

Stock Code: 2102



Federal Corporation

2026 General Shareholders' Meeting

Meeting Handbook

Date: May 20, 2026

Venue: Taoyuan Industrial Parks Service Center (2F, No. 2, Ln. 12,
Datan 3rd Rd., Guanyin Dist., Taoyuan City)

Table of Contents

Meeting agenda.....	1
Report Items.....	2
Proposals.....	3
Discussion.....	5
Extempore Motions.....	10

Attachment

I. Business Report.....	12
II. Audit Committees' Review Report.....	15
III. Independent Auditors' Report and Financial Statements.....	16
IV. 2025 Statement of Deficit Compensation.....	38
V. Statement of Capital Surplus Used to Offset Accumulated Deficits.....	39

Appendix

I. Articles of Incorporation.....	41
II. Rules of Procedure for Shareholders Meetings	51
III. List of Directors' Shareholdings.....	63

Federal Corporation

2026 General Shareholders' Meeting Agenda

Form of Shareholders' Meeting: Physical

Time: Wednesday 9:00 a.m., May 20, 2026

Venue: Taoyuan Industrial Parks Service Center (2F, No. 2, Ln. 12, Datan 3rd Rd., Guanyin Dist., Taoyuan City)

- I. The Chairperson calls the meeting to order
- II. Chairperson's message
- III. Reports:
 - (I) Report on the 2025 business condition.
 - (II) Report on the 2025 annual financial statements reviewed by the Audit Committee.
 - (III) Report on loans and endorsements/guarantees provided to others in 2025.
 - (IV) Report on accumulated deficit reaching one half of the paid-in capital.
- IV. Proposals:
 - (I) Financial statements and business report for 2025.
 - (II) 2025 Proposal of deficit compensation.
- V. Discussion:
 - (I) Proposal of using capital surplus to offset a portion of accumulated deficit.
 - (II) Partial amendments to the Articles of Incorporation.
 - (III) Proposal to amend certain provisions of the Regulations for the Election of Directors.
- VI. Extempore Motions:
- VII. Adjournment.

Reports

- I. Report on the 2025 business condition.
Description: Please refer to Attachment 1 on page 12 of this Handbook for the Business Report.
- II. Report on the 2025 annual financial statements reviewed by the Audit Committee.
Description: Please refer to Attachment 2 on page 15 of this Handbook for the Audit Committees' Review Report.
- III. Report on loans and endorsements/guarantees provided to others in 2025.
Description:
 1. As of December 31, 2025, the Company had loaned funds to its subsidiary Taixin Construction Co., Ltd. in the amount of NT\$220 million.
 2. No endorsement and guarantee as of December 31, 2025.
- IV. Report on accumulated deficit reaching one half of the paid-in capital.
Description:
 1. Report to the General Shareholders' Meeting pursuant to Article 211 of the Company Act.
 2. The Company's paid-in capital is NT\$4,733,292,070. As of December 31, 2025, the recognized accumulated deficit were NT\$2,488,592,237, which have reached one half of the paid-in capital.

Proposals

Proposal 1 (proposed by the Board of Directors)

Summary: Financial statements and Business Report for 2025.

Description:

1. The Consolidated and Parent Company Only Financial Statements and the Business Report for 2025 were reviewed and completed by the Audit Committee on March 3, 2026 and approved by resolution of the Board of Directors.
2. The above Consolidated and Parent Company Only Financial Statements have been audited by Peng, Li-Chen and Lin, Chi-Ping, CPAs at Baker Tilly Clock & Co., by whom an unqualified opinion has been issued.
3. Please refer to Attachment 3 from pages 16 to 37 and Attachment 1 from pages 12 to 14 of this Handbook for the Consolidated and Parent Company Only Independent Auditors' Report, the Consolidated and Parent Company Only Financial Statements, and Business Report.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Summary: Proposal of deficit compensation for 2025.

Description: The Company's net profit after tax for 2025 was NT\$2,884,631,379. After adding the beginning accumulated deficit of NT\$5,373,223,616, the Unappropriated accumulated deficit was NT\$2,488,592,237. Please refer to the Statement of Deficit Compensation in Attachment 4 on page 38 of this Handbook.

Resolution:

Discussion

Proposal 1 (proposed by the Board of Directors)

Summary: Proposal of using capital surplus to offset a portion of accumulated deficit.

Description:

1. Regarding the 2025 proposal of deficit compensation: after offsetting deficit with legal reserve NT\$736,014,390, there remains a deficit of NT\$1,752,577,847, which is proposed to be offset with capital surplus NT\$164,213,626, resulting in an accumulated deficit at the end of the period of NT\$1,588,364,221.
2. The statement of capital surplus used to offset accumulated deficits has been prepared as shown in Attachment 5; please refer to page 39 of this Handbook.

Resolution:

Proposal 2 (proposed by the Board of Directors)

Summary: Partial amendments to the Articles of Incorporation.

Description:

1. Amended in accordance with the provisions of Article 4 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".
2. The comparison table of the provisions before and after amendment is as follows:

Comparison Table of the "Articles of Incorporation" Before and After Amendment

	Before Amendment	After Amendment	Explanation
Article 13	<p>The Company sets seven to 11 directors, who are elected by the shareholders' meeting among those with legal capacity. The director's term of office is three years, and directors may be re-elected consecutively. The total registered shares held by all the directors must not be less than a certain percentage of the total paid-in shares of the Company, and such percentage shall be in accordance with the regulations of the competent authority.</p> <p>Among the said number of the directors, the independent directors must not fewer than three, not less than one-fifth of the directors' seats. The election of directors shall adopt the candidate nomination system set forth in Article 192-1 of the Company Act, and the shareholders shall elect from the list of the director and independent director candidates. The approach of receiving nomination and announcement, among other matters, shall comply with the related provisions of the Company Act and Securities and Exchange Act.</p> <p>The Company established the "Audit Committee" pursuant to Article 14-4 of the Securities and Exchange Act, consisting of all independent directors.</p> <p>The number, term of office, power, and rules of meeting procedures of the Audit Committee shall be determined by the Audit Committee Charter that is established pursuant to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.</p>	<p>The Company sets seven to 11 directors, who are elected by the shareholders' meeting among those with legal capacity. The director's term of office is three years, and directors may be re-elected consecutively. The total registered shares held by all the directors must not be less than a certain percentage of the total paid-in shares of the Company, and such percentage shall be in accordance with the regulations of the competent authority.</p> <p>Among the said number of the directors, the independent directors must not fewer than three, not less than one-third of the directors' seats. The election of directors shall adopt the candidate nomination system set forth in Article 192-1 of the Company Act, and the shareholders shall elect from the list of the director and independent director candidates. The approach of receiving nomination and announcement, among other matters, shall comply with the related provisions of the Company Act and Securities and Exchange Act.</p> <p>The Company established the "Audit Committee" pursuant to Article 14-4 of the Securities and Exchange Act, consisting of all independent directors.</p> <p>The number, term of office, power, and rules of meeting procedures of the Audit Committee shall be determined by the Audit Committee Charter that is established pursuant to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.</p>	Amended in accordance with the provisions of Article 4 of the Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers
Article 22	<p>If the Company makes a profit in the year (referring to the income before tax before the remuneration to employees and directors is subtracted), it shall allocate 0.1% to 1% of the balance as employee remuneration and no more than 3% as directors' remuneration. However, profits must first be reserved to offset against the accumulated deficit (including adjusted unappropriated earnings), if applicable.</p>	<p>If the Company makes a profit in the year (referring to the income before tax before the remuneration to employees and directors is subtracted), it shall allocate 0.1% to 1% of the balance as employee remuneration and no more than 3% as directors' remuneration. However, profits must first be reserved to offset against the accumulated deficit (including adjusted unappropriated earnings), if applicable. In the</p>	Revised wording and sequence

	Before Amendment	After Amendment	Explanation
	<p>In the amount of employee remuneration_ <u>referred to in the preceding paragraph</u>, no less than 20% of the amount shall be distributed as remuneration to entry-level employees.</p> <p>Said employee compensation can be paid in stock or cash, and the recipients of the payment include employees of subsidiaries who met the criteria set by the board of directors. The director remuneration in the preceding paragraph can only be paid in cash.</p> <p>Employee compensation and director remuneration shall be decided by the board of directors and reported to the shareholders' meeting.</p>	<p>amount of employee remuneration, no less than 20% of the amount shall be distributed as remuneration to non-managerial employees. Said employee compensation can be paid in stock or cash, and the recipients of the payment include employees of subsidiaries who met the criteria set by the board of directors. The director remuneration in the preceding paragraph can only be paid in cash.</p> <p>Employee compensation and director remuneration shall be decided by the board of directors and reported to the shareholders' meeting.</p>	
Article 25	The Articles of Incorporation were formulated on September 19, 1955; <u>the 50th amendment was made on May 19, 2025.</u>	The Articles of Incorporation were formulated on September 19, 1955; <u>and the 51st amendment was made on May 20, 2026.</u>	Updated amendment date

Resolution:

Proposal 3 (proposed by the Board of Directors)

Summary: Partial amendments to the Regulations for the Election of Directors.

Description:

1. Revised in accordance with corporate practices, with reference to the Sample Template for Procedures for Election of Directors issued by the TWSE on June 3, 2020.
2. The comparison table of the provisions before and after amendment is as follows:

Comparison Table of the "Regulations for the Election of Directors" Before and After Amendment

	Before Amendment	After Amendment	Explanation
Article 3	<u>When</u> the election begins, the chair shall appoint vote monitoring and relevant personnel.	<u>Before</u> the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.	Minor wording amendments
Article 4	The number of directors of the Company shall be as prescribed in the Articles of Incorporation, and candidates who receive the highest number of voting rights represented by the votes cast shall be elected <u>respectively as a director. If a shareholder is concurrently elected as a director, such shareholder shall decide at their own discretion to serve as a director, and the vacancy shall be filled by the candidate with the next highest number of votes. In the election referred to in the preceding paragraph</u> , if two or more persons receive the same number of voting rights and such number exceeds the specified quota, the winner shall be determined by drawing lots among those who received the same number of voting rights; the Chairman shall draw lots on behalf of any person who is not present.	<u>The election of the directors of the Company shall be conducted in accordance with the candidate nomination system procedures as provided in Article 192-1 of the Company Act.</u> The number of directors of the Company shall be as prescribed in the Articles of Incorporation, and <u>the voting rights for independent directors and non-independent directors shall be calculated separately.</u> Candidates who receive the highest number of voting rights represented by the votes cast shall be elected <u>sequentially.</u> If two or more persons receive the same number of voting rights represented by the votes cast and the prescribed number of seats is exceeded, the result shall be determined by drawing lots among those who received the same number of voting rights; the Chairman shall draw lots on behalf of those who are not present.	Added provisions for the adoption of candidate nomination system for the election of directors in accordance with the Taiwan Stock Exchange Letter No. Tai-Cheng-Chih-Li-Tzu No. 10900094681 dated June 3, 2020.
Article 5	<u>The ballots shall be prepared and issued by the Company, and the number of voting rights shall be specified therein.</u>	<u>The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</u>	Minor wording amendments
Article 7	A ballot shall be invalid under any of the following circumstances: <ol style="list-style-type: none"> 1. <u>Failure to use the ballots provided for in Article 5.</u> 2. <u>The number of candidates entered exceeds the prescribed quota.</u> 3. <u>Other words or marks are entered in addition to the candidate's account</u> 	A ballot is invalid under any of the following circumstances: <ol style="list-style-type: none"> 1. <u>The ballot used was not prepared by a person with the right to convene.</u> 2. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u> 3. <u>Other words or marks are entered in</u> 	Amended to reflect actual operations

	Before Amendment	After Amendment	Explanation
	<p><u>name or shareholder account number or identity card number.</u></p> <p>4. The writing is unclear and indecipherable.</p> <p>5. <u>The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u></p>	<p>addition to <u>the candidate's account name.</u></p> <p>4. The writing is unclear and indecipherable <u>or has been altered.</u></p> <p>5. <u>Two or more candidates are entered on the same ballot.</u></p> <p>6. <u>A blank ballot is placed in the ballot box.</u></p>	
Article 10		Any matters not provided for in these Procedures shall be handled in accordance with the Company Act, Articles of Incorporation, and relevant laws and regulations.	Renumbered and added new Article
Article 11	These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting. The 1st amendment was made on June 15, 2017	These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders' meeting. The 1st amendment was made on June 15, 2017 <u>The 2nd amendment was made on May 20, 2026.</u>	Renumbered and added amendment date

Resolution:

Extempore Motions

Adjournment.

Attachment

Attachment 1

Federal Corporation Business Report

The international political and economic situation in 2025 was in a state of extremely high volatility, primarily due to the policy shifts brought about by Donald Trump's return to the White House, slow global economic growth, and AI-driven industrial restructuring. With Trump's return to power and the resurgence of unilateralism, U.S. financial and economic policies shifted toward significantly increasing tariffs, aiming to bring key supply chains and manufacturing back for domestic production. The Taiwan-U.S. tariff negotiations reached a final agreement, reducing the "reciprocal tariffs" originally targeting Taiwan from an initial assessment of 32% to a final 15%, with no additional tariffs to be superimposed. Taiwan is now on an equal footing with Japan and South Korea in competing for similar products, which will significantly enhance its export competitiveness to the U.S.

In 2026, the supply for our Company's overseas tire OEM business will gradually stabilize. Although customer order demand cannot be immediately met in the short term, it is estimated that revenue should gradually increase as the production capacity of the OEM factories is progressively released. In addition, land, buildings, and related machinery and equipment of the Guanyin Plant were also sold in December 2025. Following the injection of a large amount of capital to repay long-term borrowings, in addition to reducing the financial burden, it will no longer be necessary to recognize significant impairment losses on idle plants and machinery and equipment or to pay for maintenance and administrative expenses. It is expected that in 2026, in addition to the optimization of the financial structure, operating losses can also be significantly reduced.

1. 2025 Business Results

(I) Business overview:

The Company's consolidated net operating revenue for 2025 was NT\$265,852 thousand, representing a decrease of 0.57% compared to NT\$267,380 thousand for the same period last year; net profit after tax for the current period was NT\$2,884,632 thousand.

(II) Overview of production and sales:

	2025	2024	Increase (decrease)	Unit: Unit %
Sales volume	135,310	153,722	(18,412)	(11.98)

(III) Financial information and profitability

Unit: NTD thousand

Item / Year	2025	2024	Increase (decrease)
Net operating revenue	265,852	267,380	(1,528)
Operation gross profit, net	54,245	17,449	36,796
Operating income (loss)	(225,980)	(226,182)	202
Net income (loss) after tax	2,884,632	(465,154)	3,349,786

Item	2025	2024
Return on assets (%)	23.02	(2.86)
Return on shareholders' equity (%)	35.19	(6.67)
Percentage of income before tax to paid-in capital (%)	61.77	(9.36)
Net profit margin (%)	1,085.05	(173.96)
Earnings per share (NTD)	6.28	(1.01)

2. 2026 Business Plan

In 2026, the protectionism driven by the Trump administration, the impact of domestic electricity prices and carbon fees on corporate operating costs, and the internal competition within the Chinese economy will mean that the overall economic outlook remains subject to uncertainty.

As overseas OEM production capacity is adjusted and gradually becomes stable and operational, the Company's tire shipments will gradually return to normal in the future, thereby increasing revenue. In addition to actively transferring overseas and domestic OEM production lines, the Company also continues to seek other OEM factories to stabilize its supply of goods, while at the same time strictly controlling costs and reducing expenses to reduce fixed costs. After the cessation of production, we are also thinking about restructuring our business and reviewing the positioning of the supply chain and the domestic and overseas sales layout:

- (I) Overseas OEM, regional expansion: Contract the production of tires from overseas regions to avoid high anti-dumping tariffs to maintain normal operation activities. Currently, we have commissioned overseas factories in Vietnam, Thailand, and Malaysia, and we are also actively seeking OEM factories in China and other regions to increase the stability and diversity of our sources of supply.
- (II) Business transformation and revenue increase: In addition to the

manufacturing and sale of tires, the business is intended to move toward a diversified model.

- (III) Organizational streamlining and cost reduction: Streamlining personnel and optimizing the organization to reduce operating costs and expenses, minimizing various expenditures, and decreasing cash outflows.
- (IV) Asset activation and revenue generation: Accelerating the utilization of existing idle land (land in urban land readjustment areas and Industrial and commercial mixed-use zones) to increase operating capital and revenue, thereby improving the financial structure.

Although there will be a short-term impact on the Company's operations and profit and loss, the Company will continue its efforts. Considering the Company's future business and financial planning, as well as its long-term sustainable development, we sincerely hope that our valued shareholders will continue to give their strong support to the Company.

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer:
Li, Hsin-Yu

Attachment 2

Audit Committees' Review Report

The Audit Committee has completed the review of the Company's 2025 Business Report, financial statements, and a statement of deficit compensation prepared by the Board of Directors, discovered no inconsistency, and has, thus, prepared this report in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of Company Act. Please proceed to review it.

It is hereby presented to

The 2026 General Shareholders' Meeting of Federal Corporation

Convener of Audit Committee:
Wang, Chi-Lung

March 3, 2026

Attachment 3

Auditor's Report

NO.23931140CA

To Federal Corporation,

Opinion

We have audited the accompanying consolidated balance sheets of Federal Corporation and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies (collectively referred to as the "Consolidated Financial Statements").

In our opinion, the accompanying Consolidated Financial Statements presents fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and their consolidated financial performance and consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Basis of the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards are further described in the paragraph "Auditor's responsibilities for the audit of the consolidated financial statements". We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters refer to the most vital matters in our audit of the Group's Consolidated Financial Statements of the for the year ended December 31, 2025, based on our professional judgment. These matters were addressed in our audit of the consolidated financial report as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the 2025 Consolidated Financial Statements of the Group are as follows:

Fair value assessment of investment properties

Please refer to Note 4(9) to the Consolidated Financial Statements for the accounting policy on investment properties; Note 5 to the Consolidated Financial Statements for the uncertainty of accounting estimates and assumptions of valuation of investment properties; and Note 6(9) to the Consolidated Financial Statements for the description of the accounting of investment properties.

The investment properties of the Group are measured at fair value. In order to support the management to make reasonable estimates, the Company uses the appraisal reports of independent appraisal agencies. Since the selection of appraisal methods and parameters involves many significant judgments and estimates, the fair value of investment property is listed as one of the key audit matters.

The audit procedures we mainly conducted:

1. Assess the professional competence, suitability and objectivity of the real estate appraiser engaged by the management to measure fair value.
2. Review the fair value reports to understand whether the valuation methods and assumptions are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Regulations on Real Estate Appraisal, etc., and assess the relevance and reliability of the sources of information and significant inputs used in the valuation reports, as well as the reasonableness of the valuation results.

Other Matters

Federal Corporation has also prepared the parent company-only financial statements for the year ended December 31, 2025 and 2024, for which we have issued unqualified opinions audit report for reference.

Responsibilities of the management and the governing bodies for the Consolidated Financial Statements

The responsibilities of the management are to prepare the Consolidated Financial Statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and regulations of IFRSs endorsed and issued into effect by the FSC and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements is free from material misstatement arising from fraud or error.

In preparing the Consolidated Financial Statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease the operations without other viable alternatives.

The Group's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance on whether the Consolidated Financial Statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial report, they are considered material.

We have utilized our professional judgment and professional doubt when performing the audit work in accordance with the auditing standards. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the Consolidated Financial Statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion

- on the effectiveness of the Group's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
 4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the Consolidated Financial Statements to pay attention to relevant disclosures in said report within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 5. Evaluated the overall presentation, structure, and content of the Consolidated Financial Statements (including relevant notes), and whether the Consolidated Financial Statements adequately present the relevant transactions and events.
 6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities within the Group in order to express an opinion on the Consolidated Financial Statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Group.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the IESBA Code regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Group's Consolidated Financial Statements for the year ended December 31, 2025. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure

would be greater than the public interest it brings forth.

Baker Tilly Clock & CO

Certified Public Accountant: _____

Peng, Li-Chen

Certified Public Accountant: _____

Lin, Chi-Ping

Approval No.: Jin-Guan-Zheng-Shen No. 1050025873

Jin-Guan-Zheng-Shen No. 1100377905

March 3, 2026

Federal Corporation and its Subsidiaries

Consolidated Balance Sheet

December 31, 2025 and 2024

Unit: NTD thousand

Assets		Note	December 31, 2025		December 31, 2024	
Code	Account		Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6(1)	\$ 2,896,330	24	\$ 784,299	6
1136	Current financial assets at amortized cost	4, 6(2), and 8	23,389	-	47,642	-
1150	Notes receivable	4 and 6 (3, 19)	11,470	-	11,279	-
1170	Accounts receivable	4 and 6 (3, 19)	72,419	1	54,798	1
1200	Other receivables	4	22,426	-	7,739	-
1220	Income tax assets for the current period	4 and 6(24)	4,804	-	8,949	-
130x	Inventories	4 and 6(4)	12,221	-	31,692	-
1410	Prepayments		27,246	-	46,680	-
1460	Non-current assets classified as held for sale		25,659	-	-	-
1470	Guarantee deposits paid		347,500	3	-	-
11xx	Total current assets		3,443,464	28	993,078	7
	Non-current assets					
1600	Property, plant and equipment	4, 6(5), 7, and 8	3,360	-	3,926,565	29
1755	Right-of-use assets	4 and 6(6)	23,967	-	24,847	-
1760	Investment property	4, 6(8), and 8	6,169,112	50	6,034,564	45
1780	Intangible assets	4 and 6(9)	1,549	-	3,641	-
1840	Deferred tax assets	4 and 6(24)	103,990	1	68,853	1
1920	Guarantee deposits paid	8	30,693	-	34,140	-
1900	Other non-current assets	6(10)	2,509,073	21	2,333,822	18
15xx	Total non-current assets		8,841,744	72	12,426,432	93
1xxx	Total assets		\$ 12,285,208	100	\$ 13,419,510	100

(Continued on next page)

Federal Corporation and its Subsidiaries

Consolidated Balance Sheet (Continued)

December 31, 2025 and 2024

Unit: NTD thousand

Liabilities and equity		Note	December 31, 2025		December 31, 2024	
Code	Account		Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6(11)	\$ -	-	\$ 681,000	5
2130	Contract liabilities - current	4 and 6(19)	18,548	-	24,886	-
2170	Accounts payable	6(12), 7	31,031	-	32,413	-
2200	Other payables	6(13)	133,793	1	22,465	-
2250	Liability provisions – current	4 and 6(14)	28,703	-	28,947	1
2280	Lease liabilities – current	4 and 6(6)	58,523	1	3,138	-
2320	Long-term borrowings – current portion	6(15)	-	-	117,100	1
2300	Other current liabilities		49,075	-	22,525	-
21xx	Total current liabilities		319,673	2	932,474	7
	Non-current liabilities					
2540	Long-term borrowings	6(15)	-	-	3,709,903	28
2570	Deferred tax liabilities	4 and 6(24)	1,030,467	9	968,797	7
2580	Lease liabilities – non-current	4 and 6(6)	348	-	2,176	-
2645	Guarantee deposits received		13,049	-	3,250	-
2670	Other non-current liabilities	6(10)	1,274,107	10	1,060,099	8
25xx	Total non-current liabilities		2,317,971	19	5,744,225	43
2xxx	Total liability		2,637,644	21	6,676,699	50
	Total equity	6(17)				
3110	Ordinary shares		4,733,292	39	4,733,292	35
3200	Capital surplus		164,214	1	164,214	1
	Retained earnings					
3310	Legal reserve		736,014	6	736,014	5
3320	Special reserve		1,912,816	16	1,912,816	14
3350	Unappropriated accumulated deficit		(2,488,592)	(21)	(5,373,224)	(39)
3400	Other equity		4,772,855	39	4,752,734	35
3500	Treasury shares		(183,035)	(1)	(183,035)	(1)
31xx	Total equity attributable to owners of parent		9,647,564	79	6,742,811	50
3xxx	Total equity		9,647,564	79	6,742,811	50
	Total liabilities and equity		\$ 12,285,208	100	\$ 13,419,510	100

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Federal Corporation and its Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Code	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6(19)	\$ 265,852	100	\$ 267,388	100
5000	Operating costs	6(4, 25) and 7	(211,607)	(80)	(249,931)	(93)
5900	Gross profit from operations		54,245	20	17,449	7
6000	Operating expenses	6(25)				
6100	Marketing expense		(48,818)	(18)	(69,896)	(26)
6200	Management expense		(218,640)	(82)	(153,012)	(57)
6300	R&D expense		(8,060)	(3)	(24,123)	(9)
6450	Expected credit (loss) gain	6(3)	(4,707)	(2)	3,400	1
	Total operating expenses		(280,225)	(105)	(243,631)	(91)
6900	Net operating loss		(225,980)	(85)	(226,182)	(84)
7000	Non-operating income and expenses					
7100	Interest income	6(20)	14,531	6	26,264	10
7010	Other income	6(14 and 21)	8,346	3	59,107	22
7020	Other gains and losses	6(5, 8, 22, and 35) and 7	3,223,439	1,212	(207,966)	(78)
7050	Finance costs	6(23)	(93,235)	(35)	(94,455)	(36)
7055	Expected credit loss		(2,910)	(1)	-	-
	Total non-operating income and expenses		3,150,171	1,185	(217,050)	(82)
7900	Net profit (loss) before tax		2,924,191	1,100	(443,232)	(166)
7950	Income tax expense	4 and 6(24)	(39,559)	(15)	(21,922)	(8)
8200	Net profit (loss) for the period		2,884,632	1,085	(465,154)	(174)
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8312	Revaluation surplus of property	4, 6(8) and 17)	49,145	18	-	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	4, 6(17 and 24)	(27,911)	(10)	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements	4 and 6(17)	(1,113)	-	18,349	7
	Other comprehensive income (loss) (net amount after tax)		20,121	8	18,349	7
8500	Total comprehensive income (loss)		\$ 2,904,753	1,093	\$ (446,805)	(167)
8600	Net profit (loss) attributable to:					
8610	Owners of parent company		\$ 2,884,632	1,085	\$ (465,154)	(174)
8700	Comprehensive income attributable to:					
8710	Owners of parent company		\$ 2,904,753	1,093	\$ (446,805)	(167)
	Earnings (loss) per share (NT\$)					
9750	Basic earnings (loss) per share	6(18)	\$ 6.28		\$ (1.01)	

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Federal Corporation and its Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Item	Equity attributable to owners of the parent company								Total equity
	Ordinary shares	Capital surplus	Retained earnings			Other equity items		Treasury shares	
			Legal reserve	Special reserve	Unappropriated accumulated deficit	Exchange differences on translation of foreign financial statements	Revaluation surplus of property		
Balance as of January 1, 2024	\$ 4,733,292	\$ 164,221	\$ 736,014	\$ 1,912,816	\$ (4,908,070)	\$ (188,814)	\$ 4,923,199	\$ (183,035)	\$ 7,189,623
Return of shareholder donation	-	(7)	-	-	-	-	-	-	(7)
Net loss for the period	-	-	-	-	(465,154)	-	-	-	(465,154)
Other comprehensive income (loss) for the period	-	-	-	-	-	18,349	-	-	18,349
Total comprehensive income (loss)	-	-	-	-	(465,154)	18,349	-	-	(446,805)
Balance as of December 31, 2024	\$ 4,733,292	\$ 164,214	\$ 736,014	\$ 1,912,816	\$ (5,373,224)	\$ (170,465)	\$ 4,923,199	\$ (183,035)	\$ 6,742,811
Balance as of January 1, 2025	\$ 4,733,292	\$ 164,214	\$ 736,014	\$ 1,912,816	\$ (5,373,224)	\$ (170,465)	\$ 4,923,199	\$ (183,035)	\$ 6,742,811
Net profit for the period	-	-	-	-	2,884,632	-	-	-	2,884,632
Other comprehensive income (loss) for the period	-	-	-	-	-	(1,113)	21,234	-	20,121
Total comprehensive income (loss)	-	-	-	-	2,884,632	(1,113)	21,234	-	2,904,753
Balance as of December 31, 2025	\$ 4,733,292	\$ 164,214	\$ 736,014	\$ 1,912,816	\$ (2,488,592)	\$ (171,578)	\$ 4,944,433	\$ (183,035)	\$ 9,647,564

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Federal Corporation and its Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Item	2025	2024
Cash flow from operating activities:		
Net profit (loss) before tax for the period	\$ 2,924,191	\$ (443,232)
Adjustments:		
Reconcile profit item		
Depreciation expense	86,125	218,255
Amortization expense	2,092	2,916
Expected credit loss (gain)	7,617	(3,400)
Interest expense	93,235	94,455
Interest income	(14,531)	(26,264)
Gains on disposals of property, plant and equipment	(14,911)	(26,536)
Gain on disposal of non-current assets classified as held for sale	(94,427)	-
Impairment loss on non-financial assets	876,938	183,262
Loss (gain) on change in fair value of investment property	78,624	(75,982)
Loss (gain) on lease modifications	(7)	11
Gain on rights transferred in a sale and leaseback	(4,202,401)	-
Changes in operating assets and liabilities		
Notes receivable	(191)	(5,928)
Accounts receivable	(21,870)	(8,062)
Other receivables	(12,197)	3,200
Inventories	19,471	42,827
Prepayments	19,434	(12,700)
Contract liabilities	(6,338)	2,707
Accounts payable	(1,382)	4,981
Other payables	114,416	(28,574)
Liability provisions	(244)	(63,229)
Other current liabilities	4,908	618

(Continued on next page)

Federal Corporation and its Subsidiaries

Consolidated Statement of Cash Flows (Continued)

For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Item	2025	2024
Cash outflow generated from operations	\$ (141,448)	\$ (140,675)
Interest received	15,817	26,595
Interest paid	(96,308)	(94,005)
Income taxes paid	(34,835)	(2,092)
Net cash flows used in operating activities	(256,774)	(210,177)
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(26,250)	(29,016)
Proceeds from disposal of financial assets at amortized cost	50,266	412,839
Proceeds from disposal of non-current assets classified as held for sale	7,161,818	-
Acquisition of property, plant and equipment	(9,755)	(23,767)
Proceeds from disposal of property, plant and equipment	15,553	105,392
Increase in guarantee deposits paid	(352,425)	(24,214)
Decrease in guarantee deposits paid	8,372	31,601
Acquisition of investment properties	(11,882)	-
Increase in other non-current assets	(175,251)	(299,839)
Increase in other non-current liabilities	214,008	-
Net cash flows from investing activities	6,874,454	172,996
Cash flows from financing activities:		
Short-term borrowings (decrease) increase	(681,000)	281,000
Repayments of long-term debt	(3,827,003)	(117,100)
Increase in guarantee deposits received	11,387	761
Decrease in guarantee deposits received	(2,028)	-
Payments of lease liabilities	(8,071)	(3,398)
Return of shareholder donation	-	(7)
Net cash flows (used in) from financing activities	(4,506,715)	161,256
Effect of exchange rate changes on cash and cash equivalents	1,066	5,652
Increase in cash and cash equivalents for the period	2,112,031	129,727
Cash and cash equivalents at beginning of period	784,299	654,572
Cash and cash equivalents at end of period	\$ 2,896,330	\$ 784,299

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Auditor's Report

NO.23931140A

To Federal Corporation,

Opinion

We have audited the accompanying parent company-only balance sheets of Federal Corporation (the "Company") as of December 31, 2025 and 2024 and the related parent company-only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the Notes to the Parent Company-Only Financial Statements, including a summary of significant accounting policies (collectively referred to as the "Parent Company-Only Financial Statements").

In our opinion, the accompanying Parent Company-Only Financial Statements presents fairly, in all material respects, the parent company-only financial position of the Company as of December 31, 2025 and 2024, and its parent company-only financial performance and parent company-only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of the audit opinion

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards are further described in the paragraph "Auditor's responsibilities for the audit of the Parent Company-Only Financial Statements". We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We are convinced that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company-Only Financial Statements of the Company for the year ended December 31, 2025. These matters were addressed in our audit of the Parent Company-Only Financial Statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters for the Company's Parent Company-Only Financial Statements for the year ended December 31, 2025 are stated as follows:

Evaluation of fair value of investment properties accounted for under the equity method

For the accounting policies of investments accounted for using equity method, please refer to Note 4(7) to the Parent Company-Only Financial Statements. For the accounting policies of investment property, please refer to Note 4(9) to the Parent Company-Only Financial Statements.

Taixin Construction Co., Ltd., an investment subsidiary that adopts the equity method, has its investment properties valued at fair value. In order to support the management to make reasonable estimates, the Company uses the appraisal reports of independent appraisal agencies. Since the selection of appraisal methods and parameters involves many significant judgments and estimates, the fair value of investment property is listed as one of the key audit matters.

The audit procedures we mainly conducted:

1. Assess the professional competence, suitability and objectivity of the real estate appraiser engaged by the management to measure fair value.
2. Review the fair value reports to understand whether the valuation methods and assumptions are in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Regulations on Real Estate Appraisal, etc., and assess the relevance and reliability of the sources of information and significant inputs used in the valuation reports, as well as the reasonableness of the valuation results.

Responsibilities of the management and the governing bodies for the Parent Company-Only Financial Statements

The responsibilities of the management are to prepare the Parent Company-Only Financial Statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain necessary internal control associated with the preparation in order to ensure that the Parent Company-Only Financial Statements is free from material misstatement arising from fraud or error.

In preparing the Parent Company-Only Financial Statements, the management is responsible for assessing the ability of the Company in continuing as a going concern,

disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The Company's governing bodies (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the Parent Company-Only Financial Statements

Our objectives are to obtain reasonable assurance on whether the Parent Company-Only Financial Statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Our objectives are to obtain reasonable assurance on whether the Parent Company-Only Financial Statements as a whole are free from material misstatement arising from fraud or error and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the Parent Company-Only Financial Statements, they are considered material.

We have utilized our professional judgment and professional doubt when performing the audit work in accordance with the auditing standards. We also performed the following tasks:

1. Identified and assessed the risks of material misstatement arising from fraud or error within the Parent Company-Only Financial Statements; designed and executed countermeasures in response to said risks, and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understood the internal control related to the audit in order to design appropriate audit

procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the Parent Company-Only Financial Statements to pay attention to relevant disclosures in said report within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the Parent Company-Only Financial Statements (including relevant notes), and whether the parent company-only financial report adequately present the relevant transactions and events.
6. Obtained sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the Parent Company-Only Financial Statements. We were responsible for guiding, supervising, and performing the audit and forming an audit opinion about the Company.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing bodies with a declaration that we have complied with the IESBA Code regarding independence and communicated with them all relations and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing bodies, we determined the key audit matters for the audit of the Company's Parent Company-Only Financial Statements for the year ended December 31, 2025. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters,

or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Baker Tilly Clock & CO

Certified Public Accountant: _____

Peng, Li-Chen

Certified Public Accountant: _____

Lin, Chi-Ping

Approval No.: Jin-Guan-Zheng-Shen No. 1050025873

Jin-Guan-Zheng-Shen No. 1100377905

March 3, 2026

Federal Corporation
Parent Company-Only Balance Sheet
December 31, 2025 and 2024

Unit: NTD thousand

Assets		Note	December 31, 2025		December 31, 2024	
Code	Account		Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6(1)	\$ 2,502,028	22	\$ 371,998	3
1136	Current financial assets at amortized cost	4, 6(2), and 8	-	-	24,016	-
1150	Notes receivable	4 and 6(3)	11,470	-	11,279	-
1170	Accounts receivable	4 and 6(3)	56,811	1	52,227	-
1200	Other receivables	4 and 7	237,703	2	288,815	3
1220	Income tax assets for the current period	4 and 6(24)	4,802	-	3,463	-
130x	Inventories	4 and 6(4)	12,221	-	31,692	-
1410	Prepayments		14,150	-	36,187	-
1460	Non-current assets classified as held for sale		25,659	-	-	-
1470	Guarantee deposits paid		347,500	3	-	-
11xx	Total current assets		3,212,344	28	819,677	6
	Non-current assets					
1550	Investments accounted for using equity method	4 and 6(5)	6,091,234	52	6,131,280	48
1600	Property, plant and equipment	4, 6(6), 7, and 8	3,360	-	3,796,308	30
1755	Right-of-use assets	4 and 6(7)	23,967	-	5,247	-
1780	Intangible assets	4 and 6(9)	1,549	-	3,641	-
1840	Deferred tax assets	4 and 6(24)	103,990	1	68,853	-
1920	Guarantee deposits paid	8	30,693	-	34,140	-
1900	Other non-current assets	6(10)	2,181,991	19	2,006,740	16
15xx	Total non-current assets		8,436,784	72	12,046,209	94
1xxx	Total assets		\$ 11,649,128	100	\$ 12,865,886	100

(Continued on next page)

Federal Corporation
Parent Company-Only Balance Sheet (Continued)
December 31, 2025 and 2024

Unit: NTD thousand

Liabilities and equity		Note	December 31, 2025		December 31, 2024	
Code	Account		Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	6(11)	\$ -	-	\$ 681,000	6
2130	Contract liabilities - current	4 and 6(19)	18,333	-	24,672	-
2170	Accounts payable	6(12), 7	27,908	-	30,781	-
2200	Other payables	6(13) and 7	132,864	1	20,339	-
2250	Liability provisions – current	4 and 6(14)	28,703	-	28,848	-
2280	Lease liabilities – current	4 and 6(7)	58,523	1	3,138	-
2320	Long-term borrowings – current portion	6(15)	-	-	117,100	1
2300	Other current liabilities	7	31,235	-	5,286	-
21xx	Total current liabilities		297,566	2	911,164	7
	Non-current liabilities					
2540	Long-term borrowings	6(15)	-	-	3,709,903	29
2570	Deferred tax liabilities	4 and 6(24)	428,412	4	436,575	4
2580	Lease liabilities – non-current	4 and 6(7)	348	-	2,176	-
2645	Guarantee deposits received		1,131	-	3,158	-
2670	Other non-current liabilities	6(10)	1,274,107	11	1,060,099	8
25xx	Total non-current liabilities		1,703,998	15	5,211,911	41
2xxx	Total liability		2,001,564	17	6,123,075	48
	Total equity	6(17)				
3110	Ordinary shares		4,733,292	41	4,733,292	36
3200	Capital surplus		164,214	1	164,214	1
	Retained earnings					
3310	Legal reserve		736,014	6	736,014	6
3320	Special reserve		1,912,816	16	1,912,816	15
3350	Unappropriated accumulated deficit		(2,488,592)	(21)	(5,373,224)	(42)
3400	Other equity		4,772,855	41	4,752,734	37
3500	Treasury shares		(183,035)	(1)	(183,035)	(1)
3xxx	Total equity		9,647,564	83	6,742,811	52
	Total liabilities and equity		\$ 11,649,128	100	\$ 12,865,886	100

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Federal Corporation
Parent Company-Only Statement of Comprehensive Income
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Code	Item	Note	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(19), and 7	\$ 240,205	100	\$ 253,36	100
5000	Operating costs	6(4, 25) and 7	(202,613)	(84)	(238,954)	(94)
5900	Gross profit from operations		37,592	16	14,414	6
6000	Operating expenses	6(25) and 7				
6100	Marketing expense		(47,764)	(20)	(66,955)	(26)
6200	Management expense		(185,238)	(77)	(109,217)	(43)
6300	R&D expense		(8,060)	(3)	(24,123)	(10)
6450	Expected credit (loss) gain	6(3)	(3,239)	(2)	2,275	1
	Total operating expenses		(244,301)	(102)	(198,020)	(78)
6900	Net operating loss		(206,709)	(86)	(183,606)	(72)
7000	Non-operating income and expenses					
7100	Interest income	6(20) and 7	17,796	7	31,367	12
7010	Other income	6(21) and 7	8,346	4	59,070	23
7020	Other gains and losses	6(6, 22, 25), and 7	3,296,698	1,372	(277,219)	(109)
7050	Finance costs	6(23) and 7	(93,235)	(39)	(94,422)	(37)
7070	Share of profit or loss of subsidiaries recognized using the equity method	4	(142,878)	(59)	20,875	8
	Total non-operating income and expenses		3,086,727	1,285	(260,329)	(103)
7900	Net profit (loss) before tax		2,880,018	1,199	(443,935)	(175)
7950	Income tax benefit (expense)	4 and 6(24)	4,614	2	(21,219)	(8)
8200	Net profit (loss) for the period		2,884,632	1,201	(465,154)	(183)
8300	Other comprehensive income					
8310	Items that will not be reclassified subsequently to profit or loss					
8332	The revaluation surplus of the property of the subsidiaries accounted for using the equity method	4 and 6(17)	21,234	9	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements	4 and 6(17)	(1,113)	(1)	18,349	7
	Other comprehensive income (loss) (net amount after tax)		20,121	8	18,349	7
8500	Total comprehensive income (loss)		\$ 2,904,753	1,209	\$ (446,80)	(176)
	Earnings (loss) per share (NT\$)	6(18)				
9750	Basic earnings (loss) per share		\$ 6.28		\$ (1.01)	

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Federal Corporation
Parent Company-Only Statement of Changes in Equity
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Item	Ordinary shares	Capital surplus	Retained earnings			Other equity items		Treasury shares	Total equity
			Legal reserve	Special reserve	Unappropriated accumulated deficit	Exchange differences on translation of foreign financial statements	Revaluation surplus of property		
Balance as of January 1, 2024	\$ 4,733,292	\$ 164,221	\$ 736,014	\$ 1,912,816	\$ (4,908,070)	\$ (188,814)	\$ 4,923,199	\$ (183,035)	\$ 7,189,623
Return of shareholder donation	-	(7)	-	-	-	-	-	-	(7)
Net loss for the period	-	-	-	-	(465,154)	-	-	-	(465,154)
Other comprehensive income (loss) for the period	-	-	-	-	-	18,349	-	-	18,349
Total comprehensive income (loss)	-	-	-	-	(465,154)	18,349	-	-	(446,805)
Balance as of December 31, 2024	\$ 4,733,292	\$ 164,214	\$ 736,014	\$ 1,912,816	\$ (5,373,224)	\$ (170,465)	\$ 4,923,199	\$ (183,035)	\$ 6,742,811
Balance as of January 1, 2025	\$ 4,733,292	\$ 164,214	\$ 736,014	\$ 1,912,816	\$ (5,373,224)	\$ (170,465)	\$ 4,923,199	\$ (183,035)	\$ 6,742,811
Net profit for the period	-	-	-	-	2,884,632	-	-	-	2,884,632
Other comprehensive income (loss) for the period	-	-	-	-	-	(1,113)	21,234	-	20,121
Total comprehensive income (loss)	-	-	-	-	2,884,632	(1,113)	21,234	-	2,904,753
Balance as of December 31, 2025	\$ 4,733,292	\$ 164,214	\$ 736,014	\$ 1,912,816	\$ (2,488,592)	\$ (171,578)	\$ 4,944,433	\$ (183,035)	\$ 9,647,564

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Federal Corporation
Parent Company-Only Statement of Cash Flows
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Item	2025	2024
Cash flow from operating activities:		
Net profit (loss) before tax for the period	\$ 2,880,018	\$ (443,935)
Adjustments:		
Reconcile profit item		
Depreciation expense	82,932	182,282
Amortization expense	2,092	2,916
Expected credit loss (gain)	3,239	(2,275)
Interest expense	93,235	94,422
Interest income	(17,796)	(31,367)
Share of profit or loss of subsidiaries recognized using the equity method	142,878	(20,875)
Gains on disposals of property, plant and equipment	(7,559)	-
Gain on disposal of non-current assets classified as held for sale	(94,427)	-
Impairment loss on non-financial assets	876,574	183,262
Gain on lease modifications	(7)	-
Gain on rights transferred in a sale and leaseback	(4,202,401)	-
Changes in operating assets and liabilities		
Notes receivable	(191)	(5,928)
Accounts receivable	(7,823)	(8,595)
Other receivables	(4,930)	3,352
Inventories	19,471	40,035
Prepayments	22,037	(10,444)
Contract liabilities	(6,339)	2,700
Accounts payable	(2,873)	4,965
Other payables	115,598	(28,364)
Liability provisions	(145)	(63,200)
Other current liabilities	4,307	372
Cash outflow generated from operations	(102,110)	(100,677)
Interest received	19,075	31,684
Interest paid	(96,308)	(93,972)
Income taxes paid	(40,025)	(2,100)
Net cash flows used in operating activities	(219,368)	(165,065)

(Continued on next page)

Federal Corporation
Parent Company-Only Statement of Cash Flows (Continued)
For the years ended December 31, 2025 and 2024

Unit: NTD thousand

Item	2025	2024
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortized cost	\$ (8,250)	\$ (12,016)
Proceeds from disposal of financial assets at amortized cost	32,266	382,491
Acquisition of investments accounted for using equity method	-	(16,198)
Proceeds from disposal of non-current assets classified as held for sale	7,161,818	-
Acquisition of property, plant and equipment	-	(1,755)
Proceeds from disposal of property, plant and equipment	8,201	-
Increase in guarantee deposits paid	(352,425)	(24,214)
Decrease in guarantee deposits paid	8,372	25,179
Other receivables due from related parties (increase) decrease	(21,240)	5,470
Increase in other non-current assets	(175,251)	(299,839)
Increase in other non-current liabilities	214,008	-
Net cash flows from investing activities	6,867,499	59,118
Cash flows from financing activities:		
Short-term borrowings (decrease) increase	(681,000)	281,000
Repayments of long-term debt	(3,827,003)	(117,100)
Increase in guarantee deposits received	-	669
Decrease in guarantee deposits received	(2,027)	-
Payments of lease liabilities	(8,071)	(3,367)
Return of shareholder donation	-	(7)
Net cash flows (used in) from financing activities	(4,518,101)	161,195
Increase in cash and cash equivalents for the period	2,130,030	55,248
Cash and cash equivalents at beginning of period	371,998	316,750
Cash and cash equivalents at end of period	\$ 2,502,028	\$ 371,998

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Attachment 4

Federal Corporation Statement of Deficit Compensation 2025

(Unit: NTD)

	Amount
Opening balance	(5,373,223,616)
Less: Net profit after tax for the year	2,884,631,379
Unappropriated accumulated deficit:	(2,488,592,237)
Add: Legal reserve used to offset accumulated deficits	736,014,390
Unappropriated accumulated deficit at end of period	(1,752,577,847)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Attachment 5

Federal Corporation Statement of Capital Surplus Used to Offset Accumulated Deficits

(Unit: NTD)

	Amount
Unappropriated accumulated deficit at end of period	(1,752,577,847)
Add: Capital surplus used to offset accumulated deficits	164,213,626
Accumulated deficit at end of period	(1,588,364,221)

Chairman: Kuo, Lin-Liang

General Manager: Chung, Cheng-Yen

Chief Accounting Officer: Li, Hsin-Yu

Appendix

Appendix 1

Federal Corporation Articles of Incorporation

Chapter 1 General Provisions

Article 1 The Company is incorporated pursuant to the provisions of company limited by shares in the Company Act, and named as 泰豐輪胎股份有限公司 (or 泰豐輪胎公司) in Chinese, and FEDERAL CORPORATION in English.

Article 2 The Company operates the following business:

1. C804010: Tire Manufacturing.
2. C804020: Industrial Rubber Products Manufacturing.
3. C804990: Other Rubber Products Manufacturing.
4. F114030: Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
5. F114050: Wholesale of Tires.
6. F214030: Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories.
7. F214050: Retail Sale of Tires.
8. F299990: Retail Sale of Other Products.
9. F301010: Department Stores.
10. F301020: Supermarkets.
11. F399010: Convenience Stores.
12. F401010: International Trade.
13. F501060: Restaurants.
14. G202010: Parking Area Operators.
15. H701010: Housing and Building Development and Rental.
16. H701020: Industrial Factory Development and Rental.
17. H701040: Specific Area Development.
18. H701050: Investment, Development and Construction in Public Construction.
19. H701060: New Towns, New Community Development.
20. H701070: Process Zone Expropriation and Urban Land Readjustment Agency.
21. H701080: Urban Renewal Reconstruction.
22. H701090: Urban Renewal Renovation or Maintenance.
23. H702010: Construction Management.
24. H703090: Real Estate Business.
25. H703100: Real Estate Leasing.
26. I102010: Investment Consulting.
27. I103060: Management Consulting.

28. I301010: Information Software Services.
29. J403010: Motion Picture Projection.
30. J601010: Arts and Literature Service.
31. J701020: Amusement Parks.
32. J701040: Recreational Activities Venue.
33. J901020: Regular Hotel.
34. J799990: Other Recreational Services.
35. G801010: Warehousing.
36. ZZ99999: All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The total amount of the Company's reinvestments are not subject to the restriction set forth in the Company Act.

Article 4 The Company may make endorsement or guarantee if required by the business.

Article 5 The Company and the plant are located in Taoyuan City. If required, the branches, plants, or offices may be set up domestically or internationally upon the board of directors' resolutions.

Article 6 The Company makes announcement pursuant to the Company Act and other related laws and regulations.

Chapter 2 Shares

Article 7 The Company's capital is set at Ten Billion New Taiwan Dollars, and divided into One Billion Shares at the par value of Ten New Taiwan Dollars; the board of directors is authorized to issue the shares in batches, and some of the shares may be preferred shares.

Article 7-1: The Company may issue class A preferred shares; the rights and obligations, and other important issuance conditions of which are set forth below:

1. The maximum yield of preferred share dividend is 8% per annum, and calculated based on the issuance price per share. The dividends may be paid annually in cash, and the board of directors or the chairman authorized by the board of directors' resolution will decide the base date, to pay the dividends from the previous year. The dividends for the issuance year and collection year are calculated based on the actual days of being issued in such years.
2. The Company has full discretion upon the distribution of such preferred share dividend. Where the Company has no surplus, or the surplus is not enough to pay the dividends up on the annual settlement, or due to other necessary consideration, the Company is entitled, upon the resolution of the board of

directors, not to distribute the preferred share dividends, and such act shall not constitute a breach of the contract. These preferred shares are non-cumulative; the dividends not distributed or not fully distributed do not accumulated and deferred to be distributed in the year with surplus.

3. The shareholders of these preferred shares, other than the dividends set forth in Subparagraph 1 of the paragraph, are not entitled to participate the distribution of earnings, the cash capital reserve, and equity capital for the ordinary shares.
4. These preferred shares are not convertible to ordinary shares.
5. The shareholders of these preferred shares has higher seniority than the shareholders of ordinary shares when distributing the Company's residual properties, and identical seniority of the shareholders of other preferred shares, lower than general creditors; such distribution is limited to the amount of outstanding issued preferred shares at the issuance price.
6. The shareholders of the preferred shares have no voting right and election right in the ordinary shareholders' meetings, but have the voting rights in the preferred shareholders' meetings, and the shareholders meeting where the adverse proposal to the preferred shareholders' rights and obligations will be voted.
7. There is no expiry date for the preferred shares. The shareholders of the preferred shares are not entitled to request the Company collect the preferred shares in possession of the shareholders; provided, the Company may collect, all or in part, of the preferred shares at the original issuance price any time from the day following the expiry of five years after the issuance. The rights and obligations of uncollected preferred shares remain the same. Where the Company resolves to distribute dividends, the dividends to be paid as of the collection day is calculated based on the actual days of being issued of the year.
8. The capital reserve from the premium issuance of the preferred shares must not set aside as equity capital other than offsetting the deficit during the issuance.

The name, issuance date, and specific issuance term of the preferred shares are authorized to the board of directors to decided at the time of issuance, depending on the capital market conditions and the investors' willingness of subscription, pursuant to the Articles of Incorporation and related laws and regulations.

Article 7-2: The Company may issue Class B preferred shares; the rights and obligations, and other important issuance conditions of which are set forth below:

1. The maximum yield of preferred share dividend is 8% per annum, and calculated based on the issuance price per share. The dividends may be paid

annually in cash, and the board of directors or the chairman authorized by the board of directors' resolution will decide the base date, to pay the dividends from the previous year. The dividends for the issuance year and collection year are calculated based on the actual days of being issued in such years.

2. The Company has full discretion upon the distribution of such preferred share dividend. Where the Company has no surplus, or the surplus is not enough to pay the dividends up on the annual settlement, or due to other necessary consideration, the Company is entitled, upon the resolution of the board of directors, not to distribute the preferred share dividends, and such act shall not constitute a breach of the contract. These preferred shares are non-cumulative; the dividends not distributed or not fully distributed do not accumulated and deferred to be distributed in the year with surplus.
3. The shareholders of these preferred shares, other than the dividends set forth in Subparagraph 1 of the paragraph, are not entitled to participate the distribution of earnings, the cash capital reserve, and equity capital for the ordinary shares.
4. These preferred shares cannot be converted within 3 years upon the issuance date. The board of directors is authorized to decide the convertible period in the actual issuance conditions. The shareholders of the convertible preferred shares may apply to convert all or part of the preferred shares in their possession pursuant to the issuance conditions, at the ratio of one preferred share to one ordinary share (conversion ratio: 1:1). The rights and obligations of convertible preferred shares, after converted to the ordinary shares, become the same as the preferred shares. These preferred shares converted to ordinary shares before the ex-right (dividend) date of the year, are eligible for the earning and capital reserve distribution of the ordinary shares for the year, but not eligible for the distribution of the preferred share dividends. These preferred shares converted to ordinary shares after the ex-right (dividend) date of the year, are eligible for distribution of the preferred share dividends, but not eligible for the earning and capital reserve distribution of the ordinary shares. As the principle, the dividends of ordinary shares and preferred shares are not distributed to the same shares in the same year.
5. The shareholders of these preferred shares has higher seniority than the shareholders of ordinary shares when distributing the Company's residual properties, and identical seniority of the shareholders of other preferred shares, lower than general creditors; such distribution is limited to the amount of outstanding issued preferred shares at the issuance price.

6. The shareholders of these preferred shares have the voting rights and election rights in the ordinary shareholders' meetings, and identical to the shareholders of ordinary shares.
7. There is no expiry date for the preferred shares. The shareholders of the preferred shares are not entitled to request the Company collect the preferred shares in possession of the shareholders; provided, the Company may collect, all or in part, of the preferred shares at the original issuance price any time from the day following the expiry of five years after the issuance.. The rights and obligations of uncollected preferred shares remain the same. Where the Company resolves to distribute dividends, the dividends to be paid as of the collection day is calculated based on the actual days of being issued of the year.
8. The capital reserve from the premium issuance of the preferred shares must not set aside as equity capital other than offsetting the deficit during the issuance.

The name, issuance date, and specific issuance term of the preferred shares are authorized to the board of directors to decided at the time of issuance, depending on the capital market conditions and the investors' willingness of subscription, pursuant to the Articles of Incorporation and related laws and regulations.

Article 7-3: The Company may issue Class C preferred shares; the rights and obligations, and other important issuance conditions of which are set forth below:

1. The maximum yield of preferred share dividend is 4% per annum, and calculated based on the issuance price per share. The dividends may be paid annually in cash, and the board of directors or the chairman authorized by the board of directors' resolution will decide the base date, to pay the dividends from the previous year. The dividends for the issuance year and collection year are calculated based on the actual days of being issued in such years.
2. The dividends that are not distributed when there is no surplus, or the surplus is insufficient to pay the preferred share dividends upon annual settlement, such dividends undistributed or not distributed in full shall be accumulated and made up first in the year with surplus.
3. The shareholders of these preferred shares, other than the dividends set forth in Subparagraph 1 of the paragraph, are not entitled to participate the distribution of earnings, the cash capital reserve, and equity capital for the ordinary shares.
4. These preferred shares cannot be converted within 3 years upon the issuance date. The board of directors is authorized to decide the convertible period in the actual issuance conditions. The shareholders of the convertible preferred shares may apply to convert all or part of the preferred shares in their possession

pursuant to the issuance conditions, at the ratio of one preferred share to one ordinary share (conversion ratio: 1:1). The rights and obligations of convertible preferred shares, after converted to the ordinary shares, become the same as the preferred shares. These preferred shares converted to ordinary shares before the ex-right (dividend) date of the year, are eligible for the earning and capital reserve distribution of the ordinary shares for the year, but not eligible for the distribution of the preferred share dividends. These preferred shares converted to ordinary shares after the ex-right (dividend) date of the year, are eligible for distribution of the preferred share dividends, but not eligible for the earning and capital reserve distribution of the ordinary shares. As the principle, the dividends of ordinary shares and preferred shares are not distributed to the same shares in the same year.

5. The shareholders of these preferred shares have higher seniority than the shareholders of ordinary shares when distributing the Company's residual properties, and identical seniority of the shareholders of other preferred shares, lower than general creditors; such distribution is limited to the amount of outstanding issued preferred shares at the issuance price.
6. The shareholders of these preferred shares have the voting rights and election rights in the ordinary shareholders' meetings, and identical to the shareholders of ordinary shares.
7. There is no expiry date for the preferred shares. The shareholders of the preferred shares are not entitled to request the Company collect the preferred shares in possession of the shareholders; provided, the Company may collect, all or in part, of the preferred shares at the original issuance price any time from the day following the expiry of five years after the issuance.. The rights and obligations of uncollected preferred shares remain the same. Where the Company resolves to distribute dividends, the dividends to be paid as of the collection day is calculated based on the actual days of being issued of the year.
8. The capital reserve from the premium issuance of the preferred shares must not set aside as equity capital other than offsetting the deficit during the issuance.

The name, issuance date, and specific issuance term of the preferred shares are authorized to the board of directors to decided at the time of issuance, depending on the capital market conditions and the investors' willingness of subscription, pursuant to the Articles of Incorporation and related laws and regulations.

Article 8 The shares of the Company are registered shares, and are issued after sealed or signed

by the director representing the Company, and certified pursuant to laws. The shares issued by the Company may be printed in consolidated share certificates for the total number of shares issued. The Company is also exempt from printing certificates for shares issued, but the centralized securities depository institution should be contacted for registration.

Article 9 Assignment, transfer, inheritance, gift, pledge, loss, destruction or other shareholder services, shall comply with the Company Act and related regulations. Taiwan Depository & Clearing Corporation may request to issue certificate with higher par value by combining shares.

Chapter 3 Shareholders' Meeting

Article 10 The Company holds two types of Shareholders' Meetings: annual shareholders' meetings and extraordinary shareholders' meetings, which shall be convened in accordance with the provisions of the Company Act.. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting and may be distributed in the form of public announcement.

Extraordinary meetings may be convened at any time as needed in accordance with relevant laws.

The Company may convene shareholders' meeting by video conference or in other methods as announced by the central competent authority.

Article 11 Except for restrictions in accordance with relevant laws and regulations, the Company's shareholders shall be entitled to one vote for each share held.

Article 12 A shareholders' meeting shall be chaired by the Chairman. When the Chairman is absent for any reason, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall select from among themselves one person to serve as the chair.

Chapter 4 Directors and Audit Committee

Article 13 The Company sets seven to 11 directors, who are elected by the shareholders' meeting among those with legal capacity. The director's term of office is three years, and directors may be re-elected consecutively. The total registered shares held by all the directors must not be less than a certain percentage of the total paid-in shares of the Company, and such percentage shall be in accordance with the regulations of the competent authority.

Among the said number of the directors, the independent directors must not fewer

than 3, not less than one-fifth of the directors' seats. The election of directors shall adopt the candidate nomination system set forth in Article 192-1 of the Company Act, and the shareholders shall elect from the list of the director and independent director candidates. The approach of receiving nomination and announcement, among other matters, shall comply with the related provisions of the Company Act and Securities and Exchange Act.

The Company established the "Audit Committee" pursuant to Article 14-4 of the Securities and Exchange Act, consisting of all independent directors.

The number, term of office, power, and rules of meeting procedures of the Audit Committee shall be determined by the Audit Committee Charter that is established pursuant to the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies.

Article 14 The Chairman shall be elected by more than half of the attending directors from among themselves at a board meeting attended by more than two-thirds of all directors. The Chairman is in charge of all business at the Company internally and represents the Company externally. A board meeting shall be chaired by the Chairman. When the Chairman is absent for any reason, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall select from among themselves one person to serve as the chair. A board meeting shall be chaired by the Chairman. When the Chairman is absent for any reason, the Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the directors shall select from among themselves one person to serve as the chair.

Article 15 The directors all serve as the Company's managerial officers or employees are paid with the salaries as general employees, other than the transportation subsidies to the directors.

Article 16 The board of directors exercise the powers granted by the Company Act and shareholders' meeting. Where the board meeting cannot be held after being legally convened by listing convention causes, the Chairman may be authorized to determine the originally listed convention causes within the authorization, and such decisions will be ratified when the board meeting is convened successfully.

Article 17 Directors may appoint proxies to attend the board meeting on their behalf, but one proxy may be appointed by one director only. The board meetings may be convened

in writing, by the means of fax or email.

Article 18 The Company may cover all directors and key executives with the liability insurance.

Article 19 The board of directors, shall be authorized to determine the Chairman's and directors' remuneration based on the degree of their participation in the Company's operations and the value of individuals' contribution, while with reference to the general standards in the industry.

Chapter 5 Managers

Article 20 The Company may appoint a number of managerial officers, whose appointment, dismissal, and remuneration shall be decided by the board of directors.

Chapter 6 Settlement and Earnings Distribution

Article 21 The Company's fiscal year starts from January 1 to December 31 each year. After annual financial statements are prepared, the board of directors shall, in accordance with the Company Act, prepare relevant documents and proposals and submit them to the general shareholders' meeting for approval.

The Company's earnings distribution or deficit compensation may be made after the end of each semi-annual fiscal year.

Article 22 If the Company makes a profit in the year (referring to the income before tax before employee compensation and director remuneration are subtracted), it shall allocate 0.1% to 1% of the balance as employee compensation and no more than 3% as director remuneration. However, profits must first be reserved to offset against the accumulated deficit (including adjusted unappropriated earnings), if applicable.

Said employee compensation can be paid in stock or cash, and the recipients of the payment include employees of subsidiaries who met the criteria set by the board of directors. The director remuneration in the preceding paragraph can only be paid in cash.

Employee compensation and director remuneration shall be decided by the board of directors and reported to the shareholders' meeting.

Article 22-1: The Company's earnings distribution or deficit compensation may be made after the end of each semi-annual fiscal year.

Where the Company makes a profit in a semi-annual and annual fiscal year, the profit shall be first used for paying taxes, offsetting the accumulated deficit, setting aside 10% of the remaining profit as a legal reserve, setting aside an amount for a special

reserve in accordance with regulations, and then any remaining profit may be used to distribute dividends on preference shares for the year first; any remaining balance, together with any undistributed earnings at the beginning of the period (including adjusted unappropriated earnings), shall be adopted by the board of directors as the basis for making a distribution proposal.

In the amount of employee compensation referred to in the preceding paragraph, no less than 20% of the amount shall be distributed as compensation to non-managerial employees.

If distribution is made by cash dividends, it shall be resolved by a majority of the directors present at a meeting of the board of directors attended by two-thirds or more of the directors, and reported to the shareholders' meeting. If such distribution is made by issuing new shares, it shall be distributed after being submitted to the shareholders' meeting for resolution.

The Company's industry is currently in a developed stage. Considering future capital needs, a financial plan, and shareholders' interests, the board of directors, depending on the business performance, drafts a profit distribution proposal in a percentage from 5% to 100% and submit it to the general shareholders' meeting. The Company shall give priority to cash dividends for earnings distribution and may distribute stock dividends not higher than 80% of the total dividends to be distributed in principle. However, if there are significant investment plans, future development, and other factors, the earnings may be retained.

Chapter 7 Supplementary Provisions

Article 23 The Articles of Incorporation take effect after the resolution was adopted by the shareholders' meeting.

Article 24 Any matter not mentioned the Articles of Incorporation shall be handled in accordance with the Company Act and other laws and regulations.

The Articles of Incorporation were formulated on September 19, 1955; and the 50th amendment was made on May 19, 2025.

Appendix 2

Federal Corporation Rules of Procedure for Shareholders Meetings

Article 1

To establish an excellent governance system for the Company's shareholders' meeting, improve the supervisory function, and strengthen the management function, these Rules are formulated in accordance with the provisions of Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for compliance.

Article 2

The rules of procedure for the Company's shareholders' meetings shall be governed by these Rules, unless otherwise stipulated by laws and regulations or the Articles of Incorporation.

Article 3

Unless otherwise provided by law, the Company's shareholders' meeting shall be convened by the board of directors.

Changes to the method of convening the shareholders' meeting shall be subject to a resolution by the board of directors and shall be made no later than before the notice of the shareholders' meeting is sent.

Thirty days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, the Company shall prepare electronic files of the meeting notice, proxy form, information on proposals for ratification, matters for discussion, election or dismissal of directors, and other matters on the shareholders' meeting agenda and upload them to the Market Observation Post System (MOPS) in an electronic file. Meanwhile, 21 days before the Company convenes an annual shareholders' meeting or 15 days before an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplementary materials and upload them to the MOPS. However, a publicly listed company, with the paid-in capital amounting to NT\$10 billion or more at the end of the most recent fiscal year or the total shareholding ratio of foreign capital and capital from China reaching 30% or more as per the shareholder register for the general shareholders' meeting held in the most recent fiscal year, shall upload such an electronic file 30 days before the general shareholders' meeting. Fifteen days before the Company convenes a shareholders' meeting, it shall prepare the shareholders' meeting handbook and supplementary materials and make them available for the shareholders to obtain and review at any time. In addition, the handbook and supplemental materials shall be displayed at the Company and by its engaged professional shareholder services agent.

The Company shall make the handbook and supplementary materials mentioned in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:

1. When a physical shareholders' meeting is convened, such materials shall be distributed on-site at the shareholders' meeting.
2. When a physical shareholders' meeting supplemented by a video conference is convened, such materials shall be distributed on-site at the shareholders' meeting, and an electronic file of such materials shall be uploaded to the video conference platform.
3. When a shareholders' meeting is convened by video conference, an electronic file of such materials shall be sent to the video conference platform.

The reasons for convening a shareholders' meeting shall be specified in the meeting notice and the public announcement. With the consent of the addressee, the meeting notice may be given in electronic form. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of the removal of the non-compete clause for the directors, capitalization of earnings, capitalization of legal reserve, dissolution, merger, or demerger of the Company, or any matter under Paragraph 1, Article 185 of the Company Act; Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be set out and the essential contents explained in the notice of the shareholders' meeting. None of the above matters may be raised by an extempore motion.

Where an election of all directors and their inauguration date shall be stated in the notice of the shareholders' meeting, after the completion of the re-election in said meeting, such inauguration date may not be altered by any extempore motion or otherwise in the same meeting.

A shareholder holding 1% or more of the total number of outstanding shares may submit to the Company a proposal for discussion at an annual general meeting of shareholders. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. A shareholder's proposal in alignment with any circumstance under any subparagraph of Paragraph 4, Article 172-1 of the Company Act may not be included in the meeting agenda by the board of directors. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before an annual shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholders' proposals in writing or by electronic means and the location and time period for their submission; the period for acceptance of shareholders' proposals may not be fewer than 10 days.

Each of such proposals is limited to 300 Chinese characters, and no proposal containing more than 300 Chinese characters will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting of shareholders and take part in the discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting

notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for any shareholders' proposals not included in the agenda.

Article 4

For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization. Each shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting, and shall deliver the proxy form to the Company at least five days before the date of the shareholders' meeting. When a duplicate proxy form is served, the one received earliest shall prevail, unless a declaration is made to cancel the previous proxy form.

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

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

Article 5 (Principles for venue and time of shareholders' meeting)

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

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

Article 6 (Preparation of documents)

The Company shall specify in the meeting notice the time for accepting attendance registration of shareholders, solicitors, and proxies (collectively referred to as "shareholder(s)"), the location of the registration desk, and other matters for attention.

The time for accepting shareholder registration as mentioned in the preceding paragraph shall be at least thirty minutes prior to the commencement of the meeting; the registration desk shall be clearly marked, and staffed by a sufficient number of competent personnel. For a shareholders' meeting convened by video conference, registration shall be accepted on the video conference platform 30 minutes before the meeting commences. Shareholders who have completed registration shall be deemed to have attended the shareholders' meeting in person.

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

The Company shall provide an attendance book in which to record the attendance of shareholders; alternatively, sign-in cards may be presented by the attending shareholders in lieu of signing in.

The Company shall provide attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be provided.

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

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

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

Article 6-1 (Matters to be included in the meeting notice when a shareholders' meeting is convened by video conference)

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

1. Shareholders' methods of participating in the video conference and exercising their rights.
2. The response to the obstacles to the video conference platform or to the participation in the video conference due to natural disasters, incidents, or other force majeure events shall include at least the following:
 - (1) The time and the date of the next meeting when the meeting needs to be postponed or resumed as such obstacles cannot be resolved.
 - (2) Shareholders who did not register to participate in the original shareholders' meeting by video conference shall not participate in the meeting to be postponed or resumed.
 - (3) When a physical shareholders' meeting supplemented by a video conference is convened, if the video conference cannot continue, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. For shareholders participating by video conference, the number of their shares shall be included in the total number of shares in attendance, and they shall be deemed to abstain for all motions resolved at the shareholders' meeting.

- (4) The handling method in the event that the resolution results of all motions have been announced, while extempore motions have not been resolved.
3. When a shareholders' meeting is to be convened by video conference, appropriate alternatives to shareholders who have difficulty participating in the meeting by video means shall be specified.

Article 7 (Chairperson and Attendees of Shareholders' Meeting)

If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman. When the Chairman is on leave or unable to exercise the powers as the chair for any reason, the Vice Chairman shall chair the meeting on his behalf. Where the Vice Chairman is on leave or unable to exercise the powers as the chair for any reason, the Chairman shall appoint one of the managing directors to act as the chair. Where there is no such a position as managing director, Chairman shall appoint one of the directors to act as the chair. Where the Chairman fails to make such a designation, the managing directors or directors shall select from among themselves one person to serve as the chair.

When a managing director or a director serves as the chair, as referred to in the preceding paragraph, such directors shall have held that position for six months or more with great understanding of the Company's financial position. The same shall apply if the chair is served by the representative of an institutional director.

A shareholders' meeting convened by the board of directors may be chaired by the Chairman in person and shall be attended by more than half of the directors on the board and at least one representative of each functional committee, and the attendance shall be recorded in the minutes of the shareholders' meeting.

If a shareholders' meeting is convened by a party with power to convene other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, CPAs, or relevant persons retained by it to attend a shareholders' meeting in a non-voting capacity.

Article 8 (Audio or video recordings of shareholders' meeting)

The Company, from the beginning of shareholders' sign-in, shall make an uninterrupted audio and video recording of the sign-in procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

Such recordings shall be kept for at least one year. If, however, a shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the lawsuit.

If a shareholders' meeting is convened by video conference, the Company shall keep records of shareholders' registration, sign-in, questions raised, and voting and the Company's vote counting results and retain the records, while making an uninterrupted audio and video recording of the entire video conference.

Such recordings shall be properly kept by the Company during the period of its existence and provided to those who are entrusted to handle the video conference affairs for storage.

Article 9

Attendance at shareholders' meetings shall be counted based on numbers of shares. The number of shares in attendance shall be counted according to the shares indicated in the attendance book or the sign-in cards handed in and the attendance record on the video conferencing platform plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order upon the meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of outstanding shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If attending shareholders still represent less than one third of the total number of outstanding shares after two postponements, the chair shall declare the meeting adjourned. If a shareholders' meeting is convened by video conference, the Company shall also declare the meeting adjourned on the video conference platform.

If there are not enough shareholders, while representing at least one third of outstanding shares after two postponements under the preceding paragraph, tentative resolutions may be passed in accordance with Article 175, Paragraph 1 of the Company Act. Shareholders shall be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. If a shareholders' meeting is convened by video conference, shareholders who wish to attend by video conference shall re-register with the Company in accordance with Article 6.

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

Article 10

If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, and all proposals shall be resolved by voting. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution by the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene other than the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions). If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with

statutory procedures by agreement of a majority of the votes represented by the attending shareholders to continue the meeting.

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

Article 11 (Speech by shareholders)

A shareholder wishing to speak at a shareholders meeting shall first fill out a slip, specifying therein the major points of their speech, shareholder account number (or attendance card number) and account name, and the chair shall determine their order of giving a speech.

A shareholder who submits a speech slip without giving a speech shall be considered as not having given a speech. If the contents of the speech are different from those specified on the slip, the contents of their speech shall prevail.

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the proposal, the chair may have the shareholder stop the speech.

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

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

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

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

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

Article 12 (Counting of the number of voting shares and recusal system)

Voting at shareholders' meetings shall be counted based on numbers of shares.

The non-voting shares held by shareholders shall not be counted toward the total number of outstanding shares for any resolution to be adopted at a shareholders' meeting.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the Company's interest, shall not vote nor exercise the voting right on behalf of another shareholder.

Shares for which voting right cannot be exercised as provided in the preceding paragraph shall not be counted toward the number of votes of shareholders present at the meeting.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting rights represented by them shall not exceed 3% of the total number of the Company's voting shares, otherwise, the portion of excessive voting rights shall not be counted.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt the exercise of voting rights by electronic means and may adopt the exercise of voting rights in writing. The method of exercise shall be specified in the shareholders' meeting notice. A shareholder's exercise of voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, with respect to any extemporaneous motions or amendments to the original proposals at said shareholders' meeting, such shareholders shall be deemed to have abstained from voting; therefore, the Company should avoid putting forth extempore motions and amendments to the original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company at least two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After shareholders exercise their voting rights in writing or by electronic means, if they wish to attend the shareholders' meeting in person or by video conference, they shall serve a declaration of intent to retract the voting rights already exercised under the preceding paragraph two days before the shareholders' meeting in the same manner in which the voting rights were exercised; otherwise, the voting rights exercised in writing or by electronic means shall prevail. If the shareholder exercises the voting right in writing or by electronic means and appoints a proxy with a proxy form to attend the shareholders' meeting, the voting right exercised by the attending proxy at the meeting shall prevail.

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

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on proposals shall be appointed by the chair, provided that all vote monitoring personnel be shareholders of the Company.

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

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

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

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

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

Article 14

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

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept properly for at least one year. If, however, a shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be kept until the conclusion of the lawsuit.

Article 15

Matters relating to the resolutions by a shareholders' meeting shall be recorded in the minutes. The minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each

shareholder within 20 days after the conclusion of the meeting. The minutes may be produced and distributed in electronic form.

Said distribution may be announced through the MOPS.

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

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

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

Article 16 (Public announcement)

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

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

If any resolutions by the shareholders' meeting constitutes material information under the provisions of laws and regulations or the regulations of Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall upload the content to the MOPS within the prescribed time limit.

Article 17 (Maintenance of meeting order)

Personnel handling the affairs of a shareholders' meeting shall wear an identification badge or armband.

The chair may direct marshals or security personnel to assist in maintaining the order of the meeting venue. When assisting in maintaining order at the scene, marshals or security personnel shall wear armbands or identification badges marked with the word "Marshal".

Where the venue is equipped with amplification equipment, the chair may stop any shareholder from speaking if such shareholder does not use the equipment provided by the Company.

If a shareholder violates the Rules of Procedure, disregards the chair's instruction to cease, and obstructs the proceedings of the meeting, the chair may direct the marshals or security personnel to escort the shareholder from the meeting venue.

Article 18 (Recess and resumption of meeting)

During the meeting, the chair may, at his or her discretion, declare a recess. In the event of force majeure, the chair may rule to temporarily suspend the meeting and, depending on the circumstances, announce the time for the resumption of the meeting.

If the meeting venue becomes unavailable for continued use before the agenda scheduled for the shareholders' meeting (including extempore motions) is concluded, the shareholders' meeting may resolve to find an alternative venue to continue the meeting.

A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 (Information disclosure for video conferences)

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

Article 20 (Location of the chair and the minute taker for shareholders' meeting convened by video conference)

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

Article 21 (Handling of disconnection)

For a shareholders' meeting convened by video conference, the chair shall, when calling the meeting to order, announce that there is no need for postponement or resumption of the meeting as stipulated in Paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies; and that the requirement on the date of the meeting postponed or resumed within five days due to any natural disasters, accidents, or other force majeure events that have obstructed the video conference platform or the participation in the video conference for more than 30 minutes under Article 182 of the Company Act shall not apply before the chair declares the meeting adjourned.

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

For the meeting to be postponed or resumed under Paragraph 1, shareholders who have registered to participate in the original shareholders' meeting by video conference and have completed the registration but fail to participate in said meeting, the number of shares in attendance and the voting rights and voting rights for elections exercised at the original shareholders' meeting shall be included in the total number of attending shareholders' shares, voting rights, and voting rights for elections at the meeting postponed or resumed.

When a shareholders' meeting is postponed or resumed in accordance with Paragraph 1, the proposals for which the voting and counting of votes have been completed and the voting results or the list of elected directors have been announced, do not need to be discussed or resolved again.

When the Company convenes a shareholder's meeting, supplemented by a video conference, if the video conference cannot continue as under Paragraph 1, after the number of shares in attendance through the video conference is deducted, the total number of shares in attendance at the physical shareholders' meeting reaches the number as required by law, the shareholders' meeting shall continue. There is no need to postpone or resume the meeting in accordance with Paragraph 1.

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

When the Company postpones or resumes a meeting in accordance with the provisions of Paragraph 1, it shall conduct the relevant preliminary procedures based on the original shareholders' meeting date and in accordance with the provisions set forth in Paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

With respect to the periods specified in the latter part of Article 12 and Paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Paragraph 2, Article 44-5, Article 44-15, and Paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle such matters based on the date of the shareholders' meeting adjourned or resumed in accordance with the provisions of Paragraph 2.

Article 22 (Handling of digital divide)

When the Company convenes a shareholders' meeting by video conference, it shall provide appropriate alternative measures for shareholders who have difficulty attending via video conference.

Article 23

The 1st amendment was made on June 15, 2015.

The 2nd amendment was made on August 31, 2021.

The 3rd amendment was made on June 15, 2022.

Appendix 3

Federal Corporation List of Directors' Shareholdings

Record date: March 22, 2026

Title	Name		Shareholding on book closure date
			No. of shares
Chairman	Representative of Nankang Rubber Tire Corp., Ltd.	Kuo, Lin-Liang	148,768,000
Director		Chiang, Ching-Hsing	
Director		Chen, Yi-Chen	
Director		Jiang, Hsiu-Chen	
Independent Director	Wang, Chi-Lung		0
Independent Director	Chen, Chun-Mei		250,000
Independent Director	Yao, Wen-Liang		0
Independent Director	Chiu, Ching-Jui		0
Independent Director	Chang, Shih-Nan		0
Total number of shares held by directors (excluding independent directors)			148,768,000
Minimum number of shares held by all directors as required by law			16,000,000
Number of issued shares			473,329,207