks that may occur in each segment of the value chain, incorporating them into the overall human rights risk management mechanism. This year, the Company conducted a human rights risk assessment for internal employees through an online questionnaire. Based on the results of the 2025 human rights due diligence, no human rights issues of moderate or higher risk were identified. The Company will continue to promote the identification and assessment of human rights risks, and implement relevant prevention and mitigation measures to strengthen its risk management capabilities.</p> <p>The Company has established relevant systems, including the "Human Rights Management Policy", "Employee Compensation System", and "Employee Benefits and Promotion Guidelines".</p>					No significant difference

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			<p>Upholding the principles of respect and integrity, the Company treats every employee with dignity and is committed to creating a safe and healthy work environment with opportunities for learning and development, and to building a diverse, equitable, and inclusive workplace culture.</p> <p>In addition, the Company regularly reviews the implementation of its human rights policy, and continues to optimize relevant systems in accordance with the latest laws and regulations and international best practices. Through attention to major social issues, data analysis, questionnaire surveys, and other methods, the Company comprehensively reviews its own operations, value chain, and related activities, identifies potential human rights risks and affected groups, formulates risk mitigation measures accordingly, and continuously monitors and improves implementation results.</p> <p>At the same time, the Company also requires long-term cooperative suppliers to comply with labor and human rights-related standards, and incorporates these standards into the supply chain ESG evaluation mechanism and scoring criteria. The Company works together with supply chain partners to implement human rights protection and promote the sustainable development of a responsible supply chain.</p> <p>In 2025, the Company also conducted 13 human rights protection training courses for employees, with a cumulative total of 428 participant attendances and 774.5 training hours.</p>	
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leaves of absence, and other benefits), and appropriately reflect the business performance or results in the employee's remuneration?	✓		<p>The Company's Articles of Association stipulates that 5% of the profit should be allocated as employee remuneration. In addition, to motivate employees to actively create profits for the Company and reward employees for their efforts, the Company has established the "Performance Bonus Guidelines". Performance bonuses are calculated by multiplying profit or loss after tax by the bonus allocation ratio. The reward and disciplinary system is linked to performance evaluations to encourage employee performance, and operating performance or results are appropriately reflected in employee compensation. Year-end bonuses are paid based on the Company's operating performance and employees' individual performance.</p> <p>The Company encourages employees to join the employee stock ownership association. In addition to subsidies provided by the Company, employees may also enjoy the benefits of profit sharing together with general shareholders, helping them accumulate wealth and plan for their future retirement life.</p> <p>The Company's relevant employee welfare measures (including leave and other benefits) are in compliance with laws and regulations, and various allowances are provided according to shifts and duties, nursing room facilities, maternity leave and prenatal checkup leave, parental leave without pay, discounts on childcare facilities, and other parent-friendly measures.</p> <p>To promote workplace diversity and equality, the Company ensures equal reward conditions for equal work and equal promotion opportunities for men and women. In 2025, the gender ratio of employees was 50:50, and the gender ratio of male to female management was 46:54.</p>	No significant difference

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(III) Does the Company provide employees with a safe and healthy work environment and provide employees with regular safety and health education?	✓		<p>The Company conducts regular numerical monitoring of the operating environment in accordance with laws, organizes annual employee health examinations, and conducts safety and health education on a regular basis. (See p. 99: Protection measures for work environment and personal safety)</p> <p>In 2025, there were a total of 3 occupational accidents, with an occupational accident rate of 17.15 per 1,000 employees.</p> <p>Relevant improvement measures: (One major occupational accident occurred in 2025, and the improvement measures are as follows.)</p> <ol style="list-style-type: none"> 1. Falling and slipping: In 2025, an employee was found lying on the floor of stairwell C on the 1st floor. After emergency medical treatment, the incident was still classified as a major occupational accident. After the incident, an inspection was conducted for the area. (1) The emergency staircase had not been altered from its original design; however, the hotel was still deemed to have failed to take necessary measures and was therefore subject to penalties imposed by the competent authority. (2) In addition to the anti-slip epoxy resin originally laid before 2014, carborundum anti-slip strips were added to the stair treads of the affected area. (3) Wall handrails were added for employees to use when going up and down the stairs. (4) Surveillance cameras connected to the Security Department were added to ensure that on-site conditions can be monitored at the earliest possible time. 2. Cutting injury incidents: Employees should pay attention to their own safety when using knives and other cutting tools during operations. When operating equipment, employees should fully understand the operating principles of the equipment to avoid injury during inspections. 3. Commuting accident incidents: From November 1, 2025, reporting of commuting accidents occurring on or after October 1, 2025 was resumed. Commuting accidents that occurred on or before September 30, 2025 are not required to be reported retroactively. Accordingly, commuting accidents will continue to be reported thereafter. 4. Exposure to high and low temperatures: When handling high-temperature food and delivering meals, employees should confirm in advance that passageways are clear and unobstructed, and should avoid overfilling soup items. In addition, during a fire drill, an incident occurred in which leakage from the handle of a carbon dioxide fire extinguisher caused frostbite. Employees are reminded that any physical abnormalities should be reported and handled immediately. 	No significant difference
(IV) Has the Company established effective career development training plans?	✓		In response to industry development trends, the Company continues to invest resources in promoting systematic talent cultivation plans to comprehensively enhance service quality and organizational competitiveness. The career development plan focuses on competency enhancement and succession cultivation, ensuring talent sustainability and organizational succession, while also responding to the Company's operational development and customers' diverse needs.	No significant difference

Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>The Company's investment in talent development and workplace environment building has been recognized by international professional institutions. The Company received the HR Asia Best Companies to Work for in Asia Awards, demonstrating its long-term efforts and achievements in talent cultivation, creating a happy workplace, and sustainable management. In the future, the Company will also continue to monitor changes in industry trends, and adjust and optimize its talent cultivation strategies on a rolling basis to ensure that the Company maintains its leading position in a rapidly changing market environment.</p> <p>In terms of education and training, the Company has planned a diverse and systematic learning framework to comprehensively enhance employees' professional capabilities and service quality. Physical courses cover various key topics, including the "Coaching Leadership Series", which strengthens leadership effectiveness; the "Employee Care Series", which focuses on employees' physical and mental health; "SOP Operating Procedure Training", which enhances operational consistency; and "Basic Firefighting and Disaster Prevention Training", which improves safety awareness. At the same time, professional and detailed training is also provided for core operating competencies such as food and beverage service, front office management, and housekeeping operations, to ensure stable and high-quality service performance across all departments.</p> <p>In terms of online learning, the Company has established multilingual digital courses, covering Chinese, English, Japanese, and Indonesian, and has promoted the "4DX Execution Training" applicable to all employees, assisting employees at all levels in effectively implementing strategic objectives. In addition, in line with digital transformation and industry trends, the Company launched the "AI Collaborative Learning" course. Through practice-oriented guidance on the operation of digital tools, the course assists employees in mastering artificial intelligence application capabilities and enhances the overall digital literacy of the organization.</p> <p>The above courses balance practicality and professional depth. In addition to strengthening employees' practical abilities and comprehensive qualities, they also foster cross-departmental collaboration and career development, further supporting the Company's sustainable growth and market competitiveness.</p> <p>In 2025, the Company also received the "TCSA Taiwan Corporate Sustainability Awards, Gold Award in the Service Industry Category 1" from TAISE, and obtained the "All-Generations 2025 Enterprise" certification, demonstrating the Company's concrete achievements in diversity, equity and inclusion, age-friendly practices, and sustainable development.</p>	

Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(V) Does the Company comply with relevant laws and international principles with regards to issues of customers' health, safety and privacy and marketing and labeling of products and services and stipulate relevant consumer or customer protection policies and complaint procedures?	✓		<p>Through institutionalized management and a continuous improvement mechanism, the Company effectively protects customer health, safety, privacy, and related rights and interests.</p> <p>For its products and services, including issues such as customer health and safety, customer privacy, marketing, and labeling, the Company complies with relevant laws and regulations and international standards, and has established comprehensive consumer rights protection policies and complaint handling mechanisms.</p> <p>Food safety risk management is handled by the Food Safety Management Team. In accordance with Good Hygiene Practice (GHP) and Hazard Analysis and Critical Control Points (HACCP), the Company has established the "Standard Operating Procedures for Food Safety and Sanitation Environment Management" as the basis for self-management and internal audits. In addition, the HACCP Control Team is responsible for implementation and supervision, ensuring food safety through hazard analysis and control of critical control points.</p> <p>In terms of regulatory compliance, the Company has introduced international standards such as GHP and HACCP in accordance with the "Act Governing Food Safety and Sanitation" and related regulations, and has established a comprehensive food safety management system to ensure that all operations comply with laws and regulations and international requirements, while also responding to the United Nations SDGs and strengthening customer health and safety management.</p> <p>In terms of consumer rights protection, the Company has established comprehensive food safety and sanitation operating procedures, implementing full control from procurement, production, and storage to delivery. The Company also implements ingredient traceability and information disclosure to ensure that product labeling is clear and compliant with laws and regulations, thereby protecting consumers' right to know.</p> <p>The Company has also established risk management and supervision mechanisms, including regular internal and external audits, food testing, and supplier evaluations, and has set up an in-house testing laboratory for quality control. In 2025, the Company was not subject to any penalties for violations of food safety-related laws and regulations.</p> <p>In terms of complaint and incident handling, the Company has established standard operating procedures. When food safety concerns arise or customer feedback is received, the matter is immediately reported and assessed by dedicated personnel, the response mechanism is activated, and post-incident reviews and improvements are conducted.</p> <p>In terms of customer privacy, the Company has formulated information security policies in accordance with the "Cyber Security Management Act" and relevant guidelines of the Financial Supervisory Commission, and regularly reviews and reports such policies to the Board of Directors. The Information Management Department is responsible for the establishment and implementation of the personal data protection framework. Through education and training and information security</p>	No significant difference

Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			<p>measures, the Company enhances employees' awareness and continues to strengthen information security management. Specific measures include providing transparent privacy statements, protecting the right to delete personal data, providing diverse communication channels, the lawful use of data, and strengthening information security controls to ensure that the collection, use, and management of personal data comply with relevant laws and regulations.</p> <p>In terms of marketing and labeling, the Company strengthens traceability management of raw materials. All raw material procurement processes are traceable, and the Company complies with the relevant provisions of the "Act Governing Food Safety and Sanitation" to ensure that product labeling fully discloses source information and enhances information transparency.</p>	
(VI) Does the Company implement a supplier management policy that requires suppliers to comply with policies with respect to environmental protection, occupational safety and health or workers'/human rights issues, and what is the implementation status?	✓		<p>The Company has established a supplier management policy and incorporated ESG issues, such as environmental protection, occupational safety and health, and labor and human rights, into key evaluation items for supply chain management, so as to build a responsible and sustainable supply chain system.</p> <p>In terms of systems, the Company requires suppliers to comply with relevant laws and regulations and the Company's "Supplier Code of Conduct", which covers aspects such as environmental management, occupational safety and health, labor conditions, human rights protection, and business ethics. Before cooperation, suppliers are required to sign relevant commitment documents to ensure that they comply with basic ESG standards.</p> <p>In terms of management mechanisms, the Company conducts an annual supplier ESG questionnaire survey through its supplier evaluation system to collect information on suppliers' implementation status in areas such as environmental management, including energy conservation, carbon reduction, and waste treatment; social responsibility, including food safety, employee rights and interests, and occupational safety management; and corporate governance, including regulatory compliance. The results serve as an important basis for supplier selection and continued cooperation.</p> <p>In addition, for key suppliers, the Company conducts on-site audits or document reviews as necessary, and provides improvement recommendations or requires suppliers that fail to meet the standards to make improvements within a specified period, so as to continuously enhance the overall sustainability performance of the supply chain. In the future, the Company will continue to strengthen sustainable supply chain management, enhance the supervision of suppliers' ESG performance and capacity building, and work with partners toward a low-carbon and sustainable value chain.</p> <p>In 2025, the supplier evaluation results of Regent Taipei and Silks Place Tainan showed no suppliers received a total score below 60 points.</p>	No significant difference

Promoting items	Implementation Status			Discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
V. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Does the preceding report obtain verification or opinions from a third-party authentication unit?	✓		<p>The Company has prepared its sustainability report by referring to internationally accepted reporting standards to disclose the Company's non-financial information. The standards adopted include the GRI Standards issued by the Global Reporting Initiative (GRI) (GRI Standards 2021), the SASB Standards issued by the Sustainability Accounting Standards Board (2018 edition), and the recommended framework of the Task Force on Climate-related Financial Disclosures (TCFD) proposed by the Financial Stability Board (FSB) (published in 2017, with continuing reference to its updated guidance).</p> <p>In addition, the Company has engaged Crowe (TW) CPAs to conduct a third-party limited assurance engagement on its sustainability report and has obtained an assurance report. The relevant assurance results have been disclosed in the appendix to the annual report to enhance the reliability and transparency of information disclosure.</p>	No significant difference
VI. If the Company has established its own sustainability best practice principles in accordance with the "Practice Principles for Sustainable Development of TWSE/GTSM Listed Companies," please describe the current practices and any deviations from the principles: The Company has established the "Sustainable Development Best Practice Principles." to promote the fulfillment of various social responsibilities, and the actual operation is not materially different.				
<p>VII. Other important information that helps in understanding the implementation status of promoting sustainable development:</p> <p>Formosa International Hotels Group continues to incorporate sustainable development into its overall operating strategy, and follows international sustainability standards, such as GRI, SASB, and TCFD, to promote the management and disclosure of environmental, social, and corporate governance (ESG) aspects. Each hotel under the Group develops diverse and concrete sustainability actions based on its regional characteristics and brand positioning, including energy conservation and carbon reduction, water resources management, waste reduction and circular use, and the introduction of international sustainability certification mechanisms, so as to enhance operating efficiency and environmental performance. In terms of the environmental aspect, Regent Taipei has introduced an AI food waste management system and a sustainable dining program, and promotes sustainable meetings (EcoMeet) to reduce resource consumption. In terms of sustainable tourism and local co-prosperity, Silks Place Tainan and Silks Place Taroko strengthen connections with local communities through food and agricultural education, ecological guided tours, and cooperation in local revitalization. Wellspring by Silks Jiaoxi combines arts and culture with environmental education to promote cultural sustainability and environmental awareness. Just Sleep properties have obtained certifications such as eco-friendly hotel and green travel labels, establishing a replicable green operating model. Overall, Formosa International Hotels Group has extended sustainability from internal operations management to customer experience and value creation, gradually shaping a hospitality service model centered on sustainability, while continuing to enhance the Company's long-term competitiveness and social impact.</p>				

Climate-Related Information Implementation Status

Item	Implementation Status
<p>1. Describe the board’s oversight of climate-related risks and opportunities, and management’s role in assessing and managing such risks and opportunities.</p>	<p>The Company has incorporated climate-related risks and opportunities into its business development and strategic planning, and has established a corresponding governance mechanism. The Board of Directors is responsible for overseeing the management of climate-related risks and opportunities, regularly reviewing climate strategies, progress against targets, and the results of relevant risk assessments, and providing guidance and decision-making direction on significant climate-related matters.</p> <p>Management is responsible for identifying, assessing, and implementing actions related to climate-related risks and opportunities. Through cross-functional collaboration, management promotes measures such as energy management, low-carbon transition, and supply chain optimization, and regularly reports implementation progress and performance results to the Board of Directors to ensure the effective execution of relevant strategies.</p> <p>Through the above governance structure, the Company continues to strengthen its oversight and management of climate-related issues, mitigate potential financial impacts, and enhance operational resilience and long-term competitiveness.</p>
<p>2. Describe how the identified climate-related risks and opportunities affect the company’s businesses, strategy, and financial planning over the short, medium, and long term.</p>	<p>The Company follows the TCFD framework to identify climate-related transition risks and physical risks, while also incorporating climate-related opportunities to analyze their short-, medium-, and long-term impacts on operations, strategy, and financial planning.</p> <p>In the short term (1–3 years), the Company mainly faces policy and market transition risks, including carbon fees, carbon taxes, and ESG disclosure requirements, which may increase operating costs by approximately 0.3% to 0.5%. In addition, fluctuations in energy prices and raw material costs may increase financial uncertainty. From a business perspective, as market demand for low-carbon and sustainable services continues to grow, the Company is actively developing low-carbon products and services to strengthen brand competitiveness.</p> <p>In the medium term (3–5 years), the major risks include increased capital expenditures required for the adoption of low-carbon technologies and equipment replacement, as well as supply chain volatility and operational disruptions caused by extreme weather events. These factors may affect revenue stability by approximately -0.5% to -1.5% and increase operating costs. From a business perspective, such risks may affect the stability of service delivery. From a strategic perspective, the Company enhances operational resilience and reduces cost volatility by introducing energy-efficient equipment, implementing smart energy management, and strengthening local procurement.</p> <p>In the long term (more than 5 years), climate change may affect demand for energy and water resources and alter consumer behavior and market structures, thereby influencing the Company’s business model and revenue sources. From a financial perspective, low-carbon transition and renewable energy investments will continue to affect capital expenditure allocation. From a strategic perspective, the Company seeks to enhance long-term competitive advantage and operational stability by introducing renewable energy, developing low-carbon operating models, and expanding diversified services.</p> <p>Overall, the Company has integrated climate-related risks and opportunities into its business development and strategic planning. Through energy management, low-carbon transition, and supply chain optimization, the Company aims to mitigate potential financial impacts while continuously strengthening operational resilience and long-term competitiveness.</p>
<p>3. Describe the financial impact of extreme weather events and transition actions.</p>	<p>Financial Impact of Extreme Weather Events Extreme weather events, such as heavy rainfall, droughts, and high temperatures, may affect the Company’s operations and financial performance. Heavy rainfall and flooding may result in equipment damage, increase repair and maintenance costs, and lead to additional capital expenditures, while also raising</p>

Item	Implementation Status
	<p>insurance costs. Droughts or abnormal climate conditions may cause disruptions to water and electricity supply, affecting operational continuity and revenue performance.</p> <p>In addition, rising temperatures may increase demand for air-conditioning and energy use, thereby increasing operating costs. Changes in climate conditions may also affect travel patterns and consumer behavior, potentially impacting occupancy rates and food and beverage revenue.</p> <p>The Company conducts climate scenario analysis, including 1.5°C and high-warming scenarios, to assess the potential impacts of extreme weather events and transition risks on operational disruptions, cost structure, and capital expenditures. Based on the results of the climate scenario analysis, extreme weather events are estimated to increase operating costs by approximately 0.2% to 0.5% and may result in revenue fluctuations of approximately -0.5% to -1.5%. The Company uses these analysis results as a basis for planning response measures to mitigate potential financial impacts.</p> <p>Financial Impact of Transition Actions In response to the transition toward a low-carbon economy, the Company faces policy and market changes, including carbon fee mechanisms, renewable energy requirements, and growing demand for low-carbon products and services. At the same time, geopolitical developments may also affect energy prices, inflation, and supply chain stability, increasing operational uncertainty. These factors may increase energy and raw material costs and affect the Company's cost structure and operating performance.</p> <p>Based on the scenario analysis results, rising energy prices and the introduction of carbon fees are estimated to increase operating costs by approximately 0.3% to 0.5%. Under scenarios with higher energy price volatility, the impact may further expand to more than 1%. To address these risks, the Company continues to optimize its operations and product strategies, including expanding diversified sales channels, strengthening product development, and introducing high-efficiency energy-saving equipment to reduce cost volatility and improve operational efficiency. Through the above measures, the Company aims to mitigate the financial impacts arising from external environmental changes and enhance its operating performance and resilience.</p>
<p>4. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>The Company has incorporated climate risks, including transition risks, physical risks, and geopolitical energy-related risks, into its enterprise risk management (ERM) system. In accordance with the Company's overall risk management procedures, climate risks are integrated into each stage of risk identification, assessment, management, and monitoring to ensure systematic management of climate-related risks.</p> <p>During the risk identification stage, the Sustainable Development Committee coordinates climate-related matters and identifies transition risks and physical risks arising from climate change. The Company also takes into account the potential impacts of geopolitical factors on energy supply and price volatility to ensure comprehensive coverage of risk sources.</p> <p>During the risk assessment stage, the Company applies its existing risk management mechanism and uses a risk matrix, based on likelihood and impact, to analyze and classify risks. The potential impacts on operations, strategy, and financial performance are also assessed to determine risk prioritization.</p> <p>During the risk management stage, the Company formulates corresponding response strategies and management measures based on the assessment results. Climate risks are also incorporated into daily operations and major decision-making processes to ensure the effective implementation of risk control measures.</p> <p>During the monitoring and reporting stage, the Company continuously monitors the effectiveness of climate risk management through regular reviews and performance tracking mechanisms. Management reports the implementation status and improvement results to the Board of Directors on a regular basis to strengthen governance oversight and continuous improvement mechanisms.</p> <p>Through the above integrated process, the Company has fully incorporated climate risks into its overall risk management system and continues to enhance its risk response capabilities and operational resilience.</p>
<p>5. If scenario analysis is used to assess resilience to climate-related risks,</p>	<p>Climate Scenario Analysis and Operational Resilience Assessment The Company follows the TCFD recommendations and has introduced a climate scenario analysis mechanism. The Company selected a 1.5°C low-carbon transition scenario for the short to medium term, covering a period of three to five years, and a high-warming scenario of above 2.8°C for the long term,</p>

Item	Implementation Status																										
<p>describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used.</p>	<p>covering a period of five to ten years. Geopolitical factors affecting the energy market are also incorporated into the analysis to systematically assess the potential impacts of climate change on energy supply, operations, and financial performance. The results serve as a basis for strategic planning and risk management.</p> <p>Scenario Settings and Key Assumptions The analysis adopts a scenario-based estimation approach, taking into account the characteristics of the hotel and restaurant industry as well as the Company’s historical operating experience. The key parameters and assumptions are as follows:</p> <table border="1" data-bbox="600 403 2033 612"> <thead> <tr> <th>Parameter / Assumption</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Energy prices</td> <td>Based on recent electricity price trends, energy prices are assumed to continue increasing in the future.</td> </tr> <tr> <td>Carbon fee mechanism</td> <td>Based on policy developments, carbon fees are assumed to be gradually introduced, increasing carbon emission costs.</td> </tr> <tr> <td>Emission factors</td> <td>Electricity emission factors are used to estimate carbon emissions.</td> </tr> <tr> <td>Extreme weather impacts</td> <td>The frequency and intensity of typhoons, heavy rainfall, and other extreme weather events are assumed to increase.</td> </tr> <tr> <td>Geopolitical factors</td> <td>International conflicts or energy sanctions are assumed to cause energy price volatility and supply instability.</td> </tr> <tr> <td>Operational sensitivity</td> <td>Changes in occupancy rates and food and beverage demand are used as the main analytical factors for revenue impact.</td> </tr> </tbody> </table> <p>Key Risk Factors and Scenario Analysis Results</p> <p>The numerical values represent estimated ranges under the scenario analysis. Actual impacts may vary depending on market conditions, policy developments, energy prices, and the occurrence of climate-related events.</p> <table border="1" data-bbox="600 798 2128 1386"> <thead> <tr> <th>Scenario Type</th> <th>Key Risk Factors</th> <th>Impact Description</th> <th>Estimated Financial Impact</th> </tr> </thead> <tbody> <tr> <td>Low-carbon transition scenario (1.5°C)</td> <td>Tightening climate policies, such as the implementation of carbon fee mechanisms, rising energy prices, and increasing ESG disclosure requirements, may add pressure to operating costs.</td> <td>Continued increases in energy costs, particularly electricity prices, together with additional carbon emission costs, may increase overall operating expenses. Additional capital expenditures may also be required for energy-saving equipment and low-carbon transition investments.</td> <td> <ul style="list-style-type: none"> Operating costs are estimated to increase by approximately 0.30%–0.46% of revenue, including around 0.23% from electricity price increases and 0.07%–0.23% from carbon fees. Capital expenditures are estimated to increase by approximately 3%–8%, depending on the scale of energy-saving and green power investments. </td> </tr> <tr> <td>High-warming scenario (>2.8°C)</td> <td>Intensified extreme weather events may increase the risk of operational disruption, accompanied by energy price volatility and higher insurance costs.</td> <td>Higher risk of operational disruption, such as typhoons and heavy rainfall affecting room occupancy and food and beverage operations, may lead to revenue instability. Equipment repair and insurance costs may also increase.</td> <td> <ul style="list-style-type: none"> Operating costs are estimated to increase by approximately 0.2%–0.5% of revenue, mainly from repair and insurance costs. Revenue may decline by approximately 0.5%–1.5% on an average annual basis. Under scenarios where extreme weather events occur more frequently or intensively, the revenue decline may expand to more than 2%. </td> </tr> </tbody> </table>	Parameter / Assumption	Description	Energy prices	Based on recent electricity price trends, energy prices are assumed to continue increasing in the future.	Carbon fee mechanism	Based on policy developments, carbon fees are assumed to be gradually introduced, increasing carbon emission costs.	Emission factors	Electricity emission factors are used to estimate carbon emissions.	Extreme weather impacts	The frequency and intensity of typhoons, heavy rainfall, and other extreme weather events are assumed to increase.	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Item	Implementation Status			
	Delayed energy transition scenario — policy-related	Failure to introduce low-carbon measures in a timely manner may expose the Company to dual pressures from carbon fees and rising energy prices, thereby weakening competitiveness.	Without effective measures to offset electricity price increases and carbon costs, operating costs may increase significantly.	<ul style="list-style-type: none"> • Operating costs are estimated to increase by approximately 0.5%–1%. • Capital expenditures are estimated to increase by approximately 5%–10%.
	Energy shock scenario — geopolitical	International geopolitical conflicts may cause instability in energy supply, drive up electricity and fuel prices, and increase energy procurement risks.	Energy prices may rise sharply in the short term, and potential supply instability or power restrictions may affect the stability of hotel operations. In addition, the costs of imported food ingredients and supplies may increase due to supply chain disruptions.	<ul style="list-style-type: none"> • Operating costs are estimated to increase by approximately 0.5%–1.2% of revenue, of which the impact from rising food ingredient prices is estimated at approximately 0.18%–0.45%. • Revenue impact is estimated at approximately -0.3% to -1.0%. Capital expenditures are estimated to increase by approximately 3%–6%.
<p>Key Financial Impacts and Resilience Assessment</p> <p>The analysis results indicate that the Company’s climate-related financial risks mainly arise from rising energy prices and the introduction of carbon fees, which are estimated to increase operating costs by approximately 0.3% to 0.5%. Under the high-warming scenario, extreme weather events may further result in revenue fluctuations of approximately 0.5% to 1.5%.</p> <p>In addition, geopolitical factors are considered an important external variable in the energy market. Such factors may amplify electricity price volatility and energy supply uncertainty, thereby further affecting operating costs and operational stability.</p> <p>Overall, the Company’s key climate-related financial impacts are primarily associated with rising energy prices and the introduction of carbon costs. These impacts may be further amplified by climate change and geopolitical factors, increasing the risk of operational volatility. Through energy-saving management, green power procurement, and low-carbon transition measures, the Company aims to effectively mitigate cost increases and strengthen operational resilience.</p>				
6. If the Company has a transition plan for managing climate-related risks, describe the content of the plan and the metrics and targets used to identify and manage physical risks and transition risks.	<p>To address transition risks and physical risks arising from climate change, the Company has developed a low-carbon transition strategy and action plan. Through the climate risk matrix, the Company systematically identifies and manages climate-related risks, while continuously promoting energy conservation, carbon reduction, resource efficiency improvement, and operational optimization.</p> <p>In terms of the transition plan, the Company focuses on improving energy efficiency, introducing high-efficiency energy-saving equipment, promoting resource circulation, strengthening sustainable supply chain management, and developing low-carbon products and services. These actions aim to reduce carbon emissions and respond to transition risks such as carbon fees and rising energy prices. At the same time, the Company enhances its response capabilities to extreme weather events through equipment optimization and operational adjustments, thereby reducing the potential impact of physical risks on operations.</p> <p>In terms of metrics and targets, the Company has established the following medium- and long-term goals:</p> <p>Energy and Carbon Management — Transition Risks</p> <ul style="list-style-type: none"> • Reduce energy intensity by 2%–3% within five years, such as electricity consumption per room night or electricity consumption per unit of revenue. • Achieve 100% procurement of energy-saving equipment. • Increase the share of renewable energy use to 2% by 2030. 			

Item	Implementation Status										
	<p>Low-carbon Products and Operations — Transition Risks</p> <ul style="list-style-type: none"> • Increase the proportion of low-carbon products by approximately 3% within three to five years. • Increase low-carbon services by 3% within two years, such as green accommodation and sustainable meetings. <p>Supply Chain Management — Transition and Physical Risks</p> <ul style="list-style-type: none"> • Increase the proportion of local procurement by 5% within three years to reduce the risk of supply disruptions. • Promote sustainable supply chain management and low-carbon procurement. <p>In addition, for the management of physical risks, the Company strengthens its response capabilities to extreme weather events, such as high temperatures and heavy rainfall, through equipment maintenance, energy use management, and operational adjustments, while continuously monitoring relevant operational indicators.</p> <p>The Company also regularly reviews the progress of each target through greenhouse gas inventory and performance tracking mechanisms to ensure the effective implementation of its low-carbon transition strategy and climate risk management measures.</p>										
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet introduced an internal carbon pricing mechanism. However, it will continue to monitor domestic and international developments in carbon fees and carbon markets, and will evaluate the feasibility of implementing such a mechanism in the future.										
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company has established medium- and long-term targets for energy conservation, carbon reduction, and improvement of resource efficiency, covering energy management, low-carbon product development, and sustainable supply chain management. The Company also works with boutique tenants in its properties to jointly introduce renewable energy and renewable energy certificates (RECs), so as to expand carbon reduction benefits, strengthen momentum for low-carbon transition, and gradually move toward the net-zero emissions target.										
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	<p>The Company has established a greenhouse gas inventory system, and initiated greenhouse gas inventory operations in 2025, covering Scope 1 and Scope 2 emission sources, gradually strengthening the foundation of carbon emissions management.</p> <p>1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years</p> <p>1-1-1 Greenhouse Gas Inventory Information</p> <table border="1" data-bbox="600 1278 1771 1391"> <thead> <tr> <th data-bbox="600 1278 842 1326">The Company (Note 1)</th> <th data-bbox="842 1278 1151 1326">Classification</th> <th data-bbox="1151 1278 1377 1326">Unit</th> <th data-bbox="1377 1278 1563 1326">2024</th> <th data-bbox="1563 1278 1771 1326">2025</th> </tr> </thead> <tbody> <tr> <td data-bbox="600 1326 842 1391"></td> <td data-bbox="842 1326 1151 1391">Scope 1 Direct emissions</td> <td data-bbox="1151 1326 1377 1391">tonnes CO2e</td> <td data-bbox="1377 1326 1563 1391">6,770.044</td> <td data-bbox="1563 1326 1771 1391">4,796.1131</td> </tr> </tbody> </table>	The Company (Note 1)	Classification	Unit	2024	2025		Scope 1 Direct emissions	tonnes CO2e	6,770.044	4,796.1131
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	Scope 1 Direct emissions	tonnes CO2e	6,770.044	4,796.1131							

Item	Implementation Status				
Certain subsidiaries included in the consolidated financial statements (Note 2)	Scope 2 (Location based) Indirect emissions	tonnes CO ₂ e	17,666.522	15,760.6470	
	Scope 2 (Market-based) Indirect emissions	tonnes CO ₂ e	-	15,684.7359	
	Subtotal (Location/Market based)	tonnes CO ₂ e	24,436.566	20,556.7601	20,480.8490
	Scope 1 Direct emissions	tonnes CO ₂ e	2,215.863	1,701.7660	
	Scope 2 Indirect emissions	tonnes CO ₂ e	1,489.374	2,928.8520	
	Subtotal	tonnes CO ₂ e	3,705.237	4,630.6180	
	Grand Total (Location/Market-based/)	tonnes CO ₂ e	28,141.803	25,187.3781	25,111.4670
	<p>Note 1: Includes the parent company and its branches, including Silks Place Tainan, three Just Sleep properties, and two Wellspring by Silks properties. Note 2: Subsidiaries include Silks Place Taroko Hotel Co., Ltd. and Silks Palace Co., Ltd.; the 2024 statistical data covered only Silks Place Taroko Hotel Co., Ltd. as the subsidiary.</p>				
<p>1-1-2 Greenhouse Gas Assurance Information The Company plans to introduce third-party assurance by CPAs in 2027 to enhance the reliability of inventory data and the transparency of disclosure. 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan In line with net-zero transition policies and international climate action trends, the Company continues to promote greenhouse gas reduction management, with the core objectives of reducing carbon emission intensity and strengthening energy management measures.</p> <p>➤ Reduction targets The Company has established medium- and long-term greenhouse gas reduction targets, including:</p> <ul style="list-style-type: none"> • Reduce greenhouse gas emission intensity and improve energy efficiency. • Promote energy-saving measures, with an annual electricity-saving rate of more than 1%. • Develop low-carbon products and services. • Increase the renewable energy use ratio. • Promote resource circulation and waste reduction to reduce Scope 3 emissions. <p>➤ Reduction strategies The Company promotes reduction based on the core principles of "improving energy efficiency, low-carbon transition, and resource circulation":</p> <ul style="list-style-type: none"> • Introduce high-efficiency equipment and energy management systems. • Implement electricity-saving, water-saving, and waste reduction measures. • Strengthen the sustainable supply chain and local procurement. • Promote food waste reduction and resource recycling. • Develop low-carbon services such as green accommodation and sustainable meetings. 					

Item	Implementation Status
	<p>➤ Concrete action plans and performance</p> <ul style="list-style-type: none"> • Replacement of chillers improved energy efficiency by 38.68% • Since the introduction of the AI food waste system, per capita food waste has decreased by 62%. • Average annual food waste decreased by 17.4 metric tons, equivalent to a carbon reduction of approximately 74.9 metric tons. • Improved water conservation and resource use efficiency. • The participation rate in EcoMeet sustainable meetings reached 23.6%, representing an increase of 10% compared with the previous year.

(VI) Ethical corporate management practices and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the causes thereof:

Indicator	Operations		Difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the reasons	
	Yes	No		Summary
<p>I. Establishment of Business Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its business conduct and ethics policy and measures, and the commitment regarding implementation of such policy from the Board of Directors and the senior management team?</p> <p>(II) Whether the Company formulated an assessment mechanism for the risk of unethical conducts, regularly analyzes and evaluates the business activities with higher risks of unethical conducts within the business scope, and formulates the prevention plans against Measures to prevent the conducts specified in Paragraph 2, Article 7 of Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p> <p>(III) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?</p>	✓		<p>(I) The Company has formulated the "Best Practice Principles for Ethical Corporate Management" and "Code of Ethical Conduct" to regulate the matters needing attention when conducting business for all employees, including directors and managerial officers.</p> <p>(II) The Company has formulated the "Best Practice Principles for Ethical Corporate Management" and "Code of Ethical Conduct", which contain relevant regulations on ethics and integrity, avoidance of conflicts of interest, and hospitality; establish a risk assessment mechanism against unethical practices, and organize relevant education and training from time to time or the test can be adopted to promote employee awareness and implement the ethical corporate management policy.</p> <p>(III) The Company has stipulated the "Regulations Governing the Code of Ethical Behaviors" with the clauses and the code of conduct regarding conflicts of interest, seeking of private gain, confidentiality, and fair trade, which are promoted via education to allow the full understanding and compliance of directors, managerial officers and employees.</p>	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
<p>II. Ethic Management Practice</p> <p>(I) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p>			<p>(I) The Company conducts business activities in a fair and transparent manner, and before conducting business transactions, it considers the legitimacy of its suppliers, travel agencies, customers, or other business counterparts, and whether there is any record of dishonesty, and avoids contacting trading with a record of unethical practices. When</p>	

Indicator	Operations		Difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	
<p>(II) Does the Company create a dedicated unit under the board of directors to promote corporate ethical management and regularly (at least once a year) report to the board of directors about the ethical management policy and implementation status of the prevention plan for misconduct?</p> <p>(III) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p> <p>(IV) Does the company establish an effective accounting system and internal control system for practical implementation of ethical corporate management, and is the system regularly audited by the internal auditing unit, and does the unit propose relevant audit plans based on the assessment results of the risk of misconduct for auditing the implementation status of the prevention plan for misconduct, or entrusted to an accountant for auditing?</p>	✓		<p>entering into a contract with another party, the content should include the principle of good faith and a clause that the contract may be terminated or rescinded at any time if the counterparty engages in unethical practices.</p> <p>(II) The Human Resource Department is responsible for the planning, formulation, and implementation of the ethical corporate management policy of the Company. The implementation status was reported to the Board of Directors on November 10, 2025.</p> <p>(III) The Company has established the "Ethical Corporate Management Best Practice Principles" to prevent conflicts of interest and provide appropriate communication channels" (for example: telephone numbers and emails provided in the "stakeholder section" of the Company's official site). In addition, the "Regulations Governing Procedure for Board of Directors Meetings" of the Company stipulates the recusal of interest for directors. If a director has a conflict of interest with himself or the corporate entity it represents, The director shall not participate in the discussion and voting when it is at risk of conflicting interests, and shall avoid any discussion or voting, and shall not exercise the voting right of other directors on behalf of other directors.</p> <p>(IV) The Company has established a sound accounting system and internal control system. Internal audits shall be conducted in accordance with the internal audit plan and the internal audit implementation rules. If any material irregularity is found, the internal audit will immediately report to the Chairman and report to the Board of Directors.</p> <p>Compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies</p> <p>Compliance with Ethical Corporate Management Best</p>

Indicator	Operations		Difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons	
	Yes	No		Summary
(V) Does the company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) The Company conducts managerial meetings to promote the ethical corporate management philosophy and regulations to employees and make them clearly understand the ethical corporate management philosophy and regulations. Education and training are also provided to new employees upon arrival to ensure that each new employee understands and abides by the principles. The Company arranges educational training for new recruits and makes relevant information available on the internal digital learning platform of the Company for easy reference at any time. In 2025, the Company provided 949.5 hours of education and training on integrity management courses, material insider information handling, and insider trading prevention for 819 employees.	Practice Principles for TWSE/GTSM Listed Companies
III. Implementation of Whistleblowing Procedures (I) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	✓		(I) The Company has established specific whistleblowing systems in the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Procedures for Ethical Management and Guidelines for Conduct" to actively prevent unethical conduct and encourage internal and external parties to report unethical or improper conduct. The Human Resources Department has been designated as the dedicated unit responsible for accepting reports involving unethical conduct by employees. The Stakeholders section of the Company's website provides effective communication channels for employees, shareholders, stakeholders, and external parties. The Company has also established a whistleblower protection system to ensure that the identity of whistleblowers and the contents of reports are kept strictly confidential, and undertakes to protect whistleblowers from improper treatment as a result of filing reports.	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
(II) Does the company stipulate the standard operating procedures, the follow-up measures should be taken after the investigation and relevant confidentiality mechanism for the reported matters?			(II) The Company has established standard procedures and confidentiality measures for handling reported misconducts.	

Indicator	Operations			Difference from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons
	Yes	No	Summary	
(III) Does the company adopt proper measures to prevent a whistleblower from retaliation for his/her reporting?			(III) The Company treats the reported cases in a confidential manner to ensure the confidentiality of the informants' identities, so that the informants will not suffer undue treatment due to whistleblowing.	
IV. Enhanced Information Disclosure Does the company disclose its guidelines on business conduct and ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?	✓		In addition to disclosing the content of the Ethical Corporate Management Best Practice Principles on the Company's website and the Market Observation Post System, the Company also discloses related information such as assumed effectiveness in the annual report and sustainability report.	Compliance with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
V. If the company has established its own ethical corporate management code of conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe the current practices and any deviations from the code of conduct: The "Ethical Corporate Management Best Practice Principles" establishes a corporate culture of ethical corporate management and serves as the basis for directors, managerial officers, and employees to abide by. There is no difference.				
VI. Other important information that is helpful to understand the operation of the Company's ethical corporate management (such as the Company's review and amendment of the ethical corporate management best practice principles established by the company): Operational Integrity: In order to establish a corporate culture of ethical management, the Company has formulated the "Best Practice Principles for Ethical Corporate Management" and the "Ethical Code of Conduct," which are the responsibilities of all directors, managerial officers, and employees.				

(VII) Other information material to the understanding of the Company's corporate governance:
None.

(VIII) Implementation of internal control policies

1. Internal Control Statement: Please refer to the Market Observation Post System > Individual Company > Corporate Governance > Company Rules/Internal Control > Internal Control Statement Announcement.
<https://mops.twse.com.tw/mops/#/web/t06sg20>

2. If the internal control system is reviewed by a CPA on an ad hoc basis, the CPA's review report shall be disclosed: None.

(IX) Major resolutions reached in shareholders' meetings and board of directors meetings in the most recent year, up till the publication date of this annual report:

1. Shareholders' Meeting

Date of shareholders' meeting	Summary of important proposals	Implementation Status
2025.06.19	2024 Business Report and Financial Statements.	The proposal was approved as proposed.
	2024 Earnings Distribution Proposal.	The proposal was approved as proposed. Cash dividends of NT\$14.3612 per share were distributed on May 13, 2025.
	Amendment to partial provisions of the Company's "Articles of Association."	The agenda was approved as proposed and implemented accordingly.

2. Board of Directors

Date	Major Resolutions of the Shareholders' Meetings
2025.03.10	<ul style="list-style-type: none"> • Approved the change of supervisor. • Approved the 2024 business report and financial statements. • Approved the allocation of remuneration to employees and directors for 2024. • Approved the 2024 earnings distribution proposal. • Approved the distribution of cash dividends from 2024 earnings. • Approved the amendment to partial provisions of the Company's "Articles of Association". • Approved the proposal for the evaluation of the independence and competence of the certifying CPA. • Approved the convening of the Company's 2025 General Shareholders' Meeting. • Approved the issuance of the Company's 2024 "Statement of Internal Control System".
2025.05.13	<ul style="list-style-type: none"> • Approved the 2025 first quarter consolidated financial report. • Approved the Company's 2025 first quarter earnings distribution proposal.
2025.08.11	<ul style="list-style-type: none"> • Approved the change of supervisor. • Approved the consolidated financial report for the first half of 2025. • Approved the earnings appropriation for the first half of 2025. • Approved the application to the bank for the extension of the borrowing and guarantee amount.

Date	Major Resolutions of the Shareholders' Meetings
	<ul style="list-style-type: none"> • Amendments to partial provisions of the "Corporate Governance Best-Practice Principles". • Approved the 2024 Sustainability Report.
2025.11.10	<ul style="list-style-type: none"> • Approved the change of supervisor. • Approved the 2025 third quarter consolidated financial report. • Approved the Company's 2025 third quarter earnings distribution proposal. • Approved the application to the bank for the extension of the borrowing and guarantee amount. • Approved the Company's 2026 business plan and budget. • Approved the Company's 2026 capital expenditure budget. • Approved the discussion of the remuneration of directors and managerial officers for the year 2026 by the Remuneration Committee of the Company. • Approved the amendments to the Company's "internal control system". • Approved the Company's 2026 annual audit plan.
2026.03.09	<ul style="list-style-type: none"> • Approved the change of supervisor. • Proposal for the Company to enter into a hotel lease agreement with Hsin Hua Development Co., Ltd. and approve the renovation budget. • To prepare for the establishment of Just Sleep Taipei Zhongshan, the Taipei Zhongshan Branch of Formosa International Hotels Corporation will be established. • Approved the 2025 business report and financial statements. • Approved the allocation of remuneration to employees and directors for 2025. • Approved the 2025 earnings distribution proposal. • Approved the distribution of cash dividends from 2025 earnings. • Proposal for the change of CPAs appointed by the Company due to internal organizational adjustment. • Approved the proposal for the evaluation of the independence and competence of the certifying CPA. • Approved the convening of the Company's 2026 General Shareholders' Meeting. • Approved the issuance of the Company's 2025 "Statement of Internal Control System".

(X) Documented opinions or declarations made by directors against board resolutions in the most recent year and up to the printing date of the annual report: None.

IV. Information on professional fee of CPAs

Information on professional fee of CPAs

(expressed in NT\$ thousand)

CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-Audit Fee (Note)	Total	Remark
PwC Taiwan	Chin-Lien Huang	2025	5,070	0	5,070	
	Hsiu-Ling Li					

1. The CPA firm is changed and the audit fee paid in the fiscal year of the change is less than the audit fee paid in the previous year: Not applicable.
2. The audit fee is reduced by more than 10% from the previous year: Not applicable.

V. Information on change of CPAs: N/A.

VI. The Company's Chairman, President, or any managerial officer in charge of finance or accounting affairs has worked in the accounting firm or any of its affiliated enterprises in the most recent year: None.

VII. Changes in the transfer or pledge of shares by directors, managerial officers, and shareholders holding over 10% of the outstanding shares in the preceding year and by the date of report publication:

1. Status of share transfer:

Please refer to the Market Observation Post System > Individual Company > Changes in Shareholding / Securities Issuance > Inquiry of Share Transfer Information > Ex-post Filing Statement of Changes in Shareholding of Insiders.

<https://mops.twse.com.tw/mops/#/web/t06sg20>

2. Status of changes in share pledge:

Please refer to the Market Observation Post System > Individual Company > Changes in Shareholding / Securities Issuance > Insider Pledge and Release of Pledge > Announcement of Insider Pledge and Release of Pledge. https://mopsov.twse.com.tw/mops/web/STAMAK03_1

3. Information on related parties who are counterparties to equity transfers or share pledges: None.

VIII. Information of top ten shareholders with mutual relationship of related parties, spouse, or relatives in the 2nd degree:

Relationship among the top ten shareholders:

Unit: shares; April 18, 2026

Name	Principal's shareholding		Current shareholdings of spouse/minor children		Shareholdings in the name of a third party		Company Name/Name of related parties, spouse, or relatives in the 2nd degree to top ten shareholders	
	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Number of shares	Ownership (%)	Name (or name of natural person)	Relationship
Nan Fung Hsing Enterprise Co., Ltd. Responsible person: Steven Pan	54,167,834 302,743	42.52% 0.24%	- -	- -	- -	- -	Ching Cheng Investment Co., Ltd. Silks International Development Co., Ltd. Ching Ying Investment Co., Ltd. FENN-MAY INTERNATIONAL CO., LTD.	Same person in-charge Same person in-charge The person responsible is a relative of second degree of kinship
Ching Cheng Investment Co., Ltd. Responsible person: Steven Pan	11,015,923 302,743	8.65% 0.24%	- -	- -	- -	- -	Nan Fung Hsing Enterprise Co., Ltd. Silks International Development Co., Ltd. Ching Ying Investment Co., Ltd. FENN-MAY INTERNATIONAL CO., LTD.	Same person in-charge Same person in-charge The person responsible is a relative of second degree of kinship
Silks International Development Co., Ltd. Responsible person: Steven Pan	2,351,222 302,743	1.85% 0.24%	- -	- -	- -	- -	Nan Fung Hsing Enterprise Co., Ltd. Ching Cheng Investment Co., Ltd. Ching Ying Investment Co., Ltd. FENN-MAY INTERNATIONAL CO., LTD.	Same person in-charge Same person in-charge The person responsible is a relative of second degree of kinship
Cathay Life Insurance Co., Ltd. Responsible person: Ming-Ho Hsiung	2,220,000	1.74%	-	-	-	-	-	-
Citibank Taiwan is entrusted for custody to Norges Bank	1,110,909	0.87%	-	-	-	-	-	-
Ching Ying Investment Co., Ltd. Responsible person: Bi-Ching Pan	850,000 10,508	0.67% 0.01%	-	-	-	-	Nan Fung Hsing Enterprise Co., Ltd. Ching Cheng Investment Co., Ltd. Silks International Development Co., Ltd. FENN-MAY INTERNATIONAL CO., LTD.	The person responsible is a relative of second degree of kinship
FENN-MAY INTERNATIONAL CO., LTD. Responsible Person: Kuei-Ying Weng	838,000 -	0.66% -	-	-	-	-	Nan Fung Hsing Enterprise Co., Ltd. Ching Cheng Investment Co., Ltd. Silks International Development Co., Ltd. Ching Ying Investment Co., Ltd.	The person responsible is a relative of second degree of kinship
TransGlobe Life Insurance Inc.	709,000	0.56%	-	-	-	-	-	-
Xianghe Social Welfare Charity Foundation, Kaohsiung City	635,357	0.50%	-	-	-	-	-	-
HSBC Bank (Taiwan) Limited, Custodian for the Vontobel Emerging Markets High Dividend Equity Fund Investment Account under Westen Trust	585,000	0.46%	-	-	-	-	-	-

IX. The number of shares held by the Company, the Company's directors, managerial officers, and enterprises directly or indirectly controlled by the Company in the same reinvestment business, and calculating the comprehensive shareholding ratio:

Comprehensive shareholding ratio

As of December 31, 2025; Unit: thousand shares

Investment business (Note)	Shareholding of the Company		Investments by directors, managerial officers or any companies controlled either directly or indirectly by the Company		Syndicated Shareholdings	
	Number of shares	Ownership held by the Company	Number of shares	Ownership held by the Company	Number of shares	Ownership held by the Company
Grand Formosa Taroko Hotel Corporation	24,898	55%	0	0	24,898	55%
SILKS INTERNATIONAL INVESTMENT INC.	-	100%	0	0	-	100%
Silks Palace at National Palace Museum Corporation	20,122	100%	0	0	20,122	100%
FIHC Property Management Corp.	1,000	50.01%	0	0	1,000	50.01%
SILKS GLOBAL HOLDING, LIMITED	11,839	100%	0	0	11,839	100%
FIHC Management Consulting Corp.	1,000	100%	0	0	1,000	100%

Note: Long-term investments accounted for using the equity method by the Company

Three. Capital Raising

I. Capital and shares:

(I) Source of capital stock

Unit: share/NTD

Year Month	Issued price (par value)	Authorized capital		Paid-in Capital		Remark	
		Number of shares	Amount	Number of shares	Amount	Equity sources	Others
1976.07	\$ 10	22,770,000	\$227,700,000	7,800,000	\$78,000,000	Founding	None
1978.07	10	22,770,000	227,700,000	22,770,000	227,700,000	Capital increase in cash NT\$149,700,000	"
1979.05	10	37,150,000	371,500,000	32,117,000	321,170,000	Capital increase in cash NT\$93,470,000	"
1984.05	10	49,000,000	490,000,000	49,000,000	490,000,000	Capital increase in cash NT\$168,830,000	"
1984.12	10	50,000,000	500,000,000	50,000,000	500,000,000	Capital increase in cash NT\$10,000,000	"
1987.02	10	65,000,000	650,000,000	58,600,000	586,000,000	Capital increase in cash NT\$86,000,000	"
1988.09	10	120,000,000	1,200,000,000	120,000,000	1,200,000,000	Capital increase in cash NT\$614,000,000	Approved by the Securities and Exchange Commission with official letter (76) Tai-Cai-Cheng-(I)-Zi-01168 dated November 26, 1987
1990.08	10	200,000,000	2,000,000,000	200,000,000	2,000,000,000	Capital increase in cash NT\$800,000,000	Approved by the Securities and Exchange Commission with official letter (79) Tai-Cai-Cheng-(I)-Zi-32238 dated February 23, 1990
1995.09	10	250,000,000	2,500,000,000	250,000,000	2,500,000,000	Capitalization of earnings NT\$500,000,000	Approved by the Securities and Exchange Commission with official letter (84) Tai-Cai-Cheng-(I)-Zi-35982 dated June 17, 1995
1996.10	10	300,000,000	3,000,000,000	300,000,000	3,000,000,000	Capitalization of earnings NT\$500,000,000	Approved by the Securities and Exchange Commission with official letter (85) Tai-Cai-Cheng-(I)-Zi-53778 dated September 3, 1996

Year Month	Issued price (par value)	Authorized capital		Paid-in Capital		Remark	
		Number of shares	Amount	Number of shares	Amount	Equity sources	Others
1997.09	10	500,000,000	5,000,000,000	375,000,000	3,750,000,000	Capitalization of earnings NT\$750,000,000	Approved by the Securities and Exchange Commission with official letter (86) Tai-Cai-Cheng-(I)-Zi-69705 dated August 9, 1997
1998.05	10	500,000,000	5,000,000,000	431,250,000	4,312,500,000	Capitalization increase in earnings NT\$562,500,000	Approved by the Securities and Exchange Commission with official letter (87) Tai-Cai-Cheng-(I)-Zi-51378 dated June 12, 1998
2002.08	10	500,000,000	5,000,000,000	215,625,000	2,156,250,000	Capital reduction by cash refund NT\$2,156,250,000	Approved by Securities and Futures Commission in SFC with official letter(91)-Tai-Cai-Zheng-Yi-Zi-0910134002 dated August 20, 2002
2006.11	10	500,000,000	5,000,000,000	60,000,000	600,000,000	Decrease in cash NT\$1,556,250,000	Approved by the Securities and Futures Bureau with official letter Jin-Guan-Zheng-(1)-Zi-0950148220 dated November 21, 2006
2008.06	10	500,000,000	5,000,000,000	66,000,000	660,000,000	Capitalization of capital surplus NT\$60,000,000	Effective upon official letter Jin-Guan-Zheng-Yi-Zi No. 0970032154 dated June 27, 2008 from Securities and Futures Bureau
2009.06	10	500,000,000	5,000,000,000	72,600,000	726,000,000	Capital increase in reserve transferred NT\$66,000,000	Effective upon official letter Jin-Guan-Zheng-Fa-Zi No. 0980031287 dated June 23, 2009 from Securities and Futures Bureau
2010.07	10	500,000,000	5,000,000,000	79,860,000	798,600,000	Capital increase in reserve transferred NT\$72,600,000	Effective upon official letter Jin-Guan-Zheng-Fa-Zi No. 0990036538 dated July 14, 2010 from Securities and Futures Bureau
2011.08	10	500,000,000	5,000,000,000	87,846,000	878,460,000	Capital increase in reserve transferred NT\$79,860,000	Effective upon official letter Jin-Guan-Zheng-Fa-Zi No. 1000036168 dated August 3, 2011 from the Securities and Futures Bureau

Year Month	Issued price (par value)	Authorized capital		Paid-in Capital		Remark	
		Number of shares	Amount	Number of shares	Amount	Equity sources	Others
2012.08	10	500,000,000	5,000,000,000	96,630,600	966,306,000	Capital increase in reserve transferred NT\$87,846,000	Effective upon FSC official letter Jin-Guan-Zheng-Fa-Zi No. 1010034025 dated August 1, 2012
2013.07	10	500,000,000	5,000,000,000	106,293,660	1,062,936,600	Capital increase in reserve transferred NT\$96,630,600	Effective upon FSC official letter Jin-Guan-Zheng-Fa-Zi No. 1020028231 dated July 19, 2013
2014.07	10	500,000,000	5,000,000,000	116,923,026	1,169,230,260	Capital increase in reserve transferred NT\$106,293,660	Effective upon FSC official letter Jin-Guan-Zheng-Fa-Zi No. 1030026190 dated July 10, 2014
2015.07	10	500,000,000	5,000,000,000	126,745,769	1,267,457,690	Capital increase in reserve transferred NT\$98,227,430	Effective upon FSC official letter Jin-Guan-Zheng-Fa-Zi No. 1040027236 dated July 20, 2015
2019.08	Corporate bond conversion price NT\$178.6	500,000,000	5,000,000,000	127,401,972	1,274,019,720	Capital increase in convertible bonds NT\$6,562,030	Approved by the Ministry of Economic Affairs with official letter Shushang-Zi No. 10801101460 dated August 6, 2019
2021.04	Corporate bond conversion price NT\$157.9	500,000,000	5,000,000,000	127,403,238	1,274,032,380	Capital increase in convertible bonds NT\$12,660	Approved by the Ministry of Economic Affairs with official letter Shushang-Zi No. 11001161150 dated October 7, 2021

Note: So far, no assets other than cash have been used to offset share payments.

Type of shares	Authorized capital			Remark
	Issued shares	Un-issued shares	Total	
Common stock	127,403,238	372,596,762	500,000,000	Listed share

Information on the general reporting system: None

(II) Name of major shareholders

April 18, 2026

Name of major shareholders	Shares	Quantity of shareholdings	Ownership held by the Company
Nan Feng Hsing Enterprise Co., Ltd.		54,167,834	42.52%
Ching Cheng Investment Co., Ltd.		11,015,923	8.65%
Formosa International Development Corp.		2,351,222	1.85%
Cathay Life Insurance Co., Ltd.		2,220,000	1.74%
Citibank Taiwan is entrusted for custody to Norges Bank		1,110,909	0.87%
Ching Ying Investment Co., Ltd.		850,000	0.67%
FENN-MAY INTERNATIONAL CO., LTD.		838,000	0.66%
TransGlobe Life Insurance Inc.		709,000	0.56%
Xianghe Social Welfare Charity Foundation, Kaohsiung City		635,357	0.50%
HSBC Bank (Taiwan) Limited, Custodian for the Vontobel Emerging Markets High Dividend Equity Fund Investment Account under Westen Trust		585,000	0.46%

(III) Dividend policy and implementation

1. Dividend policy stipulated in the Articles of Association:

Earnings are allocated or deficits are covered at the end of each quarter.

If the Company records earnings in its quarterly final accounts, it shall, prior to distributing such earnings, first estimate and retain the amount of taxes payable, make up for any accumulated losses in accordance with the law, set aside estimated remuneration for employees and directors, and then allocate 10% of the remaining amount as a legal reserve. The special reserve shall be appropriated or reversed as required by law or as required by the competent authority. In the case of the Board of Directors' proposal for distribution of new shares, such proposal shall be resolved by the shareholders' meeting in accordance with the regulations; if the proposal is made in the form of cash, it shall be resolved by the Board of Directors for distribution.

If there is earnings for the annual settlement, they have to be allocated for tax payments and make up for the losses from past years. The remainder to be appropriated as follows:

- (1) Allocate 10% as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
- (2) When necessary, appropriate or reverse special reserves according to the laws and regulations.

If there are earnings, its balance plus the accumulated undistributed earnings from the previous quarter shall be proposed by the Board for its appropriation. When the distribution is in issuance of new shares, the proposal shall be resolved by the shareholders' meeting on the distribution. When distribution is in the form of cash, it must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholders' meeting.

In accordance with Article 241 of the Company Act, the Company shall allocate in whole or in parts the legal reserve and capital surplus according to the original shareholders proportion and when distributing new shares or cash, it shall proceed according to the preceding method resolved for distribution.

The Company is in a stable growth stage of its lifecycle and will observe the changes to the internal and external environment in search of sustainable operations and long-term development. It will consider the company's future capital expense budget and needs while sustaining the stability of dividend distributions. During each quarter and every year, when the Company distributes its cash dividends, it allocates more than 50% of the accumulated distributable earnings as shareholder bonuses. Of which cash dividends must not be lower than 10% of the shareholder bonuses.

2. Proposed 2025 dividend distribution:

The Company's Board of Directors resolved on March 9, 2026 to approve the proposal for distribution of 2025 earnings. Cash dividends of NT\$1,369,533,847 will be distributed, representing NT\$10.7496 per share. The ex-dividend record date for the cash dividends distributed from earnings is April 22, 2026, and the cash dividend payment date is May 12, 2026.

(IV) Impacts of the stock dividends proposed in the current shareholders' meeting on the Company's business performance and earnings per share:

Not applicable.

(V) Remunerations to directors and employees:

1. The percentage or range of remuneration to employees and directors stated in the Articles of Association: If the Company has a profit for the year, it shall allocate 5% as the remuneration to employees and no more than 0.5% of the remuneration to directors. If there is any accumulated deficit, it will reserve the amount to offset the deficit.

Of the amount of employees' compensation referred to in the preceding paragraph, not less than 40% shall be allocated as compensation to non-executive employees.

2. The basis for estimating the amount of remuneration to employees and directors, the basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment for any discrepancy between the actual distributed amount and the estimated amount:

The Company's estimated remunerations for employees and directors are provided in accordance with the Articles of Incorporation. However, if the Board of Directors later resolves that the actual distribution amount differs from the estimated amount, it will be deemed as a change in accounting estimate and will be recognized as profit or loss in the year of actual distribution.

3. Distribution of remuneration approved by the Board of Directors:

- (1) Amount of remuneration to employees and directors distributed in cash or shares:

Unit: NTD thousand

Item	Amount recognized as expense	Distribution amount resolved by the Board of Directors	Differences	Distribution method
Employees' payroll and bonus payable	95,765	95,765	-	Cash
Remunerations of Directors	9,577	9,577	-	Cash

(2) The amount of employees' remuneration distributed in shares and their ratio to the after-tax income and the total amount of employees' remuneration as stated in the entity or individual financial statements for the current period: Not applicable.

4. Actual distribution of remuneration to employees and directors in the previous year:

Unit: NTD thousand

Item	Amount recognized as expense	Actual amount distributed	Differences
Employees' payroll and bonus payable	89,073	89,073	-
Remunerations of Directors	8,907	8,907	-

(VI) Shares repurchased by the Company: None.

II. Issuance of Corporate Bonds: None.

III. Preferred Shares: None.

IV. Global Depositary Receipts (GDR): None.

V. Employee Share Subscription Warrants and New Restricted Employee Shares: None.

VI. Issuance of New Shares in connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

VII. Implementation status of capital allocation plan: None.

Four. Operational overview

I. Description of the business

(I) Business scope:

1. The Company's main business activities are as follows:
 - (1) Management of international tourist hotels and general tourist hotels.
 - (2) Operation of Chinese and western restaurants, coffee shops, night clubs, bars, conference rooms, laundries, gyms, saunas, shops (sales of daily necessities, books, cigarettes, flowers, handicrafts, souvenirs, etc.) and parking lots.
 - (3) Hotel management consulting service.
 - (4) Consultation, diagnosis, analysis and consultation for the management of various recreational and entertainment facilities.
 - (5) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
2. Weight of business:

Item	Percentage of 2025 operating revenue
Food and beverage service revenue	50.04%
Guestroom services revenue	35.57%
Technical service revenue	2.69%
Other service revenue	2.05%
Lease revenue	9.65%

3. The Company's current products (services) and new products (services) planned to be developed:

Overview of Group's Hotels

Regent Taipei

Regent Taipei is the only hotel in Taiwan under the most luxurious brand “Regent” of the InterContinental Hotels Group (IHG). With its outstanding services, exquisite design and world-class facilities, it provides customers with an unprecedented lodging experience that combines luxury and comfort.

The hotel has 538 guest rooms, including luxury guestrooms and large suites as well as a Tai Pan executive floor designed for business travelers. The hotel has a total of nine food and beverage restaurants, making it a unique “resort hotel combining recreation

and fine dining”. The hotel includes a Cantonese restaurant recommended by Michelin - Silks House and ROBIN’S GRILL Steakhouse & Teppanyaki, the only five-star buffet restaurant in Taipei recommended by CNN - Brasserie, its beef noodles having been awarded Champion at the Taipei Beef Noodles Festival.

Silks Place/Wellspring by Silks

“Silks” is a five-star hotel brand under the management of the Silks Hotel Group. Silks hotels are known for their emphasis on humanism, local architecture, and interior design. The hotels also emphasize co-existence with the local culture and aim to become a role model of the local exquisite cuisine. Wellspring by Silks is the hotel brand established under the Silks Hotel Group specialized in premium hot spring resorts. For visitors who prefer urban vacations, quiet places, and accommodation in a unique lodging experience, Wellspring by Silks is a private recreational space that can be fully used for the physical and mental relaxation of visitors, allowing them to temporarily escape from the noise of the city. Currently, all hotels under the brand of “Silks” are in Taiwan, including Silks Place Taroko located at the world-class sightseeing attraction - Taroko National Park, Hualien; Silks Place Tainan located adjacent to the Confucius Temple in Tainan City, demonstrating historic Fucheng culture of Tainan City; and the premium resort hotel Wellspring by Silks located at Jiaoxi and Beitou, well-known hot spring sites in Taiwan.

Silks Place Taroko Hotel

The hotel is located in the Taroko National Park, Hualien, and it is the only high-end hotel located inside a national park in Taiwan and the only international five-star hotel located at the mountain area in Taiwan. At the neighborhood area of the hotel, there are many recommended Michelin-starred tourist attractions, such as the Xiangde Temple, Taroko Gorge, Swallow Grotto and Shakadang Trail.

The hotel has 160 guest rooms, including 60 executive suites and leisure guest rooms. The interior adopts the New Chinese Style design, with the use of a great number of crude woods to create a natural, spacious and pleasant atmosphere. There are two Chinese and Western restaurants in the hotel, “Wellesley Buffet Restaurant” and “Mei-Yuan Chinese Restaurant”, providing buffet meals and authentic Cantonese and Taiwanese dishes made from local ingredients.

Silks Place Tainan Hotel

The hotel is located at Zhongxyi District of Tainan City and is adjacent to Shin Kong Mitsukoshi Tainan Department Store and Xiaoximen Business District. The traffic in the area is very convenient.

The hotel has 255 guest rooms that are spacious and comfortable, with sufficient lighting. In addition, the hotel also incorporates the rich local cultural and artistic features of Tainan. The hotel has four restaurants, including ROBIN’S Steakhouse, ROBIN’S Japanese Teppanyaki, the Chinese restaurant “Silks House” and the creative cuisine restaurant “Infinity”. In addition, the hotel also includes “Tbar”, providing Itamae coffee, and a “Glass House” bar by the pool, in order to provide visitors with diversified food and beverage choices.

Wellspring by Silks

Wellspring by Silks Jiaoxi is located at the city center of Jiaoxi Township, Yilan County, known for its hot spring. The hotel has 120 guest rooms and three restaurants and provides a sodium bicarbonate hot spring. The design of the entire hotel utilizes earth-color grille to surround the hotel, in order to create a hot spring resort away from the city with the atmosphere of a hidden natural world, thereby providing the unique sensation of different time and space to guests of the hotel.

The hotel of Wellspring by Silks Beitou, officially opened in September 2024, integrates the century-old historical culture of hot springs with humanistic arts and natural landscapes, in order to provide a place with a true interactive and friendly environment where people can enjoy a leisure atmosphere away from the city. The hotel has 94 guest rooms, 6 hot spring spa rooms, and two restaurants of Bando Club and Mihan. The spacious guest room design utilizes warm colors and provides sufficient natural light to create a comfortable atmosphere. The soft and smooth white sulfur hot spring flows calmly, allowing visitors to feel relaxed and to enjoy the comfortable and gentle hot spring time during their journey.

Just Sleep

The brand of Just Sleep upholds the philosophy of “stylish and quality travel, fine and delicate service” while emphasizing convenient traffic, delicate service and unique design, in order to provide visitors with the best quality service of a five-star hotel at an affordable and reasonable price.

Just Sleep hotels located in the Taipei area include the two branches — **Just Sleep Taipei Ximending** and **Just Sleep Taipei NTU**. Just Sleep Taipei Ximending is located at Ximending Business Circle. It has 143 guest rooms and includes the Just Café restaurant that also provides breakfast for guests. Just Sleep Taipei NTU is located next to the National Taiwan University, with 76 guest rooms and one restaurant of Just Italian. The design of the guest rooms of the hotel integrates a college style to provide guests with comfortable lodging options for campus teaching, internships, research,

academic exchanges, meetings and visitors, in order to establish a co-prosperity atmosphere with the university campus.

Just Sleep Yilan Jiaoxi is located at the city center of the Jiaoxi, well-known for hot springs in the area. The hotel has a total of 138 guest rooms and the restaurant of Mihan. The hotel also provides a sodium bicarbonate hot spring, to ensure that visitors enjoy a relaxing and comfortable stay at the hotel.

(II) Industry overview:

1. Current status and development of the industry

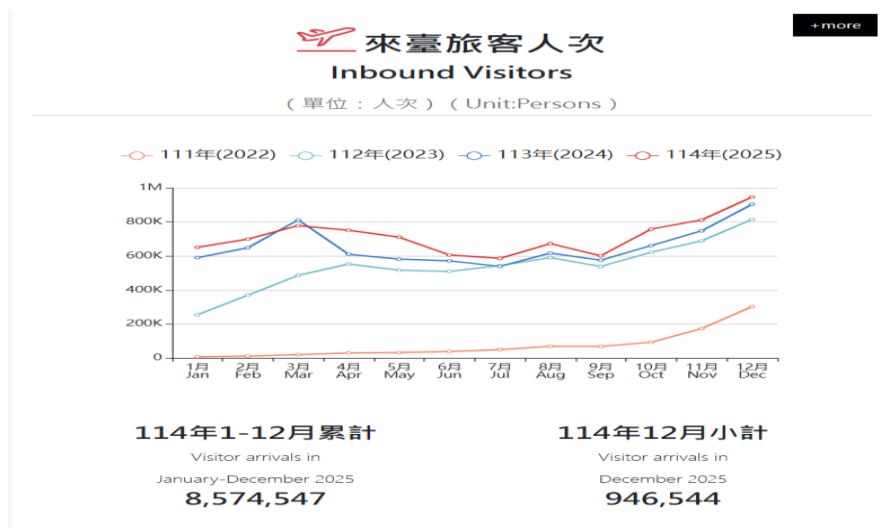
Following the recovery of the global tourism market, the assessment of tourism performance has shifted away from visitor arrivals toward greater emphasis on actual tourism revenue and depth of spending. According to UN Tourism, Taiwan's international tourism revenue ranking rose to 36th worldwide in 2024, reflecting a sustained recovery in Taiwan's attractiveness as a travel destination. In 2025, inbound visitors to Taiwan totaled approximately 8.574 million, representing year-on-year growth of approximately 9%, with stable performance in major source markets. On the basis of the recovery in visitor volume, the focus of tourism development in 2026 is gradually shifting toward increasing the spending value of each trip and the quality of stay.

The growth rate of Taiwan's international tourism revenue exceeded the growth rate of visitor arrivals. International tourism revenue reached US\$10.028 billion in 2024 and increased by 11.56% year-on-year in the first three quarters of 2025, significantly exceeding the growth rate of visitor arrivals. The data indicates that the spending structure of inbound visitors to Taiwan is undergoing a transformation, and tourism performance is no longer dependent solely on increases in visitor numbers. Travel patterns have shifted from short-term stays and concentrated shopping to longer stays and continuous spending across diverse venues, driving the steady accumulation of overall revenue.

Summary of key development trends in 2026:

- Taiwan's role in the international tourism market is gradually transforming from a transit stopover point into a clearly defined travel destination.
- Inbound visitors to Taiwan are no longer merely staying for a short period, but are allocating more time and budget to urban and local experiences.
- The focus of spending has expanded to food and beverage, cultural activities, and lifestyle venues, enhancing the overall appeal of tourism.
- The assessment of international tourism performance has shifted from "whether visitors come" to "how much spending is actually retained".

- Whether tourism revenue can be broadly absorbed by local industries has become a key indicator for observation.
- This transformation has driven the steady accumulation of tourism output value and prompted continuous adjustments in service quality.
- The transformation of the spending structure has become an important foundation for tourism growth in recent years.
- Tourism receipts in 2026 are expected to grow steadily at approximately 2% to 4% annually.
- Growth momentum is mainly expected to come from long-haul source markets and visitors with longer stays.
- Overall, Taiwan's tourism development has shifted toward greater emphasis on output value, depth of spending, and the quality of travel experiences.



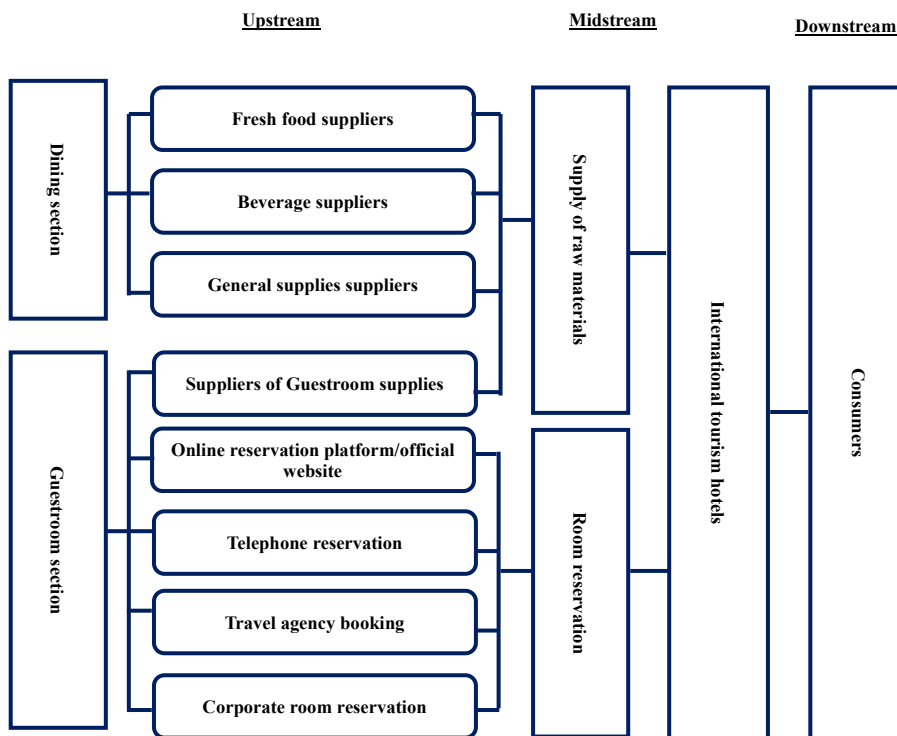
Source: Tourism and Hotel Information System, Ministry of Transportation and Communications, Tourism Bureau

歷年來臺旅客按目的分									
Visitor Arrivals by Purpose of Visit									
年度 Years	合計 Total	業務 Business	觀光 Leisure	探親 Visit Relatives	會議 Conference	求學 Study	展覽 Exhibition	醫療 Medical Treatment	其他 Others
108年	11,864,105	746,115	8,444,024	478,220	76,308	80,630	18,320	55,937	1,964,551
109年	1,377,861	81,324	694,187	79,882	3,831	19,489	745	8,191	490,212
110年	140,479	11,937	156	6,542	102	7,644	29	808	113,261
111年	895,962	96,620	254,686	85,921	5,893	14,269	1,666	2,015	434,892
112年	6,486,951	435,743	4,316,832	368,437	41,130	43,557	19,943	12,280	1,249,029
113年	7,857,686	507,421	5,376,199	362,461	42,157	57,771	26,157	14,648	1,470,872
114年	8,574,547	447,138	5,883,794	353,347	60,741	67,451	31,038	16,687	1,714,351

Source: Tourism and Hotel Information System, Ministry of Transportation and Communications, Tourism Bureau

2. Correlation among the upstream, midstream, and downstream of the industry
- The Company primarily operates international tourist hotels and provides dining, recreational and recreational facilities, meeting venues, and shopping services. In terms of the relevance of the overall tourist hotel industry, the Company belongs to the middle reaches of the industry. The Company's main operating income sources are catering and housing income. The catering part is to purchase fresh food, beverages, and general supplies from upstream suppliers and provide delicious delicacies to downstream end consumers such as individual customers or tour groups; and guest rooms In some cases, the Company accepts online room reservations, individuals, travel agencies, or corporate groups, and purchases room related supplies from upstream suppliers to enable travelers to enjoy comfortable and high-quality housing services.

Correlation among the up-stream, mid-stream and down-stream of the industry



3. Product development trends and competition:

In 2026, the focus of the luxury hospitality market will gradually shift toward enhancing the spending value of each trip and the quality of stay. The Asian market will continue to be a key region for luxury travel and innovative design, with steady growth in demand for resort and experience-oriented products. The growing demand for personalized journeys has strengthened travelers' interest in purpose-driven travel, prompting hotel products to develop toward customized offerings and experiences that integrate resort elements.

1) Urban resort and hybrid travel experiences:

In the post-pandemic era, the needs of high-end travelers for accommodation have moved beyond the traditional function of an "overnight stay", and have shifted toward integrated travel combining leisure, experiences, social interaction, and lifestyle.

Regent Taipei connects local culture with refined dining experiences within the hotel through themed travel offerings, extending customers' length of stay and increasing the depth of consumption.

Urban resort package products attract independent travelers, including:

- The "BMW Ultimate Prestige Self-Drive" experience
- Classic treatments at Wellspring Spa, which received Four-Star recognition from Forbes Travel Guide for two consecutive years
- 24-hour butler service and the Tai Pan guestroom package "The Essence of Elegant Stay"
- In-house dining packages, such as Kitchen 205 strawberry cake, Ginza Sand afternoon tea, and Michelin and OAD recognized cuisine at Silks House

In addition, the accommodation package "The Amazing Flavor of Thailand", featuring a chef's menu launched in cooperation with the renowned COAST and the Tourism Authority of Thailand.

Providing guests with independent travel experiences also helps increase occupancy rates on weekends and during low seasons, reshaping the demand curve traditionally dominated by business travelers. Product development takes into account "in-depth experiences + lifestyle aesthetics + local connections", strengthening the emotional connection between the brand and its customers. Cross-brand cooperation can create differentiated appeal and enhance brand recognition.

2) Food and beverage and banquet/conference (MICE) products as the core of incremental revenue:

Ancillary revenue of high-end hotels, including food and beverage, banquets, and conferences, will become more critical in 2026, particularly when room revenue enters a mature stage of competition. Regent Taipei has diverse food and beverage resources, and may enhance market visibility and revenue through themed dining, chef collaborations, festival planning, and culinary festival events. Banquet and conference spaces have the potential to contribute stable revenue amid the recovery of post-pandemic business activities and growth in MICE market demand.

In 2024, the Regent Taipei banquet hall used human-centered hotel AI technology to create a design-oriented experience, and applied 5G technology through 3D modeling and panoramic projection to create greater value for the banquet and dining spaces and services of tourist hotels, while also establishing an important milestone for digital transformation in the industry. Investment in spatial design and service training helps enhance competitiveness in the high-end banquet market.

3) Sustainability and ESG product positioning as new advantages:

Sustainable development and environmental, social, and governance (ESG) factors have become important items in the high-end hospitality industry. By 2026, Regent Taipei will uphold the sustainability values of "mutual learning, co-creation, common good, and coexistence" to meet the needs of a growing number of consumers who incorporate sustainability awareness into their accommodation choices, such as energy conservation and carbon reduction, waste reduction, and community connections. Regent Taipei enhances its brand image through sustainability, green certifications, local procurement, plastic reduction plans, and cooperation in social welfare initiatives. Compared with competing brands that rely solely on price or location, sustainability positioning can attract values-driven high-end customer segments. Investment in sustainability measures can strengthen the Company's attractiveness to talent and increase employee engagement and brand loyalty. Therefore, sustainability and ESG are not only social responsibilities, but also measurable competitive advantages in the market.

4) Estimated scale of major high-end brand hotels and guestrooms scheduled to open in Taipei and New Taipei in 2026:

Le Méridien Taipei Banqiao

- Expected to open in March 2026, with approximately 236 guestrooms.

InterContinental Taipei

- Expected to open in Q2 2026, with approximately 400 guestrooms.

Four Seasons Hotel Taipei

- Expected to be completed and opened in 2026, with approximately 260 guestrooms.

Park Hyatt Taipei

- Expected to open by the end of 2026, with approximately 178 guestrooms.

Andaz Taipei

- Expected to open by the end of 2026, with approximately 243 guestrooms.

Overall, the new supply of high-end hotels in Taipei and New Taipei in 2026 is expected to total approximately 1,317 guestrooms. As several international high-end brands enter the market in succession, a new round of market supply and demand adjustments and price fluctuations is expected. This may also lead to a reshaping of the talent structure, bringing far-reaching impacts on the tourism market in Taipei City.

- 5) Although the Taiwan-U.S. tariff agreement has reduced export pressure, it will still pose indirect challenges to the tourism industry in 2026. Tourism is a form of deferrable consumption. When economic uncertainty increases, travel expenditures are often the first to be reduced. The domestic travel market is showing a structure in which peak seasons become stronger and off seasons become weaker, increasing cash flow pressure. Appreciation of the New Taiwan dollar will stimulate outbound travel and weaken the competitiveness of domestic travel and inbound tourism. Although inbound visitors are recovering, the recovery remains insufficient to support the expectations of a high-cost industry. In 2026, benefits are expected to be concentrated in the business travel, long-stay, and MICE markets. Most regions that rely on domestic travel and weekend guests will face price competition. The industry needs to develop weekday demand and long-stay programs, while policy should also shift from the pursuit of visitor arrivals to strengthening market structure, depth of consumption, and service quality.

(III) Technology and R&D overview:

The Company mainly operates international tourist hotels and provides dining, meeting venues, and shopping services. The Company emphasizes providing customers with comfortable and high-quality housing services and providing safe and delicious meals. The Company adheres to the spirit of product

innovation, develops new customers By introducing new menus, the Company also makes good use of seasonal fresh ingredients and responds to the sustainable environment and the market trend of producing recovered ingredients to improve its dining operational capabilities. The Company's R&D expenses in 2025 amounted to NT\$803 thousand.

(IV) Long-term and short-term business development plans:

Long-term plan:

1. Expansion of business traveler sources: In 2026, the technology industry will be the core customer source for Taipei hotels over the next two to three years, offering the most stable and predictable demand and the potential to raise room rates. Increase the utilization of executive floors and premium rooms to raise average room rates and maintain market leadership.
2. Digital transformation and smart technology investment: Continue to upgrade AI, data analytics (IDeaS), membership management, and smart guestroom systems.
3. Business talent training: Enhance professional capabilities, strengthen customer interaction and closing rates, stabilize the team and improve the retention rate, support the Company's strategic growth objectives, foster a learning culture, and enhance market adaptability and competitiveness.
4. Expand the membership database by integrating general consumers, Regent Galleria members, VIP service members, and customer data from each brand, and create tailored and unique interactive accommodation experiences through integrated marketing strategies combining rooms, food and beverage, and guest chef events.

Short-term plans:

1. Precision revenue management: Continue to optimize room rate strategies and improve ADR and RevPAR performance.
2. Further development of the business and conference markets: Strengthen the MICE market and stabilize business traveler sources.
3. Launch of urban resort packages: Combine accommodation, food and beverage, and local experiences to attract independent travelers.
4. Conference and banquet promotional activities: Increase non-room revenue through themed dining and customized conference and banquet packages.
5. Regent/IHG membership loyalty programs: Strengthen incentives for repeat visits and increase customer engagement.

6. Participated in overseas international travel exhibitions and conferences organized by the Tourism Bureau/Tourist Association to maintain visibility in the overseas market and maintain connection and visibility with overseas markets.
7. Continue to explore overseas markets other than Japan, such as Southeast Asian countries, to reduce the risk arising from the recent slow recovery of the Japanese market.

II. Status of the market and production/sales

(I) Market analysis:

1. Major products and services sold and regions provided

The Company's business activities are mainly based on catering service income, rental income and technical service income. The target audience for the Company's provision of room service can be roughly divided into local tourists and foreign tourists. The sales method and the nationality of the customers in the last two years are as follows:

- (1) Type of customers served by the Company in the most recent two years:
(Guest room service)

Year	Contracted business travelers	Signed travel agency	Online booking/discounts for Singaporeans	Others	Total
2024	28%	20%	52%	0%	100%
2025	24%	20%	56%	0%	100%

Source of data: Data compiled by the Company on its own

- (2) The nationality distribution of foreign Chinese visitors in the most recent two years:

Year	Asia	Americas	Europe	Others	Total
2024	74.26%	12.81%	4.70%	8.23%	100%
2025	72.8%	14.5%	4.7%	8%	100%

Source of data: Data compiled by the Company on its own

- (3) The distribution ratio of the Company's visitors to Taipei in the most recent two years (from out of town):

Year	North District (North of Taoyuan)	Central	Southern District	Outer Islands	Total
2024	51%	27%	22%	0%	100%
2025	50%	27%	23%	0%	100%

Source of data: Data compiled by the Company on its own

2. Market share

Based on the customer source structure over the past two years, Regent Taipei demonstrated stable and resilient market share in 2026. The proportion of online bookings from domestic and promotional customers increased to 56%, indicating the continued expansion of the hotel's appeal to direct customers and independent travelers. Although contracted corporate customers declined slightly, they continued to account for a certain proportion. The group and distribution channel markets remained relatively stable in structure. International customers were primarily from Asia, while the proportion of customers from the Americas increased, which helped raise the average room rate and optimize the customer mix. The domestic market was mainly supported by northern Taiwan, with stable demand from central and southern Taiwan, providing the overall business with a solid foundation and growth potential.

According to the STR report, among the competitive set of five-star tourist hotels in Taipei City, including Grand Hyatt Taipei, Far Eastern Hotel Taipei, Taipei Marriott Hotel, The Okura Prestige Taipei, W Taipei, Sheraton Grand Taipei Hotel, and others, Regent Taipei ranked second among its peers in market share in 2025, representing a significant improvement from fourth place in 2019 before the pandemic and demonstrating the continued strengthening of its overall competitiveness.

3. Future supply, demand and growth of the market

Looking ahead to 2026, overall accommodation demand in Taipei's high-end hospitality market is expected to continue growing, driven by the full recovery of international travel and the rebound in business and conference activities. The return of high-spending international travelers and corporate customers is expected to support the occupancy rate and average room rate performance of five-star hotels.

On the supply side, although new hotels will continue to enter the market and overall competition is expected to intensify, market growth is expected to absorb the additional supply. Under these market conditions, hotels with strong brand equity, location advantages, and mature revenue management capabilities are expected to maintain relatively stable operating performance.

With its long-term brand development, urban resort positioning, and diversified customer mix, Regent Taipei has greater resilience and flexibility in responding to market changes. Through continued cultivation of the

corporate, conference, and high-end leisure markets, Regent Taipei is expected to maintain stable Occupancy and ADR levels.

Overall, while prudently responding to the increase in market supply in 2026, Regent Taipei remains well positioned for continued growth and value creation.

4. Competitive niches and favorable and unfavorable factors for development prospects and countermeasures

(1) Competitive niche

The Company is located in the commercial center of Taipei's western district, surrounded by internationally renowned luxury boutiques. Recently, the U.K. publication "Time Out" selected the "40 Coolest Neighborhoods in the World" based on a survey of 12,000 people worldwide. In addition, with comprehensive hotel facilities and a full range of service functions, the hotel has been widely recognized by domestic and international travelers, and has been selected as an important accommodation venue for government agencies when receiving distinguished guests. Regent Galleria, located within the hotel, further leverages the hotel's extensive resources to integrate luxury shopping with dining, accommodation, and tourism, providing a premium fashionable lifestyle experience. Meanwhile, the convenient transportation network makes it easy for travelers to visit famous sightseeing spots. Whether for business, shopping, or recreation, it is the best choice for international travelers and locals alike.

(2) Favorable factors

- 1) Important global industry trends for Taiwan in 2026: Global industry trends in 2026 indicate that the growth momentum of Taipei's hotel industry will be highly concentrated in mid- to high-end corporate demand driven by "AI technology × energy transition × geopolitics (national defense)", rather than leisure tourism.
- 2) Recovery in international travel demand: The recovery of the global travel market is expected to drive growth in demand for high-end accommodation.
- 3) Return of business and conference activities: The increase in international and regional corporate travel and MICE activities is expected to stabilize corporate customer demand.
- 4) Core location advantage: The hotel is located in the center of Taipei City, with convenient transportation and proximity to business districts and tourist attractions.

- 5) Strong brand influence: Regent Taipei has accumulated strong brand recognition and a stable base of loyal customers over the years. By integrating the resources of Formosa International Hotels Group, the Company is able to create joint marketing and cooperation opportunities with domestic and overseas sister hotels.
- 6) Urban resort positioning: The hotel combines business and leisure experiences, attracting diversified high-end customer segments.
- 7) Diverse food and beverage and banquet resources: Food and beverage, banquet, and conference spaces enhance non-room revenue and operating flexibility.
- 8) Diversified customer mix: The hotel serves international travelers, corporate groups, and high-spending independent travelers.

(3) Unfavorable factors

- 1) Increase in new supply of high-end hotels: International and domestic brands are entering the market in succession, intensifying competition.
- 2) International economic volatility: Global economic uncertainty may affect demand from international travelers and corporate travel.
- 3) Geopolitical risks: Regional conflicts or policy changes may affect the travel and conference markets.
- 4) Rising labor costs: Increases in wages and operating labor costs may compress gross profit margins.
- 5) Inflation and price fluctuations: Increases in material and energy costs may affect overall operating expenses.
- 6) Market price competition: Promotions and room rate competition by competing hotels may place pressure on ADR and RevPAR.
- 7) Natural disasters and pandemic risks: Force majeure events may cause short-term operational disruptions.
- 8) Impact of exchange rate fluctuations: Fluctuations in foreign currency income and expenses may affect the spending power of international travelers.
- 9) Rapid changes in traveler preferences: The needs of high-end customer groups are increasingly diversified, requiring continuous adjustments to products and services.
- 10) Pressure from technology and digital transformation: Continued investment in digital tools and membership management is required to maintain competitiveness.

(4) Countermeasures

- 1) Strengthen the deployment of corporate, meeting, and incentive travel (MICE) customer sources. Beginning in 2026, Regent Taipei will establish a MICE Team to strengthen its “one-stop service”, combining guestrooms with professional and customized MICE events for meetings and banquets. The hotel will also apply AI technology and 5G technology through 3D modeling and panoramic projection to create higher experiential value for the banquet and dining spaces and services of tourist hotels.
- 2) Expand marketing and partnership channels for high-spending international travelers and long-stay customers. Regent Taipei will combine IHG Destined and the Fine Hotels & Resorts® (FHR) program under American Express to target high-spending members around the world, attracting them to make reservations and stay at the hotel at higher room rates, while also encouraging in-hotel spending and increasing overall revenue.
- 3) Regent Taipei will integrate the brand marketing resources of Regent Galleria to increase the use of guestrooms for brand events or exhibitions, thereby raising the average room rate.
- 4) In response to rapidly changing market consumption patterns and the rapid rise of online booking platforms, the hotel is able to flexibly control room availability and adjust room rates according to market supply and demand. Regent Taipei has cooperated with online travel agencies in the Japanese market, such as Rakuten Travel, HIS, JTB, and Expedia, to increase its presence in the growing overseas independent travel market. The hotel has also strengthened reciprocal cooperation and advertising on globally recognized booking systems, such as Trip.com, to attract more customers who use online booking channels.
- 5) Regent Taipei continues to maintain and stabilize customer relationships in the Japanese market. Regent Taipei actively maintains its long-established relationships with local companies and industry contacts in Japan, and continues to increase room revenue from this market.
- 6) The hotel actively supports government policies by developing the Southeast Asian, Japanese, and Korean markets, with a view to establishing cooperative relationships with local travel agencies. The hotel continues to maintain long-term cooperation with Korean travel

agencies for sightseeing tour groups, which enables precise control of room inventory while also increasing brand exposure in the local market.

- 7) The databases of IHG Hotels & Resorts and the Regent membership system serve as important bases for optimizing the guest accommodation experience. Through data management and analysis, the hotel can further plan customized offers and promotional campaigns, and automatically provide services similar to guests' past consumption preferences.

(II) Important uses and production processes of the main products:

The Company's main product management methods are guest room rental, supply of food and beverage, and provision of conference halls and saunas and other related facilities, all of which aim to maximize customer satisfaction.

(III) Supply situation of major raw materials:

The Company mainly engages in guest room rental and catering services, and the supplies of its main raw materials, consumer supplies and fresh food, are stable.

(IV) Names of customers accounting for more than 10% of total purchases (sales) in any of the past two years, and the reasons for the changes:

The Company's purchase/sales targets are quite dispersed, and there were no suppliers that accounted for more than 10% of the total purchase/sales in the most recent two years.

III. Employees

Employee data for the most recent two years and up to the publication date of this annual report

April 18, 2026

Year		2024	2025	For 2026, as of April 18
Number of employees	Guestroom Division	551	557	551
	Food and Beverage Department	864	894	871
	Administration	348	359	358
	Total	1763	1810	1780
Average age		36.35	36.93	37.19
Average years of service		5.94	6.14	6.3
Distribution by academic qualification	Doctorate	0.06%	0.05%	0.05%
	Master	3.41%	3.06%	3.11%
	Associate/ Bachelor Degree	66.97%	62.72%	61.90%
	High School Diploma	24.74%	27.63%	28.37%
	Below High School	4.82%	6.54%	6.57%

Source: Statistical research conducted in-house (excluding part-time employees)

IV. Environmental expenditures

Losses due to environmental pollution in the most recent year and up to the publication date of this annual report: N/A.

Considering that provisions of accommodations and dining are our primary products and services, no severe environmental pollution issues were reported as a result. Cooking emissions from restaurant operations are only released after being filtered through electrostatic precipitators and kitchen exhaust treatment systems, in order to prevent negative impact on the surrounding residents or the environment. Moreover, the waste water generated has also been filtered through an oil trap then recollected to eliminate polluting the sewer systems. Legally required maintenance and deodorization are routinely performed on oil traps and septic tanks. No environmental pollution or regulatory violations have been identified by the relevant authorities.

In 2025, expenditures related to environmental pollution prevention and control totaled NT\$1,738 thousand.

V. Employee Relations

(I) Policies and actual implementation with regards to employee benefits, continuous professional development, on-the-job training, retirement, and employee relations:

1. Our employees are our greatest asset. Employee rights and benefits are and will continue to be of significant importance to us because we believe that a company's profitability is contingent on employee loyalty and team cohesion. In addition to handling labor and health insurance and establishing Employee Welfare Committee in accordance with government regulations, we have established Employee Stock Ownership Trust with Employee Welfare Committee allocating subsidies proportionate to the amount of shares owned in order to incentivize employees to save and invest. Along with annual employee outings, staff lounges, library, infirmary, and dormitories are provided for employees to rest between shifts or overnight.

2. Talent development and education and training overview

Talent is the core driver of sustainable operations and value creation for the company. In response to an operating environment characterized by rapid industry changes, upgraded customer demand, and the accelerated evolution of digital technology, the Group continues to invest in human capital from a long-term perspective. Through systematic and structured training and development mechanisms that are highly aligned with business strategies, the Group comprehensively enhances organizational competitiveness and operational resilience.

The Group adopts "mutual learning, co-creation, common good, and coexistence" as the core concept of talent development, and regards learning as an organizational undertaking rather than fragmented educational activities. In addition to focusing on the professional knowledge and skills required for work, training plans also extends to management mindset, digital capabilities, psychological resilience, and the internalization of corporate culture. This assists employees in achieving a balance between professional performance and personal growth, thereby realizing two-way growth in both individual value and organizational goals.

At the same time, upholding the corporate mission of "bringing the best of the world to Taiwan and bringing the best of Taiwan to the world", the Group actively introduces international perspectives and best practices, and combines them with its years of operating experience to develop a distinctive talent cultivation model. This fosters an organizational culture

that encourages learning, supports growth, emphasizes responsibility, and focuses on results, laying a solid foundation for talent development and sustainable growth.

3. Training investment and overall effectiveness in 2025

In 2025, the Company continued to strengthen its investment in employee education and training. Throughout the year, a total of 602 in-person courses and 102 online courses were conducted, with cumulative training hours reaching 1,793.25 hours. Total participant attendances reached 10,527, with overall training hours totaling 22,669 hours, demonstrating the Group's long-term commitment to and strong emphasis on talent development.

The training programs covered a wide range of areas, including orientation training, management and leadership development, professional skills, occupational safety, food safety, digital and AI applications, language training, as well as CSR and employee wellness initiatives. These programs effectively addressed the practical needs of different job functions, levels, and business units.

Among all categories, occupational safety training represented the largest annual investment, with 82 sessions conducted, 2,195 participant attendances, and a cumulative total of 4,248 training hours, fully reflecting the Group's strong commitment to workplace safety and risk management. Food safety training included 34 sessions, 991 participant attendances, and 2,330 cumulative training hours, ensuring that frontline service quality and customer safety consistently met high standards.

In terms of management and leadership development, a total of 44 sessions were held during the year, attracting 787 participant attendances and accumulating 2,678.5 training hours. Through systematic learning programs, the Company continued to strengthen the management capabilities and organizational influence of supervisors at all levels.

The Company also continued to expand its investment in professional development, foreign language proficiency, and digital and AI-related training to support organizational transformation and enhance competitiveness in international hospitality services.

4. Leadership Academy: shaping the Group's exclusive Leadership DNA

2025 marked an important milestone in the Group's talent development, as the Group officially launched the "Leadership Academy". Through a systematic and forward-looking approach, the Group established its own

leadership development system as an important engine for medium- and long-term organizational competitiveness. As the Group's flagship hotel, Regent Taipei served as the starting point for the Leadership Academy. With "co-creation" as the core spirit, supervisors at all levels across the Group were invited to participate in course design, case discussions, and the joint development of management issues, enabling the learning content to truly respond to the Group's actual operating scenarios. By integrating the Group's years of operating experience, successful cross-business models, and management wisdom, tacit knowledge is gradually transformed into institutionalized capabilities that can be passed on and replicated, thereby shaping clear and consistent Leadership DNA.

In terms of the learning structure, the Leadership Academy follows the principle of "top-down guidance and inside-out dissemination", ensuring a high degree of alignment among leadership mindset, management behavior, and organizational expectations. It places particular emphasis on cultivating a sense of ownership by guiding supervisors to consider decisions from the perspective of business owners, proactively identify issues, assume responsibility, and pursue optimal results, thereby laying the foundation for the Group's succession pipeline and long-term stable development.

5. New employee training and legal compliance education

In terms of new employee training, the Group continues to implement systematic training programs to help new employees quickly integrate into the organizational culture and understand the Company's core values. In 2025, a total of 150 new employee training sessions were held, with accumulated attendance of 2,092 participants and 4,523 training person-hours.

The courses covered new employee orientation, service principles and culture, prevention of unlawful infringements in the workplace, ethical corporate management, and procedures for handling material inside information. Among these courses, "Ethical Corporate Management and Procedures for Handling Material Inside Information" was conducted through online learning and testing mechanisms to ensure that all employees fully understand the definition of material inside information, confidentiality obligations, and relevant regulations for preventing insider trading, thereby implementing regulatory compliance and corporate governance requirements.

6. Professional skills, digital transformation, and AI applications

In response to the trends of industry digitalization and intelligent technology, the Group regards digital capabilities as one of the fundamental competencies for all employees, and continues to promote learning in AI and digital tool applications. Through courses such as the "AI Collaborative Learning Community", workplace applications of ChatGPT, Excel analysis, and the introduction of digital tools, the Group assists employees in integrating technology into actual work processes to improve efficiency and service quality.

7. Occupational safety, food safety, and employee care

The Group regards employee safety, customer health, and social responsibility as fundamental commitments in business operations. Through courses such as CPR & AED, firefighting and disaster prevention drills, food safety and sanitation, kitchen equipment safety, and occupational safety and health management systems, the Group strengthens employees' risk identification and response capabilities, and creates a safe and healthy work environment.

In terms of employee care, the Group also supports employees' physical and mental balance through courses on mental health, stress adjustment, empathetic communication, and warning-sign care, building a respectful, diverse, and supportive workplace culture.

8. Sustainable value and future outlook

Overall, the training and development results in 2025 were reflected not only in the stable investment in the number of training sessions and person-hours, but also in the Group's high degree of consistency and forward-looking deployment in its human resources strategy. Through the launch of the Leadership Academy, the deepening of diverse courses, and the comprehensive advancement of digital capabilities, the Group is gradually building an organizational team with professional competence, learning capabilities, and execution capabilities.

In the future, the Group will continue to place talent at the core, deepen its learning culture, and ensure that the growth of human capital is closely connected with corporate strategies, sustainability goals, and long-term value creation, making it an important engine that drives the Group's sustainable growth.

Summary of trainings conducted in 2025:

Internal Training Course Category	Number of Sessions	Hours of Training	Number of Participants	Total Training Hours	Ratio
Human Rights Topics	13	23.5	428	774.5	3.42%
Sustainability Topics	24	71.5	357	719	3.17%
Food Safety	34	100	991	2,330	10.28%
Professional Development	278	545.5	1723	5,325	23.48%
Occupational Safety	82	180	2,195	4,248	18.74%
New Employee Training (including online courses)	150	212.75	2,092	4,523.25	19.95%
Business Management	44	613	787	2,678.5	11.82%
Digital and AI-related Training	37	36.5	471	349	1.54%
Integrity Management and Material Information Disclosure – Online	15	5	819	949.5	4.19%
Personal Data Protection – Online	27	5.5	664	772	3.41%
Total	704	1,793.25	10,527	22,668.75	100.00%

9. Employee Conduct & Code of Ethics

- (1) In keeping with the Labor Standards Act, our employee handbook details code of conduct, employment, working hours, salary, leave/vacation days, rewards and penalties, tenure calculation, retirement, pension, etc. Such information is also made available to employees via the company intranet bulletin and orientation.
- (2) All employees must read and sign the Employment Agreement on their first day, which details the conditions of employment and confidentiality agreement.
- (3) In accordance with the Sexual Harassment Prevention Act, lodging a sexual harassment complaint and investigation related information are clearly outlined to protect the rights of the victim as well as to ensure gender equality rights in the workplace.

10. Workplace and employee safety protective measures

To protect our employees from harm, our company's health and safety management continue to observe the following guidelines:

- (1) Management in accordance with government regulations: All health and safety activities and management are carried out by means of risk management and evaluation. Our occupational health and safety management system was established in keeping with ISO 45001 requirements.

Current relevant safety and health certificates are as follows:

License	Holdings
• Occupational Safety and Health Supervisor	6
• Labor Safety Management Specialist	3
• Occupational Safety and Health Administrator	6
• Class B Boiler Operator (including 1 Class A operator)	11
• Organic Solvent Operations Supervisor	7
• Confined Space Operations Supervisor	5
• Small Boiler Operator	6
• Aerial Work Platform Operator	4

- (2) Safety participation by all employees: To minimize the number of occupational accidents, all employees must attend routine safety related drills and training. In addition, health and safety related knowledge and guidelines are reinforced via the Regent Academy app. Relevant refresher training courses are also arranged for employees to participate in, thereby enhancing safety awareness and the concept of occupational accident prevention and reduction.

- (3) Continuous environmental improvement: The Company establishes relevant testing items in accordance with the Regulations Governing Labor Working Environment Monitoring, and announces the monitoring results for employees' information. The detection frequency is as follows:

Item	Inspection frequency
High-temperature operations (boiler operations)	Every 3 months
Noise operations (boiler operations)	Every 6 months
Organic solvents operations (painting operations)	Every 6 months
Carbon dioxide detection	Every 6 months

At the same time, the operating environment is monitored at other sites, and the safety and health management requirements are strengthened for supervisors and employees to comply. The 2025 testing results all met the applicable standards. The Company will continue to conduct monitoring to ensure safety and maintain a sound working environment. In addition, in May 2025, black carborundum anti-slip strips were installed on Staircase C from 1F to 2F, 2F to 3F, and 3F to 4F, so as to provide employees with additional protection when going up and down the stairs.

- (4) Implementation of health protection plans: To establish a safe, hygienic, and quality work environment, and to promote corporate sustainability in the spirit of responsible care, business entities shall formulate and implement relevant health protection plans according to their nature and scale pursuant to Article 6 of the "Occupational Safety and Health Act". The plans cover key items such as maternity protection, prevention of overwork, ergonomic improvement, return-to-work and suitable job placement, and prevention of unlawful infringement and violence in the workplace.

The Company continues to promote and implement health protection plans in accordance with relevant laws and regulations and management systems. The key implementation points are as follows:

- a. Health protection plans are adjusted according to implementation requirements and announced.
- b. Interviews and assessments are conducted for maternity protection cases, and necessary care and assistance required in the workplace are provided.
- c. Management of working hours and annual leave is implemented to prevent and reduce the risk of employee overwork.

- d. Workplace improvements and employee health protective measures.
- e. Management and guidance during on-site physician consultation sessions, and implementation records are kept on file for reference by the competent authority.
- f. The Company arranges visits by external professional teams regarding repetitive-motion operations in the hotel, and makes adjustments based on the visit results, with the aim of effectively reducing employees' musculoskeletal discomfort during operations.
- g. The Company promotes the ISO 45001 occupational safety and health management system, establishes a Risk Assessment Team, regularly conducts hazard identification and risk assessment for operations of each unit, and plans and implements improvement plans based on the assessment results, so as to continuously reduce occupational safety and health risks.

11. Safe workplace

- (1) The primary mission of the infirmary is to care for the physical and mental health of every employee and to promote a healthy and friendly work environment. Through the gradual establishment of a health-oriented culture, the Company aims to enable employees to remain positive, energetic, and creative at work, thereby enhancing overall productivity and generating a positive impact on work performance and healthy living.

The infirmary is staffed with professional nursing personnel and provides emergency medical assistance, treatment of general injuries and dressing changes, basic nursing services, health consultation, medical referral, and follow-up care, accompanying employees in safeguarding their physical and mental health.

- (2) On-site consultation by a specialist in occupational medicine: A family medicine and occupational medicine specialist from New Taipei Municipal TuCheng Hospital (built and operated by Chang Gung Medical Foundation), together with an occupational safety and health nurse, provides on-site services each month. The scope of consultation is as follows in accordance with laws and regulations:

- 1) Planning and implementation of health education, health promotion, and hygiene guidance for employees.
- 2) Prevention and treatment of occupational injuries and diseases and general injuries and illnesses, health consultation, first aid, and emergency treatment.
- 3) Vaccination and health care for employees.
- 4) Assisting the employer in assigning workers to appropriate work.
- 5) Analysis, evaluation, management, and preservation of workers' physical and health examination records, as well as health management.
- 6) Research reports on occupational hygiene and preservation of injury and disease records.
- 7) Assisting the employer and occupational safety and health personnel in implementing the prevention of occupational diseases and improvement of the work environment.
- 8) Others designated by the central competent authority.
- 9) Together with occupational safety and health personnel and personnel from relevant departments, on-site visits are conducted to handle the following matters:
 - a. Identify and evaluate the dangers in the workplace environment and operations.
 - b. Propose improvements to ensure workplace health and safety.
 - c. Investigate the relationship between employee health and work operations, and conduct health risk assessments for high-risk employees and take necessary preventive measures.
 - d. Assess returning employees for readiness to return to work, and provide advice and consultation accordingly.

- (3) To encourage women to breastfeed, in line with the breastfeeding policy of the Department of Health, Executive Yuan and the spirit of the Act of Gender Equality in Employment, the Company has established a breastfeeding (breast milk collection) room for use by employees.
- (4) Work-life balance: The Company offers employee care-related courses for frontline and mid-level supervisors to strengthen their awareness of and support for employees' physical and mental conditions. At the same time, stress relief courses are provided for employees, enabling them to recharge physically and mentally and manage stress effectively amid busy work schedules, thereby maintaining good work conditions and quality of life.
- (5) Unlawful infringement in the workplace: To strengthen supervisors' understanding of and response capabilities regarding issues related to unlawful infringement in the workplace, the Company plans and offers a series of education and training courses. The course content includes inviting attorneys to explain relevant laws, regulations, and case studies, and arranging clinical psychologists to speak on topics such as unconscious bias and workplace boundaries, so as to enhance supervisors' sensitivity and prevention awareness and create a safe and respectful workplace environment.
- (6) In line with government policies and based on the protection of employee health, the Company has set up on-site stations in the workplace to provide publicly funded influenza vaccination and COVID-19 vaccination services.

12. Collective bargaining agreement

As a member of the tourism industry, our company is subject to the Labor Standards Act concerning employee attendance, leave, days off, and holidays.

13. Retirement policy

- (1) Applies to all full-time employees.
- (2) Eligibility for retirement (must meet one of the following):
 - A. 15 years services or above and at least 55 years of age.
 - B. 24 years services or above.
 - C. 10 years services or above and at least 60 years of age.
- (3) Employees may be compelled to retire under one of the following circumstances:
 - A. Where the employee attains the age of 65.
 - B. Where the employee is mentally incapacitated or physically disabled and unable to perform his/her duties, as certified by a public hospital or a hospital designated under labor insurance.
- (4) Retirement payment method
 - A. For employees opting for the old pension system, pension is calculated as follows:
 - a. Two bases are given for each full year of service rendered. However, for the years of service exceeding fifteen years, one base is given for each full year of service rendered. The total number of bases shall be no more than forty-five. Service of less than six months shall be calculated as half a year, and service of six months or more shall be calculated as one year.
 - b. The monthly wage for pension calculation shall be based on the average monthly wage for the six months prior to retirement in accordance with the Labor Standards Act.
 - B. Under the new pension system, pension withdrawal and calculation are as follows:
 - a. Monthly pension payments: The principal and accrued dividends from an employee's individual labor pension account are calculated based on the Life Expectancy Annuity Table, average life expectancy, interest rate, and other factors, and paid as pension in fixed installments.
 - b. Lump-sum pension payment: The principal and accrued dividends from an employee's individual labor pension account are claimed in a lump sum at one time. The Terms Life Chart of Annuity, average life expectancy, interest rate, and calculation of the amount referred to above shall be

prescribed by the Bureau of Labor Insurance and submitted to the Central Competent Authority for approval.

- c. A worker who is sixty years old and whose seniority exceeds fifteen years may claim monthly pension payments. However, those who have worked for less than 15 years shall apply for a lump sum of pension.

14. Performance bonus policy: To incentivize employees to actively create profits for the Company and reward employees for their efforts, the Company has established the Performance Bonus Guidelines. Performance bonuses are calculated by multiplying profit or loss after tax by the bonus allocation ratio, and are paid to employees at year end.

- (II) Losses suffered due to labor disputes in the most recent year and up to the date of printing of the annual report, and disclosure of the estimated amount that may occur currently and in the future and response measures: None.

VI. Cyber security management

- (I) Describe the cyber security risk management architecture, cyber security policy, specific management solution and resources invested in cyber security management.

1. Cyber communication security risk management framework

The Information Office is responsible for the information security of the Company. It is responsible for planning, executing, and promoting information security management matters and promoting information security awareness. The Audit Office is the audit unit of information security supervision. If deficiencies are discovered during the audit, the Audit Office shall immediately request the audited unit to propose relevant improvement plans, and the improvement results are regularly tracked to reduce internal information security risks.

The Company established an information security officer and one information security staff member in 2023 in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory Commission. Pursuant to the "Guidelines on Cyber Security Management and Control for TWSE/TPEX Listed Companies", the Company regularly reviews and formulates information security policies, and reports to the Board of Directors on a regular basis to strengthen the Company's information and communications security.

2. Cyber security policy

- Establish information system classification and protection standards to maintain the sustainable operation of each information system.
- Prevent unauthorized access by hackers and malware from compromising systems.
- Prevent the leakage of sensitive data with improper intentions by human beings.
- Conduct an internal information security audit once a year.
- Establish an appropriate backup mechanism and plan, and formulate a business continuity plan, including core business backup measures, contingency procedures, and resource allocation.
- Establish appropriate management measures for the security control, personnel access control, environmental maintenance and other items of the computer room and important areas.

3. Specific management plan and resources invested in information communication security

(1) Security management of computer equipment

- The Company's computer mainframes and various application servers are installed in dedicated computer rooms, and access records are kept for records.
- The computer room is equipped with independent air-conditioning to maintain the operation of computer equipment under an appropriate temperature environment. Chemical-type fire extinguishers are also installed, suitable for fires caused by general combustibles or electrical equipment.
- The equipment room is equipped with an environmental monitoring system to monitor the temperature and humidity of the equipment room. If there is an abnormality, the system will automatically notify the relevant personnel.
- The mainframe in the computer room is equipped with UPS and stabilized voltage equipment to prevent system crashes due to unexpected power interruptions. An emergency generator is also provided to ensure the normal operation of the computer system in the event of a temporary power outage.

(2) Network security management

- The entrance to the external network is equipped with an enterprise-class firewall to prevent illegal invasion by hackers.
- Equipped with online behavior management and filtering equipment to control Internet access, which can block access to harmful or policy-not-allowed network addresses and content, enhance network security, and prevent bandwidth resources from being improperly occupied.

(3) Virus protection and management

- Servers and colleague's terminal computers are equipped with endpoint protection software. Virus definitions are updated automatically to ensure that it can block the latest types of viruses. At the same time, it can detect and prevent the installation of potentially threatening system executable files.
- The e-mail server is equipped with anti-virus and spam filtering mechanisms to prevent viruses or spam from entering the user's PC.

(4) Management of system access control

- Employees need to go through the system permission application process defined internally by the Company. Once approved by the responsible manager, the Information Room will create a system account and authorize the functions and permissions appropriately.
- The password shall be composed of an appropriate number of characters and mixed with special symbols.
- When employees complete resignation or retirement procedures, the Information Office deletes their system accounts upon receipt of the resignation or retirement notice from the Human Resources Department.
- Regularly review user accounts and permissions, and suspend accounts that have not been used for a long time.

(5) Ensure the sustainable operation of the system

- System backup: Establish an off-site backup system and adopt a daily backup mechanism to ensure the safety of backed up data.
- Disaster recovery drill: A drill for each system is conducted once a year. After the restoration date and reference point are selected, the backup media will be restored to the system mainframe, and the correctness of the restored data will be confirmed to ensure the correctness and effectiveness of the backup media.

(6) Information system or service outsourcing management

- Establishment of security management procedures for information outsourcing, including the relevant regulations on the selection of external contractors, supervision and management, and the termination of outsourcing relations, to ensure that outsourcing vendors have comprehensive information security management measures when performing outsourced operations.
- Define the information security responsibilities and confidentiality requirements of outsourced companies, and specify the service level agreement (SLA), information security requirements, and information security audit rights over the outsourced companies in procurement documents.
- When the Company ends or terminates the contract, the Company confirms that the data held by the outsourcer is returned, transferred, deleted, or destroyed.

(7) Information security advocacy and training

- Information security training: Conduct monthly information security training for new employees to establish basic information security concepts.
- Information security advocacy: Examples of information security are provided to colleagues for reference from time to time.

- (II) Losses, possible impacts, and response measures arising from material information and communications security incidents in the most recent year and up to the date of printing of the annual report: None.

VII.Important contract

April 18, 2026

Type of Contract	Client	Contract Term	Description	Limitations
Creation of surface rights contract	Taipei City Government	From May 11, 1984 to May 10, 2034	The Company shall pay the rent to the Taipei City Government at a certain percentage of the announced land value each year. If the agreed rent is less than the amount of land tax paid by the Taipei City Government, the rent shall be adjusted based on the actual amount of land tax paid each year.	Upon the expiry of the contract, the Company shall not demolish the fixtures attached to the building at will, and shall unconditionally turn over the premises together with the fixtures to the Taipei City Government.
Technical services, entrusted management, and affiliation contracts	RONG CHIANG INTERNATIONAL LTD.	From January 1, 2019 to December 31, 2028, for a total of 10 years	1. Subject matter of contract: Silks Place Yilan 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Technical services, entrusted management, and affiliation contracts	YBH INTERNATIONAL LTD.	From June 1, 2015 to May 31, 2030, 15 years	1. Subject matter of contract: Just Sleep Kaohsiung (Zhanqian Branch) 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Technical services, entrusted management, and affiliation contracts	YBH INTERNATIONAL LTD.	From June 1, 2015 to May 31, 2030, 15 years	1. Subject matter of contract: Just Sleep Kaohsiung (Chung Cheng Branch) 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Technical services, entrusted management, and affiliation contracts	YBH INTERNATIONAL LTD.	From June 1, 2015 to May 31, 2030, 15 years	1. Subject matter of contract: Just Sleep Hualien 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Technical services, entrusted management, and affiliation contracts	YUEZAK HOSPITALITY MANAGEMENT CO., LTD.	From May 12, 2019 to May 11, 2039, 20 years	1. Subject matter of the contract: Just Sleep Sanchong Branch 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Technical services, entrusted management, and affiliation contracts	Heya Travel Co., Ltd.	From May 13, 2021 to May 12, 2041, 20 years	1. Subject matter of the contract: Just Sleep Tainan Branch 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None

Type of Contract	Client	Contract Term	Description	Limitations
Technical services, entrusted management, and affiliation contracts	MINATO CREATE CO., LTD.	From March 1, 2023 to February 28, 2033, for a total of 10 years	1. Contract subject matter: JUST SLEEP OSAKA 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Technical services, entrusted management, and affiliation contracts	Hungmao International Development Co., Ltd.	Preparation period	1. Subject matter of the contract: Just Sleep Kenting Branch 2. Calculation and collection of service fees: Collect service revenue based on preparation progress	None
Technical services, entrusted management, and affiliation contracts	Eastern Home Shopping & Leisure Co., Ltd.	Preparation period	1. Subject matter of the contract: Silks X Linkou 2. Calculation and collection of service fees: Collect service revenue based on preparation progress	None
Technical services, entrusted management, and affiliation contracts	Eastern Ocean Hot Spring Hotel Co., Ltd.	Preparation period	1. Subject matter: Toucheng Wellspring by Silk 2. Calculation and collection of service fees: Collect service revenue based on preparation progress	None
Technical services, entrusted management, and affiliation contracts	Eastern Home Shopping & Leisure Co., Ltd.	Preparation period	1. Contract subject matter: Just Sleep Linkou Branch 2. Calculation and collection of service fees: Collect service revenue based on preparation progress	None
Technical services, entrusted management, and affiliation contracts	MINATO CREATE CO., LTD.	Preparation period	1. Contract subject matter: JUST SLEEP OSAKA II 2. Calculation and collection of service fees: Calculate a certain percentage of the operation revenue on a monthly basis	None
Contract for outsourced operation and management	A	From January 16, 2013 to December 31, 2034, a total of 22 years	1. Subject matter of the contract: A hostel 2. Calculation and collection of service fees: From the trial operation date to the expiration of the commissioned operation period or the termination date of the contract, the company shall pay a fixed amount of premium on a monthly basis, and also pay a certain percentage of operating revenue as operating royalty.	None
Contract for renting shopping malls and operating hotels and restaurants	WANHWA ENTERPRISE COMPANY	From April 20, 2009 to April 19, 2027, 18 years	1. Lease subject matter: 5F-9F, Wan Hwa Enterprise Building 2. Calculation and collection of rent: Monthly payment of fixed rent, and an increase of 5% every 3 years	None
Contract for renting shopping malls and operating hotels and restaurants	Cathay Life Insurance	From March 12, 2014 to March 11, 2034, 20 years	1. Subject matter of lease: Tainan Cathay Plaza 2. Calculation and collection of rent: Monthly payment of fixed rent, from the 5th year an increase starting each year according to the contract	None

Type of Contract	Client	Contract Term	Description	Limitations
Contract for renting shopping malls and operating hotels and restaurants	Company D	From November 1, 2013 to October 31, 2033, 20 years	1. Subject matter of lease: No. 8 and No. 10, Lane 24, Deyang Road, Jiaoxi Township, Yilan County 2. Calculation and collection of rent: Monthly payment of fixed rent, an increase of 3% starting from the fourth year and every three years afterward. It is calculated by a certain percentage of one of the operating categories.	None
Contract for renting shopping malls and operating hotels and restaurants	Company E	From December 1, 2015 to November 30, 2035, 20 years	1. Subject matter of lease: No. 67, Wenquan Rd., Jiaoxi Township, Yilan County 2. Calculation and collection of rent: Monthly payment of fixed rent, an increase of 3% starting from the fourth year and every three years afterward. It is calculated by a certain percentage of one of the operating categories.	None
Contract for renting shopping malls and operating hotels and restaurants	Company K	From August 25, 2024 to August 24, 2044, 20 years	1. Lease subject matter: No. 19 and No. 19-1, Quanyuan Rd., Beitou Dist., Taipei City 2. Calculation and collection of rent: The rent is fixed monthly and increases by 3% every 5 years	None
Contract for renting shopping malls and operating hotels and restaurants	Company M	From March 1, 2024 to February 28, 2030, 6 years	1. Lease subject matter: Shopping Mall, No. 303, Lequn 3rd Rd., Zhongshan Dist., Taipei City 2. Calculation and collection of rent: Calculation of rent is based on revenue, but guaranteed revenue shall be achieved.	None
Lease contract	USPACE TECH CO., LTD.	From August 1, 2023 to July 31, 2028, 5 years	1. Subject matter of lease: B4 and B5 of Regent Hotel 2. Rent calculation and collection instructions: Monthly collection of fixed rent. When the lessee raises the parking fees, the rent shall be adjusted according to the proportion of the parking fee raised.	None
Guaranteed line of credit	Taipei Fubon Bank	From March 12, 2025 to March 11, 2026	The Company established the five-star "Silks Place" at the Tainan landmark. Therefore, the Company signed a lease contract with Cathay Life and applied to Taipei Fubon Bank for a guarantee limit of NT\$45,991 as a performance bond.	None
Guaranteed line of credit	Mega International Commercial Bank	From January 1, 2025 to December 31, 2026	The Company signed an operation entrusted contract with A, and applied to Mega International Commercial Bank for a limit of NT\$10,000 as the performance guarantee as agreed in the contract.	None
Guaranteed line of credit	Mega International Commercial Bank	From August 25, 2025 to August 24, 2026	The Company signed a lease contract with K, and applied to Mega International Commercial Bank for a limit of NT\$28,611 as the performance guarantee as agreed in the contract.	None

Type of Contract	Client	Contract Term	Description	Limitations
Development and management contract and surface right creation contract	National Palace Museum	25 years from the date of signing the contract for the establishment of superficial rights. If the business performance is assessed to be good, the company may apply for priority entrustment of continued operation along with relevant information as required, but the continued operation period shall not exceed 10 years.	<p>Silks Palace participated in the “Private Participation in the Silks Palace At National Palace Museum Corp. Food and Beverage Service Center Plan.” Silks Palace, thus, has signed and entered into agreement with the National Palace Museum on developing operations and the setting up of superficialities</p> <p>A. Development royalties: The payment shall be made in a lump sum at least 7 days before the construction start date of each investment project specified in the execution plan of the Forbidden City.</p> <p>B. Management royalty: After the operation begins, the royalty is calculated based on the agreed percentage of the total operating revenue of the previous fiscal year audited and verified by the CPAs. The management royalty for the previous year shall be paid by August 31 each year.</p> <p>C. Rent: It is calculated based on the “Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects”.</p> <p>D. Performance bond: Silks Palace At National Palace Museum provides a performance bond of NT\$5,000, which will be returned 3 months after the completion of all related procedures for assets transfer according to the contract.</p>	<p>A. The following financial ratios shall be maintained during the development and operation period:</p> <p>a. Current ratio shall be more than 100%.</p> <p>b. The total liabilities amount shall be less than 1.5 times of the net worth.</p> <p>B. The financial plans of Silks Palace at National Palace Museum Corp. shall be adjusted based on the financial plan proposed after the selection and evaluation.</p> <p>C. Besides obtaining agreement by the National Palace Museum, the Silks Palace at National Palace Museum Corp. shall not make re-investments of other businesses.</p> <p>D. For the assets and liabilities acquired by the Silks Palace at National Palace Museum Corp. due to the operation plan, it shall not encumber the assets: The assets and liabilities shall not be transferred or rented without authorization from the National Palace Museum.</p>

Five. Review and Analysis of Financial Position and Financial Performance, and Risks

I. Financial Status

Comparison and Analysis of Financial Performance

Unit: NTD thousand

Item \ Year	2024	2025	Change in Percentage (%)	Description of major changes
Current assets	4,045,342	3,838,331	(-5.12%)	(Variation by more than 20% and amount of NT\$10 million or more) The decrease in other equity for the current period was due to the effect of exchange rates, which resulted in an increase in exchange losses on translation of the financial statements of foreign operations.
Property, plant and equipment	2,044,955	1,877,452	(-8.19%)	
Intangible assets	20,923	20,923	0.00%	
Other assets	4,835,520	4,467,647	(-7.61%)	
Total assets	10,946,740	10,204,353	(-6.78%)	
Current liabilities	2,563,832	2,651,433	3.42%	
Non-current liabilities	3,546,232	3,207,568	(-9.55%)	
Total liabilities	6,110,064	5,859,001	(-4.11%)	
Share capital	1,274,032	1,274,032	0.00%	
Capital surplus	222,383	222,383	0.00%	
Retained earnings	3,292,752	2,925,046	(-11.17%)	
Other equity	(189,047)	(281,476)	(-48.89%)	
Equity attributable to owners of the parent	4,600,120	4,139,985	(-10.00%)	
Non-controlling interests	236,556	205,367	(-13.18%)	
Total shareholders' equity	4,836,676	4,345,352	(-10.16%)	

II. Analysis of Financial Performance

(I) Comparison and analysis of financial performance

Unit: NTD thousand

Item	Year	2024	2025	Change in Percentage (%)	Description of major changes
Operating revenue		6,296,962	6,832,914	8.51%	(The percentage of change exceeds 20% and the amount of change exceeds NT\$10 million) The decrease in non-operating income and expenses for the current period was mainly due to the effect of exchange rates, resulting in a decrease in foreign exchange gains, as well as decreases in insurance claim income, government grant income, and gains on disposal and valuation of financial assets.
Operating costs		4,308,890	4,601,120	6.78%	
Operating profit margin		1,988,072	2,231,794	12.26%	
Operating expenses		508,706	522,347	2.68%	
Operating profit		1,479,366	1,709,447	15.55%	
Non-operating income and expenses		184,844	93,997	(-49.15%)	
Income before income tax		1,664,210	1,803,444	8.37%	
Income tax expense		329,144	354,895	7.82%	
Net income		1,335,066	1,448,549	8.50%	

- (II) The expected short-term sales volume and the basis thereof, the possible impact on the Company's future financial operations, and responsive plans:
The Company sets its annual sales targets based on its annual budgets, business plans, and past actual business performance.

III. Cash Flow

(I) Liquidity analysis for the past two years:

Item \ Year	2024	2025	Increase (decrease) percentage
Cash flow ratio	80.58%	90.49%	9.91%
Cash flow adequacy ratio	111.19%	110.99%	(-0.20%)
Cash flow reinvestment ratio	5.58%	5.53%	(-0.05%)

Analysis of percentage changes: The cash flow ratio increased compared with the same period of the previous year, mainly due to the increase in net cash flows from operating activities.

(II) Cash liquidity analysis for the coming year:

Unit: NTD thousand

Cash at beginning of period (2026.11.1)	Net cash flow from operating activities throughout the year	Annual cash outflow	Cash surplus (deficit) amount	Remedies for cash deficits	
				Investment plan	Financing plan
125,235	2,067,713	(2,071,944)	121,004	-	-

Analysis of cash flow changes in the coming year:

- (1) Operating activities: This is mainly because the operating performance of the Company's business locations has continued to grow. While developing new customer sources, the Company has also effectively controlled operating costs and expenses to increase operating income. Therefore, operating activities are expected to generate net cash inflows.
- (2) Investing activities: The Company's principal business activities are the operation of international tourist hotels and food and beverage services. To maintain high-quality services and provide guests with first-class facilities, the Company must continuously strengthen the maintenance of buildings and other hardware facilities in order to maintain first-class standards. Meanwhile, in order to develop external business bases, the Company also plans to invest in the fixed assets of various operating equipment, resulting in net cash outflow from investing activities.
- (3) Financing activities: Net cash outflows from financing activities are expected due to the planned distribution of cash dividends for 2025.

IV. Effects of major capital expenditures on finance and operation in the most recent fiscal year

In response to market demand and to enhance customer satisfaction, the Company renovates, refurbishes, and replaces equipment, and is committed to creating a high-quality and high-standard accommodation and dining environment. The Company also actively expands new business locations to achieve the goal of sustainable operations. Due to the Company's meticulous financial planning, stable growth of operating income, and sound cooperation and transactions with banks, capital expenditure has no significant impact on financial operations.

V. Reinvestment policy in the most recent year, the main reasons for its profit or loss, improvement plans, and investment plans for the next year

(I) Reinvestment policies in the most recent year:

The Company's reinvestment policy focuses on hotel brands and professional management, while not ruling out investments in new development projects through BOT or strategic alliances. The basic strategy is to create maximum profit with the lowest capital expenditure. The relevant departments shall follow the "Investment Cycle" and "Procedures for Acquisition or Disposal of Assets" set out in the internal control system. The above procedures have also been approved by the Board of Directors or the shareholders' meeting.

(II) Main reasons for the profit or loss from reinvestment in the most recent year and improvement plans:

Unit: NTD thousand

Item	Remark	Profit (loss) recognized in 2025	Main reason for profit or loss	Improvement plan
Grand Formosa Taroko Hotel Corporation		(31,948)	Affected by the impact following the April 3 earthquake, which affected the overall tourism industry in eastern Taiwan.	Recovery is still ongoing.
Silks Palace At National Palace Museum Corp.		10,007	Operations are in good condition.	-
SILKS INTERNATIONAL INVESTMENT INC.		14,800	Operating is in good condition.	-
FIHC Property Management Corp.		19,220	Operating is in good condition.	-

SILKS GLOBAL HOLDING, LIMITED	73,068	Operating is in good condition.	-
FIHC Management Consulting Corp.	13,020	Operating is in good condition.	

(III) Investment plans for the coming year:

The Company has no major long-term equity investment plan in the coming year, but each subsidiary will propose a capital increase plan to the Company depending on the operational needs, and the Company will proceed with the investment evaluation and related approval procedures.

VI. Analysis and evaluation of risk matters in the most recent year and up to the publication date of this annual report

(I) Impacts of changes in interest rates, exchange rates, and inflation to the Company's profit and loss, and future countermeasures:

1. Interest rate fluctuation risk and countermeasures:

The Bank Loan borrowed by the Company for the needs of business operations are financial instruments with floating interest rates. Therefore, changes in the market interest rate will result in changes in the effective interest rate of the issued debt, resulting in fluctuations in future cash flows. Interest expenses as a percentage of operating revenue for 2023, 2024, and 2025 were 0.76%, 0.85%, and 0.93%, respectively, indicating that interest rate fluctuations did not have a material impact on the Company's profit or loss. In addition, the Company will continue to adjust its use of funds in a timely manner based on market interest rates, and will consider using capital market fundraising instruments to reduce the Company's cost of funds.

2. Exchange rate fluctuation risk and countermeasures:

The Company operates in a multinational company, so it is exposed to the exchange rate risk generated by transactions with the functional currency different from the Company and its subsidiaries, which are mainly USD and JPY. The related exchange rate risk comes from future business transactions and recognized assets and liabilities. Risk management is carried out by the Company's Finance Department in accordance with policies approved by the Board of Directors. The Company's Finance Department works closely with the Company's operating units to identify, evaluate and avoid financial risks.

3. Inflation risk and countermeasures:

The Company has considered the risk of inflation when planning its annual business plan, and continues to monitor changes in market prices to adjust pricing based on market demand and maintain good interaction with suppliers. The procurement policy is mainly based on Regular price comparisons are conducted by bidding for suppliers to reduce procurement costs. In addition, the Company has a number of qualified alternative suppliers to choose from to cope with the impact of inflation on the Company's profit and loss.

- (II) Policies on engaging in high-risk and high-leverage investments, loans to others, endorsements and guarantees, and derivative transactions, main reasons for profit or loss, and countermeasures in the future:

The Company's financial strategy is based on the principles of prudence and conservatism. Therefore, in the most recent year and during the current year up to the date of printing of the annual report, the Company did not engage in any high-risk or highly leveraged investments or derivatives transactions. The Company has also established the "Procedures for Acquisition or Disposal of Assets" for compliance. In addition, the Company's endorsements and guarantees and loaning of funds to others have been handled in accordance with the "Operating Procedures for Endorsements and Guarantees" and "Operating Procedures for Lending of Funds to Others", and relevant information has been announced as required.

- (III) Future R&D plans and R&D expenses expected to be invested: The Company mainly operates international tourist hotels and provides dining, meeting venues, and shopping services. The Company's emphasis is on providing customers with comfortable and high-quality housing services and safe and delicious meals. The Company adheres to the spirit of product innovation and develops new customer sources and new menus. At the same time, it also makes good use of seasonal fresh ingredients and responds to the sustainable environment and the market trend of producing ingredients to improve its catering operation capabilities.

- (IV) Impacts of important domestic and foreign policies and legal changes on the Company's financial operations and countermeasures:

The Company's operating policies are implemented in accordance with the laws and regulations, and it is constantly aware of important policy and legal changes at home and abroad that affect its operations, and consults relevant legal experts when appropriate. As of the publication date of the annual report, the changes in the relevant laws and regulations have no material impact on the Company.

- (V) Impact of technological changes, including cybersecurity risks, and industry changes on the Company's financial position and business operations, and countermeasures:

In response to the booming development of the tourism industry and the increasingly fierce competition, the Company actively strives for diversification and innovation in the marketing business, and also develops sub-brands to expand the scale of operation, and adopts the "Taiwan Based, Global Vision" business

strategy to achieve the sustainable development of the Group the goal. In the most recent year and up to the date of publication of the annual report, the Company has not experienced any material impact on its financial position or business operations resulting from industry changes. For information on cybersecurity risks, please refer to (XIII).

- (VI) Impacts of changes in corporate image on corporate crisis management and countermeasures:

The Company upholds the operating principles of integrity, professionalism, and stability, and places great emphasis on corporate image and risk control. The Company spares no effort to enhance Taiwan's image through park adoption, sponsorship of charity organizations, and cooperation with the Tourism Bureau in organizing domestic and foreign promotional activities to raise the Company's overall image. As of the publication date of the annual report, there has been no significant change of corporate image resulting in corporate crisis management.

- (VII) Expected benefits, possible risks, and countermeasures for mergers and acquisitions: As of the date of publication of the annual report, the Company has no merger or acquisition plans.

- (VIII) Expected benefits and possible risks associated with plant expansion, and countermeasures: Not applicable.

- (IX) Risks arising from concentration of purchases or sales and countermeasures: The Company is principally engaged in guestroom rental and food and beverage services. The supply of its major raw materials, customer amenities, fresh foods, and other items remains stable, and its purchase and sales counterparties are diversified. There is no excessive concentration.

- (X) Impact, risks, and countermeasures associated with any large transfer or change in shareholdings by directors or major shareholders holding more than 10% of the shares: None.

- (XI) Impact, risks, and countermeasures associated with any change in management control: None.

- (XII) Regarding litigious and non-litigious matters, the Company lists any material litigious, non-litigious, or administrative disputes involving the Company, the Company's directors, President, de facto responsible person, major shareholders holding more than 10% of the shares, and subsidiaries, which have been finally resolved or are still pending, and the results of which may have a material impact on shareholders' equity or securities prices. The facts in dispute, amounts in dispute, commencement dates of litigation, principal

parties involved, and handling status as of the report publication date are disclosed as follows: None.

(XIII) Other important risks and countermeasures:

Description of information security risk assessment and analysis:

The Company promotes various information security activities to achieve the goals of the information security policy and protect the Company's intellectual property. In addition to improving various internal information security management mechanisms and regularly promoting information security and employee information security education and training, various courses are conducted to raise employees' information security awareness and ensure that information security concepts can be incorporated into daily operations. In addition, the Company has also established an intrusion detection system to convert unknown threats into known defensive signatures to strengthen information security defenses. For the user side, in addition to the comprehensive inventory of the new version of the anti-virus program and malicious tools, we also set up the personal computer to perform mandatory anti-virus scanning on a regular basis. Employees are also trained on information security related to e-mail transmission and reception to reduce the risk of employees accidentally clicking on malicious e-mails. In recent years, information security insurance is still an emerging type of insurance, involving information security level testing institutions, claims identification institutions, and non-claim conditions. Therefore, the Company is currently evaluating whether to purchase information security insurance to strengthen information security.

The risk management units are as follows:

Responsible department	Risk management	Risk management matters
General Manager's Office	Strategic and operational risk	Responsible for formulating the Company's operational policies and evaluating operational effectiveness. Coordinate cross-departmental interaction and communication on risk management.
Development Department		Responsible for the research and development of new businesses.
Food and Beverage Department		Responsible for the R&D and packaging of food and beverage products.
Finance Department	Financial risk Credit risk	Responsible for the dispatch and utilization of funds, claims of accounts

Responsible department	Risk management	Risk management matters
	Liquidity risk	receivable, compliance and promotion of various laws and regulations, and reliability of financial statements.
Human Resources	Labor safety risks	Responsible for the establishment, execution, and assessment of the Company's personnel policies, education and training, and occupational hazard prevention plans, implementation of labor safety and health management, and compliance with labor safety regulations to reduce accident risks.
Sales & Marketing Department	Market risk	Responsible for analyzing competitive dynamics and consumption trends, formulating marketing strategies, and promoting product portfolios to reduce operational risks.
IT Department	Information security risk	Responsible for the establishment of the Company's website, system maintenance, and control of network information security.

VII. Other important matters: None.

Six. Special Notes

- I. Information related to affiliates: Please refer to the Market Observation Post System > Individual Company > Electronic Document Download > Affiliated Enterprises' Three Reports and Statements Section.

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

- II. Private Placement Securities in the Most Recent Years and up to the date of publication of the annual report: None.
- III. Other matters that require additional description: None.

Seven. For the most recent year and up to the printing date of the annual report, occurrence of events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act: None.

Formosa International Hotels Corporation

Chairman Steven Pan