



pelican
宅配通



Stock Code : 2642

2024 Annual Report



A. The company's spokesman, deputy spokesman, titles, phone number, and e-mail address

Spokesman: Liao Hao-ting
Title: Assistance vice president
Tel.: 02-6616-5500
E-mail: haliu@e-can.com.tw

Deputy spokesman: Chou Cheng-hsiung
Title: Advisor
Tel.: 02-6616-5500
E-mail: roger@e-can.com.tw

B. Addresses and phone numbers of headquarters, branches, and factories

Headquarters:
Address: 288, Yangtong Road, Zhonghe District, New Taipei City, Taiwan
Tel.: 02-6616-5500

C. Name, address, website address, and telephone of unit for stock-ownership transfer

Stock affairs section, KGI Securities Co., Ltd.

Website: <http://www.gcsc.com.tw/>
Address: 5th fl., 2, Sec. 1, Chongqing S. Road, Taipei City
Tel.: 02-2389-2999

D. Certified public accountants for the financial statement of the latest fiscal year, their accounting firm, address, e-mail address, and phone number

Names of CPAs: Hsu Ming-chuan, Tu Chan-yuan
Accounting firm: PwC Taiwan Website: <http://www.pwc.com/tw>
Address: 27th fl., 333, Keelung Road, Sec. 1, Taipei City, Taiwan, 110
Tel.: 02-2729-6666

E. Place and method for overseas securities trading: nil

F. The company's website address: <http://www.e-can.com.tw>

Table of Contents

I. Letter to shareholders

| | |
|------------------------------|---|
| Letter to shareholders | 1 |
|------------------------------|---|

II . Corporate governance report

| | |
|---|----|
| A. Data on directors, president, vice presidents, assistant vice presidents, and chiefs of various divisions and branches | 5 |
| B. Compensations for directors, president, and vice presidents | 16 |
| C. Operating status of corporate governance | 21 |
| D. Information on CPA fees | 73 |
| E. Information on replacement of CPA | 74 |
| F. Information on the company's chairman, president, and financial or accounting manager with service at CPA accounting firm or its affiliates in the latest year | 74 |
| G. Status of shareholding transfer and change in creation of pledge by directors, managers, and shareholders with over 10% stake in the latest year and as of the date of the printing of the annual report | 75 |
| H. Information on the relationships of related parties, or spouses, or relatives within second degree of kinship between shareholders with shareholdings among the top 10 | 77 |
| I. Shareholding of the company, its directors, managers, and enterprises under the company's direct or indirect control in an invested enterprises and share of consolidated shareholding | 80 |

III. Fund raising situation

| | |
|--|----|
| A. Capital and share capital | 81 |
| B. Status of the issuance of corporate bonds | 84 |
| C. Status OF the issuance of preferred stock | 84 |
| D. Status of the issuance of overseas depository receipts | 84 |
| E. Status of the issuance of employee stock option certificates | 84 |
| F. Status of the issuance of employee restricted stock awards | 84 |
| G. Status of new share issuance for M&A or transfer/receipt of other company's | 84 |
| H. fund utilization plan and execution status | 84 |

IV. Operation overview

| | |
|---|-----|
| A. Business contents | 85 |
| B. Market and production/sale overview | 89 |
| C. Employees | 96 |
| D. Information on environmental-protection outlay | 96 |
| E. Labor-management relationship | 99 |
| F. Information security management | 101 |
| G. Major contracts | 105 |

.V . Review and analysis of financial status and financial performance and risk items

| | |
|--------------------------------|-----|
| A. Financial status | 106 |
| B. Financial performance | 107 |
| C. Cash flow | 108 |

| | |
|--|-----|
| D. Influence of major capital outlays on finance and business in the latest year | 109 |
| E. Transferred investment policy in the recent year, main reasons for profits or loss, improvement plan, and investment plan in the coming one year | 109 |
| F. Risk items | 110 |
| G. Other major items | 113 |

VI . Items of special registration

| | |
|--|-----|
| A. Information on affiliates | 114 |
| B. Status of private placement of securities | 116 |
| C. Other items needing extra explanation | 116 |
| D. Occurrence of items with major influence on shareholders' equity or securities price, as stipulated in item 3-2, article 36, of the Securities and Exchange Act in the latest year and as of the date of the printing of the annual report..... | 116 |

I. Letter to shareholders

Dear shareholders:

Looking back at the year 2024, the retail market growth slowed after the pandemic, while various climate change factors, such as earthquakes and typhoons, also had an impact. The overall online sales growth rate in the retail industry slightly increased from 2.61% in 2023 to 2.65% in 2024.

According to data from the Ministry of Economic Affairs, the annual revenue growth rate of the convenience store industry in 2024 was 5.40%. Due to the active promotion of store-based delivery services, convenience stores continued to capture a share of the home delivery market. Additionally, the shortage of professional drivers persisted. To improve retention rates, efforts were made to increase employee wages and enhance working conditions.

Facing a challenging business environment, the entire team at the company optimized operational efficiency and actively accelerated the expansion of cold chain storage operations to mitigate the various impacts of external economic conditions on business performance.

A. 2024 operating achievement

(a) Execution result of 2024 business plan and financial status

The company racked up NT\$4,051,174 thousand in operating revenue in 2024, with pretax net loss reaching NT\$18,179 thousand, after-tax net loss NT\$9,305 thousand and after-tax loss per share NT\$0.10.

(b) 2024 profit-making capability analysis

In the year 2024, the end of the pandemic, the continued decline in e-commerce sales, labor shortages in Taiwan, and rising labor costs and rental expenses all had an impact on the market. Despite facing these severe external challenges, the company remained committed to improving efficiency and effectively controlling costs to ensure a stable financial structure.

| Year | | | 2024 |
|--------------------------|-----------------------------------|------------------------|---------|
| Analytical item | | | |
| Financial structure | Debt/assets ratio | | 52.00% |
| | Long-term fund/fixed assets ratio | | 512.26% |
| Profit-making capability | Returns on assets ratio | | 0.15% |
| | Returns on equity ratio | | (0.44%) |
| | Percentage in paid-in capital | Operating loss | (4.19%) |
| | | Loss before income tax | (1.90%) |
| | Loss for the year rate | | (0.23%) |
| | Loss per share (NT\$) | | (0.10) |

(c) As the company didn't produce financial forecast, there is no need of disclosing information on actual and forecast figures

(d) Greenhouse Gas Inventory:

In 2023, the total greenhouse gas emissions decreased by 5% compared to 2022. Among the categories, Category 1 (vehicle fuel) saw a 6% reduction, while Category 2

(electricity) decreased by 1%. To further reduce carbon emissions and achieve green transportation goals, the company introduced five electric trucks and 70 electric scooters in 2024.

(e) R&D status

Faced with the challenges of market slowdown and labor shortage, Taiwan Pelican Express has been optimizing its operating flow and raising operating efficiency via major R&D efforts, including

- (1) upgrading the function of AIOT vehicle management center: Implemented a "dispatch system" that utilizes "big data analysis" to optimize route sequencing, simplifying driver operations and enabling earlier departures.;
- (2) expanding the scope of paperless operation: Beyond supporting environmental sustainability, paperless operations also facilitate workflow automation, reducing human errors. This ensures the accurate reception of real-time information while significantly improving operational efficiency. Currently, the implemented paperless initiatives include:
 - (a). Daily vehicle inspections.
 - (b). Daily forklift inspections.
 - (c). Temperature checks for low-temperature cage carts.
 - (d). Handling of abnormal packages.

B. General business environment, external competitive environment, and legislative environment

In 2025, the global economy continues to face numerous challenges. The rise of U.S. unilateralism and the persistent difficulties in China's economic recovery are key factors that may impact global trade and economic revival. These uncertainties will be crucial variables influencing Taiwan's economic growth in the coming year.

On the domestic consumption front, according to the National Development Council's Non-Manufacturing Managerial Index, the outlook score for retail managers over the next six months stands at 37.5, below the neutral 50-point threshold. This indicates that industry managers hold a conservative and slightly pessimistic view of future economic conditions.

Furthermore, the external competitive environment is undergoing significant changes. Taiwan's e-commerce landscape is being reshaped, with the TON YI Group entering the e-commerce market and accelerating cross-border store-based delivery strategies. Meanwhile, South Korean e-commerce companies continue to expand their investments in Taiwan, increasing their market share.

In the short-chain logistics market, e-commerce companies are building their own delivery fleets and using satellite warehouses to ship directly to consumers. Retailers are fulfilling online orders from physical stores and using motorcycle fleets for short-chain deliveries, accelerating the shift in the home delivery market. The store-based delivery market is estimated to have grown to 740 million parcels in 2024, redistributing the original home delivery market share and customer base.

In the logistics sector, major e-commerce platforms are expanding and gradually transitioning from outsourced warehousing to in-house operations, making EC platforms direct competitors. Additionally, the rise of social commerce and direct-to-consumer (D2C)

business models is shifting warehousing demand from large enterprises to small and medium-sized businesses.

Cold Chain Logistics and Future Strategy

Despite these shifts, demand for cold storage and temperature-controlled logistics remains strong. The company has a well-established delivery network, warehousing expertise, and cross-platform collaboration experience with key clients, enabling it to provide integrated delivery and warehousing services. In May 2024, the company entered the cold chain logistics market, expanding into frozen and refrigerated delivery services.

The Linsen Cold Chain Logistics Center, located near Taoyuan Train Station, is positioned as the company's central hub for temperature-controlled warehousing and transportation. Its strategic location provides logistical advantages, while its semi-automated, multi-temperature facility—equipped with advanced cold chain technology—enhances delivery coverage and efficiency.

Commitment to Net Zero Goals

The government has announced its 2050 Net-Zero Transition Plan, with one of its twelve key strategies—Strategy 7: Electrification and Decarbonization of Transportation—directly impacting the logistics industry. Since 2016, the company has voluntarily conducted annual carbon inventory audits, verified by third-party organizations. To achieve the 2050 net-zero goal, the company aims to have 50% of its fleet consist of electric motorcycles and 10% electric trucks by 2030. In 2025, the company plans to purchase 30 to 50 additional electric motorcycles, proactively advancing its carbon reduction efforts and steadily working toward its sustainability targets.

C. 2025 business plan

According to estimates from the Taiwan Institute of Economic Research, the economic growth rate for 2025 is projected to be 3.42%, indicating a steady consumer market. The strategic focus for 2025 will be on consolidating existing markets and strengthening operational structures.

For the home delivery business, the primary strategy will be stability, emphasizing the consolidation of e-commerce platforms, wholesale and department stores, and third-party logistics markets. By ensuring stable operations, the company aims to improve D+1 delivery rates, optimize business structures, and enhance service pricing.

For the logistics sector, the strategy will be aggressive expansion, focusing on enhancing customization capabilities, accelerating market development, and adjusting service fees to improve profitability.

D. Future development strategy

In recent years, the increasing uncertainty in the global economy has created complex challenges for the domestic market. In response to the rapidly changing landscape, The company will adopt a development approach centered on green transportation and smart logistics, aspiring to become a trusted home delivery and logistics provider for the smart retail market. The company will focus on process efficiency and intelligent operations to

build a flexible and adaptable home delivery and logistics model. Moving forward, The company will continue to invest in smart warehousing technologies and accelerate the deployment of cold chain logistics. By strengthening partnerships with major platforms, the company aims to create new market opportunities while enhancing automation and operational intelligence to reinforce its competitive edge.

The company remains committed to its mission of sustainable business operations. In addition to conducting annual carbon inventories and obtaining PAS 2050 carbon footprint certification, the company will gradually introduce more electric vehicles to reduce carbon emissions and fulfill its corporate social responsibility for environmental sustainability. With a strong emphasis on corporate governance, The company strives to maximize value for customers, shareholders, and employees, ensuring long-term growth and competitiveness in the logistics industry.

Chairman

President

Accounting chief

II Corporater governance report

A. Data on directors, president, vice president, assistant vice president, and chiefs of various divisions and branches

(a) Data on directors

March 31, 2025

| Title | Nation ality or registra tion site | Name | Gender Age | Date of e lection (assumption of) for office | Tenure | Date for first election (assumption for office | Shareholding upon election (assumption of) for office | | Current shareholding | | Shareholding of spouse and minor children | | Shareholding in others' names | | Experience (education) | Concurrent positions in the company and other companies | Spouse or relatives within second kinship who are also chief, director, or supervisor of the company | | | Note |
|----------|--|--------------------------------------|----------------------------|--|---------|---|---|----------------------------------|----------------------|-------------------------------|---|----------------------------------|----------------------------------|----------------------------------|---|---|---|------|--------------|------|
| | | | | | | | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Numb er of shares | Percentage of shareholding | Numb er of shares | Percentage of shareholding | | | Title | Name | Relationship | |
| Chairman | ROC | TECO Electric & Machinery Co., Ltd. | Female 61 ~70 of age | 2024.05.27 | 3 years | 2000.05.31 | 24,121,700 | 25.27% | 24,121,700 | 25.27% | 0 | 0 | 0 | 0 | MBA, University of Michigan Chairman, TECO Electric & Machinery Co., Ltd. Chairman of Teco- Westinghouse Motor Company | Chairman of Taiwan Pelican Express Co., Ltd Director of TECO Electric & Machinery Co., Ltd. Chairman of Motovario S.P.A...etc. | - | - | - | - |
| | | Representative : Chiu, Chwen-jy | | | | 2007.06.01 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Directo | ROC | TECO Electric & Machinery Co., Ltd. | Male 81 ~90 of age | 2024.05.27 | 3 year | 2000.05.31 | 24,121,700 | 25.27% | 24,121,700 | 25.27% | 0 | 0 | 0 | 0 | MBA, University of Pennsylvania, U.S. Bachelor of economics, Keio University, Japan Chairman, TECO Electric & Machinery Co., Ltd. | Chairman of Century Development Corporation Inc. Chairman of Tong-An Investment Co., Ltd. Chairman of Tecons International Consulting Co.,Ltd... etc. | - | - | - | - |
| | | Representative : Huang Mao-hsiung | | | | | 200,000 | 0.21% | 200,000 | 0.21% | | | | | | | | | | |
| Director | ROC | TECO Electric & Machinery Co., Ltd. | Male 51~60 of age | 2024.05.27 | 3 years | 2000.05.31 | 24,121,700 | 25.27% | 24,121,700 | 25.27% | 0 | 0 | 0 | 0 | Doctor of business administration, National Chengchi University Master of science administration, National Chiaotung University Vice President of Air and Intelligent Life Business Group, TECO Electric & Machinery Co., Ltd. | President of Taiwan Pelican Express E-JOY Electronics An-Sheng Travel Co., Ltd. Director \ President International Co., Ltd. Director ...etc. | - | - | - | - |
| | | Representative : Hsu Ching-yi | | | | 2018.05.23 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Director | ROC | TECO Electric & Machinery Co., Ltd. | Male 61~70 of age | 2024.05.27 | 3 years | 2018.05.23 | 24,121,700 | 25.27% | 24,121,700 | 25.27% | 0 | 0 | 0 | 0 | Bachelor of Business Administration, University of Southern California Director, TECO Electric & Machinery | Chairman of Ping Tung Bus Lines Co., Ltd Chairman of Southern Taiwan Bus Co., Ltd | - | - | - | - |
| | | Representative : Kuo Tzu-yi | | | | 2021.08.11 | 0 | 0 | 0 | 0 | | | | | | | | | | |

| Title | Nationality or registration site | Name | Gender Age | Date of election (assumption of) for office | Tenure | Date for first election (assumption) for office | Shareholding upon election (assumption of) for office | | Current shareholding | | Shareholding of spouse and minor children | | Shareholding in others' names | | Experience (education) | Concurrent positions in the company and other companies | Spouse or relatives within second kinship who are also chief, director, or supervisor of the company | | | Note |
|----------------------|----------------------------------|---|-------------------|---|---------|---|---|----------------------------|----------------------|----------------------------|---|----------------------------|-------------------------------|----------------------------|---|--|--|------|--------------|------|
| | | | | | | | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | | | Title | Name | Relationship | |
| Director | ROC | TECO Electric & Machinery Co., Ltd. | Male 51~60 of age | 2024.05.27 | 3 years | 2021.08.11 | 24,121,700 | 25.27% | 24,121,700 | 25.27% | 0 | 0 | 0 | 0 | Master of Telecom Engineering, University of Pittsburgh EMBA, National Chengchi University IBM Corporation, Software Division, Tivoli SW Manager (Greater China Region) Microsoft (China), Vice President and General Manager of Public Sector Group (Greater China Region) | GM of Air and Intelligent Life Business Group, TECO Electric & Machinery Co., Ltd. Chairman of Tesen Electronic Co., Ltd. Chairman of Jiangxi TECO Air Conditioning Equipment Co., Ltd. ...etc | | | | |
| | | Representative : Peng Chi-tseng | | | | 2016.06.14 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Director | Japan | ITOCHU Taiwan Corporation | Male 51~60 of age | 2024.05.27 | 3 years | 2000.05.31 | 18,138,500 | 19.00% | 18,138,500 | 19.00% | 0 | 0 | 0 | 0 | Bachelor of Laws, Faculty of Law, Keio University, Japan Head of Industrial Raw Materials and Chemicals Division, ITOCHU Corporation | Chairman & president, ITOCHU Taiwan Corporation Director, Taipei Financial Center Corp. Supervisor, ITC Technology Taiwan Corp. | - | - | - | - |
| | | Representative : Ono Yuichiro (note 1) | | | | 2024.04.01 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Director | Japan | ITOCHU Taiwan Corporation | Male 31~40 of age | 2024.05.27 | 3 years | 2021.08.11 | 18,138,500 | 19.00% | 18,138,500 | 19.00% | 0 | 0 | 0 | 0 | Master of Science in Creative Science and Engineering, Waseda University, Japan Project Manager, Information Industry Division, ITOCHU Corporation | Intelligence/finance section chief, ITOCHU Taiwan Corporation | - | - | - | - |
| | | Representative : Osada Keishi (note 1) | | | | 2024.04.01 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Director | ROC | AN-SHIN FOOD SERVICES CO., LTD. | Male 51~60 of age | 2024.05.27 | 3 years | 2021.08.11 | 1,556,000 | 1.63% | 1,556,000 | 1.63% | 0 | 0 | 0 | 0 | Master's Degree, Graduate Institute of Technology Management, Kaohsiung Polytechnic Institute Department of Industrial Engineering, Tunghai University Executive Vice President, Royal Host Taiwan Co., Ltd | Vice Director of AN-SHIN FOOD SERVICES CO., LTD. Chairman of AN-SHIN FOOD SERVICES (SINGAPORE) PTE.LTD. etc | | | | |
| | | Representative : Kao Shun- hsing (note 2) | | | | 2024.02.23 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| Independent director | ROC | Lien Yuan-lung | Male 61~70 of age | 2024.05.27 | 3 years | 2021.08.11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | EMBA, National Taiwan University Bachelor of law, National Taiwan University Passage of national examination for attorney and judges/prosecutors Chairman, standing director, Taiwan Bar Association | LIEN & PARTNERS LAW OFFICES Attorney-at-Law Evergreen Stell Corporation Independent Director TWT NET Corporation Director | - | - | - | - |

| Title | Nationality or registration site | Name | Gender Age | Date of election (assumption of) for office | Tenure | Date for first election (assumption) for office | Shareholding upon election(assumption of) for office | | Current shareholding | | Shareholding of spouse and minor children | | Shareholding in others' names | | Experience (education) | Concurrent positions in the company and other companies | Spouse or relatives within second kinship who are also chief, director, or supervisor of the company | | | Note |
|----------------------|----------------------------------|------------|-------------------|---|---------|---|--|----------------------------|----------------------|----------------------------|---|----------------------------|-------------------------------|----------------------------|--|--|--|------|--------------|------|
| | | | | | | | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | | | Title | Name | Relationship | |
| Independent director | ROC | Tu Chi-yao | Male 61~70 of age | 2024.05.27 | 3 years | 2024.05.27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Ph.D. in Economic Law, China University of Political Science and Law Former Partner/ CPA of Deloitte & Touche Taiwan Financial and Legal Advisor to Taiwanese Businesses, Straits Exchange Foundation Certified Public Accountant in Taiwan; Passed the CPA Exams in the US and China | Yummy Town (Cayman) Holdings Corporation Independent Director Dyaco International Inc. Independent Director | - | - | - | - |
| Independent director | ROC | Yu Jiun-yu | Male 41~50 of age | 2024.05.27 | 3 years | 2024.05.27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | Master/Doctor of Applied Statistics, University of Oxford, UK | Associate Professor, Department of Business Administration, National Taiwan University, Taiwan | - | - | - | - |

Note 1: ITOCHU Taiwan Corporation appointed Ono Yuichiro and Osada Keishi, replacing Matsui Manabu and Yamamoto Kazutoshi, as its representatives on Apr. 1, 2024.

Note 2: AN-SHIN FOOD SERVICES CO., LTD. appointed Kao Shun-hsing, replacing Shih Chi-yien, as its representative on Feb. 23, 2024.

1. Major shareholders of juridical-person shareholders

April 10, 2025

| Names of juridical-person shareholders | Major shareholders of juridical-person shareholders |
|--|--|
| TECO Electric & Machinery Co., Ltd. | PJ Asset Management (17.45%), Walsin Lihwa Corporation (10.81%), Yuanta Taiwan High Dividend Fund (5.45%), Chiayuan Investment Co., Ltd. (5.40%), Hua Nan Commercial Bank acts as the custodian for the segregated account of the Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund. (2.85%), Heyuan International Investment Co., Ltd. (2.36), Creative Sensor Inc. (2.2%), Tung Kuang Investment Co., Ltd. (1.50%), Kuang Yuan Industrial Co., Ltd. (1.25%), Yinyi International Investment (1.05%) |
| ITOCHU Taiwan Corporation | ITOCHU Corporation(100%) |
| AN-SHIN FOOD SERVICES CO., LTD. | Kuang Yuan Industrial Co., Ltd. (27.56%), MOS Food Services, Inc. (25%), Antai International Investment (8.51%), An-Shin employee shareholding account under the custody of CTBC Bank (6.11%), Lu Chao-ping (3.70%), Tunghe International Investment (2.42%), Tungan Investment (1.69%), Hsiao Teh-chi (0.81%), Tsai Ming-chang (0.76%), Huang Shan-jen (0.69%) |

2. Major shareholders of juridical-person shareholders :

April 10, 2025

| Names of juridical persons | Major shareholders of juridical-person shareholders |
|--|--|
| PJ Asset Management Co., Ltd. | Ho Yang Management Consulting Co., Ltd. (100%) |
| Walsin Lihwa Co., Ltd., | Chin Hsing Investment Co., Ltd. (6.15%), Winbond Electronics Corp. (6.14%), , TECO Electric & Machinery (5.22%), Rong Chiang Co., Ltd. (4.95%), investment account of Likuo Royal Bank under the custody of Standard Chartered Bank (4.54%), Hua Li Investment Co., Ltd. (2.65%), Chiao You-hui (1.74%), Citibank (Taiwan) Ltd. is entrusted with the custody of the investment segregated account of the Central Bank of Norway (Norges Bank) (1.67%), Chiao You-heng (1.62%), Chunghwa Post (1.49%), |
| Chia Yuan Investment Co., Ltd. | Ho Yuan International Investment Co., (99.89%), Chang Wei Management Consulting Co., Ltd. (0.11%) |
| Creative Sensor Inc. | Teco Image Systems (TIS) Co., Ltd. (19.39%), Universal Cement Corp. (8.83%), Tien Da Investment Co., Ltd. (8.28%) 、 Huan-Nien Investment Co., Ltd. (6.04%) 、 KORYO ELECTRONICS CO., LTD. (3.82%) 、 Creative Sensor Inc. (Treasury Shares 3.38%) 、 Lin Kao-Huang (1.56%) 、 Hou A-Chung (1.29%) 、 Lai He-Gui (0.75%) 、 Liu Rong-Huang (0.57%) |
| Ho Yuan International Investment Co., Ltd. | Five Star Asset Management Co., Ltd. (100%) |
| Tung Kuang Investment Co., Ltd. | Kuang Yuan Industrial Co., Ltd. (39.27%), Huang LinHo-Huei (35.01%), Bright Lane Investment Limited (12.73%), Tong He Global Investment Co., Ltd. (6.00%), others (6.99%) |
| Kuang Yuan Industrial Co., Ltd. | Tung Kuang Investment Co., Ltd. (34.46%), Huang LinHo-Huei (51.58%), Bright Lane Investment Limited (10.0%), Tong He Global Investment Co., Ltd. (0.74%), others (3.22%) |
| Yinge Int. Inv. Co., Ltd | Huang Bo-zhi (99.28%) 、 Syu Fong-mei (0.72%) |
| ITOCHU Corp. | The Master Trust Bank of Japan, Ltd. (trust account) (16.25%) 、 EURO CLEAR BANK S.A. / N.V. (7.52%) 、 Custody Bank of Japan, Ltd. (trust account) (5.88%) 、 CP WORLDWIDE INVESTMENT COMPANY LIMITED (4.36%) 、 Nippon Life Insurance Company (2.34%) 、 Mizuho Bank, Ltd. (2.14%) 、 STATE STREET BANK WEST CLIENT - TREATY 505234 (1.64%) 、 Asahi Mutual Life Insurance Company (1.61%) 、 SSBTC CLIENT OMNIBUS ACCOUNT (1.40%) 、 JP MORGAN CHASE BANK 385781 (1.22%) |
| MOS Food Services, Inc. | The Master Trust Bank of Japan Ltd (9.49%) 、 Kohbai Food Inc. (4.47%) 、 Duskin Co., Ltd (4.20%) 、 Nitto Co., Ltd (3.88%) 、 Nippon Life Insurance Company (3.86%) 、 Yamazaki Baking Co., Ltd. (2.29%) 、 The Custody Bank of Japan (1.74%) 、 STATE STREET BANK WEST CLIENT-TREARY (1.24%) 、 JP MORGAN CHASE BANK 385781 (1.20%) 、 MOS Food Services Co., Ltd (1.20%) |
| Antai International Investment | TECO Electric & Machinery (100.00%) |
| Tunghe International Investment | Huang Shan-li (25.89%), Wang Po-yuan (20%) 、 Kuang Yuan Industrial Co., Ltd. (29.5%), Huang Yu-jen (17.78%), others (6.83%) |
| Tungan Investment | TECO Electric & Machinery (99.6%), Antai International Investment (0.2%), TECO International Investment (0.2%) |

3. Disclosure of information on directors' professional qualifications and independent directors' independence

March 31, 2025

| Names | Conditions | Professional qualifications and experience (note 1) | Status of independence conformance (note 2) | Number of concurrent positions as independent directors of other companies with public share offering |
|---|--------------------------------------|--|---|---|
| TECO Electric & Machinery Co., Ltd.(note 3) | Representative : Chiu, Chwen-jy | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1) Chairman of the company's affiliates (2) Representative of the company's juridical-person director (3) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| TECO Electric & Machinery Co., Ltd. | Representative : Huang Mao-hsiung | 1. Possession of work experience for handling commerce, finance and corporate affairs 2. Without situations specified in article 30, the Company Act | (1)Chairman of top-five juridical-person shareholders (2) Representative of the company's juridical-person director (3) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| TECO Electric & Machinery Co., Ltd. (note 3) | Representative : Hsu Ching-yi | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1) Chairman of the company's affiliate Pelican Express (Vietnam) Co., Ltd. (2) The company's president (3) Representative of the company's juridical-person director (4) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| TECO Electric & Machinery Co., Ltd. (note 3) | Representative : Kuo Tzu-yi | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1) Representative of the company's juridical-person director (2) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| TECO Electric & Machinery Co., Ltd. (note 3) | Representative : Peng Chi-tseng | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1) Representative of the company' juridical-person director (2) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |

| Names | Conditions | Professional qualifications and experience (note 1) | Status of independence conformance (note 2) | Number of concurrent positions as independent directors of other companies with public share offering |
|--|---|---|---|---|
| ITOCHU Taiwan Corporation (note 4) | Representative : Ono Yuichiro (note 5) | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1)Chairman of top-five juridical-person shareholders (2)Representative of the company' juridical-person director (3) Compliance with the conditions of i independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| ITOCHU Taiwan Corporation (note 4) | Representative : Osada Keishi (note 5) | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1) Representative of the company' juridical-person director (2) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| AN-SHIN FOOD SERVICES CO., LTD. (note 6) | Representative : Kao Shun- hsing (note 7) | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Without situations specified in article 30, the Company Act | (1) Representative of the company' juridical-person director (2) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission | Nil |
| Lien Yuan-lung | | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs for over 20 years 2. Licensed lawyer with passage of national examination 3. Without situations specified in article 30, the Company Act | (1) Not holding the positions of director, supervisor, or employee of the company or affiliates by himself/herself, spouse, or relatives within second degree of kinship (2) Not holding the company's shares by himself/herself, spouse, or relatives within second degree of kinship (or in the name of others) (3) Not holding the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies") (4) No provision of such services as commerce, legal affairs, and accounting to the company and affiliates, as well as no collection of compensations, in recent two years. (5) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission. | 1 |

| Names | Conditions | Professional qualifications and experience (note 1) | Status of independence conformance (note 2) | Number of concurrent positions as independent directors of other companies with public share offering |
|------------|------------|--|--|---|
| Tu Chi-yao | | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Certified Public Accountant in Taiwan; Passed the CPA Exams in the US and China 3. Without situations specified in article 30, the Company Act | (1) Not holding the positions of director, supervisor, or employee of the company or affiliates by himself/herself, spouse, or relatives within second degree of kinship (2) Not holding the company's shares by himself/herself, spouse, or relatives within second degree of kinship (or in the name of others) (3) Not holding the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies") (4) No provision of such services as commerce, legal affairs, and accounting to the company and affiliates, as well as no collection of compensations, in recent two years. (5) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission. | 2 |
| Yu Jiun-yu | | 1. Possession of work experience for business administration, and corporate affairs. 2. Instructor for disciplines related to commerce, finance, corporate business for over 20 years at public college 3. Without situations specified in article 30, the Company Act | (1) Not holding the positions of director, supervisor, or employee of the company or affiliates by himself/herself, spouse, or relatives within second degree of kinship (2) Not holding the company's shares by himself/herself, spouse, or relatives within second degree of kinship (or in the name of others) (3) Not holding the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies") (4) No provision of such services as commerce, legal affairs, and accounting to the company and affiliates, as well as no collection of compensations, in recent two years. (5) Compliance with the conditions of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies" of the Financial Supervisory Commission. | Nil |

Note 1: Professional qualification and experience: Specify the professional qualification and experience of individual directors and supervisors, plus specification of

accounting or financial background and work experience for auditing-committee members with accounting or financial experience, in addition to explanation on involvement or not in various situations specified in article 30 of the Company Act.

Note 2: In the case of independent directors, specify their conformance to independence, including, but not limited to, holding or not of such positions as director, supervisor, or employee by himself/herself, spouse, relatives within second-degree kinship; holding of company shares and percentages by himself/herself, spouse, and relatives within second-degree kinship (or in the name of others); holding or not of the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of

"Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies"); compensations for provision of such services as commerce, legal affairs, and accounting to the company and affiliates in recent two years.

Note 3: TECO is the company's largest shareholder.

Note 4: ITOCHU Taiwan Corporation is one of the top five shareholders of the company.

Note 5: ITOCHU Taiwan Corporation appointed Ono Yuichiro and Osada Keishi , replacing Matsui Manabu and Yamamoto Kazutoshi , as its representatives on Apr. 1, 2024.

Note 6: AN-SHIN FOOD SERVICES CO., LTD. is one of the top ten shareholders of the company.

Note 7: AN-SHIN FOOD SERVICES CO., LTD. appointed Kao Shun-hsing , replacing Shih Chi-yien , as its representative on Feb. 23, 2024..

4. Diversification and independence of the board of directors

4.1 Diversification of the membership of the board of directors

According to the corporate charter, candidates for the seats on the company's board of directors are nominated, in line with "measures governing election of directors" and "corporate governance best practice principles," to assure the diversity and independence of the membership of the board of directors, with the membership diversification policy and materialization as follows: .

- (1) The company's 9th board of directors consists of 11 members (including three independent directors), who were selected according to the "corporate governance best practice principles," based on the basic principles of professionalism and diversity, with their backgrounds spanning management, corporate operation, financial analysis and accounting, industrial knowledge, and law, possessing such abilities as crisis management, international-market perspective, and leadership/decision making.
- (2) There are one females members (9%) and two Japanese members (18%) on the board of directors, with five directors aged over 60, four in the 50-60 bracket, and one less than 40 of age.
- (3) Members of the board of directors generally possess knowledge, skills, and literacy needed for the fulfillment of their duties, including chairman Chiu Chwen-jy, director Huang Mao-hsiung, and director Ono Yuichiro boasting expertise in leadership/decision making, business judgment, and management, plus insightful international-market perspective; directors Kuo Tzu-yi, Peng Chi-tseng, Kao Shun-hsing , Hsu Ching-yi and director Osada Keishi having abundant literacy in corporate governance, as well as rich experience in corporate management, business judgment, and industrial knowledge. Among independent directors, Lien Yuan-lung is a practicing lawyers, a prestigious figure in the judicial field, Tu Chi-yao is a certified public accountant and specializes in financial and accounting management and analysis. He has extensive experience in taxation and finance across both sides of the Taiwan Strait , and Yu Jiun-yu is

a faculty member at a top-tier university and has demonstrated excellence in business administration. Backed by their expertise and experience, members of the board of directors can offer professional opinions to corporate management from various angles, making valuable contribution to corporate development.

- (4) In the future, in line with the operation of the board of directors, operating type, and development need, the diversification policy will be revised, including, but not limited to, fundamental conditions and values and standards for professional knowledge and skills, to assure possession of necessary knowledge, skills, and literary by members of the board of directors for fulfilling their duties.

4.2 Independence of the board of directors

According to the rules on share listing, the company has obtained written statements from every independent non-executive director, assuring the independence of them and their direct family relative to the company. The company now has three independent directors, 27% of the total seats of the board of directors.

All the directors don't have situations specified in article 26-3-3 and 26-3-4 of the Securities and Exchange Act, with directors' resumes being available on pages - and the corporate website.

4.3 Concrete management targets and status of materialization for the membership diversification policy for the board of directors

| | Concrete management target | Materialization status |
|---|--|---|
| 1 | At least one female member on the board of directors | There are one members on the board of directors now (9% share) |
| 2 | At least one foreign member on the board of directors | There are two Japanese members on the board of directors now (18% share) |
| 3 | No more than two directors having the relationship of spouse or relatives within second-degree kinship | There is no the relationship of pouse or relatives within second-degree kinship among directors |

4.4 The number of directors of either gender on the company's board does not reach one-third of the total seats. The reasons and measures to enhance gender diversity among directors are as follows:

Explanation of Reasons:

The company, in accordance with its Articles of Incorporation, has established an 11-member board of directors. The current directors were elected at the shareholders' meeting on May 27, 2024, with one female director among them. Although this complies with the legal requirements at the time of election, it still falls short of the one-third threshold. This is primarily due to considerations of industry characteristics and the expertise of each director, making it challenging to identify suitable candidates in the short term.

Measures to Be Taken:

Before the next board re-election, the company will proactively seek recommendations from various sources, including industry and academia, to identify suitable candidates. This will help enhance corporate governance and implement the policy of board member diversity.

(b) Data on president, vice presidents, assistant vice presidents, and chiefs of various units and branches

March 31, 2025

| Title | Nationality | Name | Gender | Date of assumption of office | Shareholding | | shareholding of spouse and minor children | | Shareholding in others' names | | Experience (education) | Concurrent positions in other companies | Spouse or relatives within second kinship who are also managerial staffers of the company | | | note |
|--|-------------|------------------------|--------|------------------------------|------------------|----------------------------|---|----------------------------|-------------------------------|----------------------------|--|--|---|------|--------------|------|
| | | | | | Number of shares | percentage of shareholding | Number of shares | percentage of shareholding | Number of shares | percentage of shareholding | | | Title | Name | Relationship | |
| President | ROC | Hsu Ching-yi (note1) | Male | 2024.03.01 | 0 | - | 0 | - | 0 | - | Doctor of business administration, National Chengchi University Master of science administration, National Chiaotung University | President of Taiwan Pelican Express E-JOY Electronics International Co., Ltd. Director \ President An-Sheng Travel Co., Ltd. Director \ President...etc. | | | | |
| Assistant vice president, management head division | ROC | Liao Hao-ting (note 2) | Male | 2024.03.01 | 0 | - | 0 | - | 0 | - | Bachelor in industrial management, National Cheng Kung University Assistant president for auditing, Deloitte & Touche | Supervisor, Tungsheng Electric Co., Ltd. Supervisor, Anhsin Technology Service Co., Ltd. Supervisor, Pelican Express (Vietnam) Co., Ltd. | - | - | - | - |

Note 1: Hsu Ching-yi assumed the presidency of Taiwan Pelican Express on March 1, 2024, replacing his predecessor Peng Chi-tseng.

Note 2: Liao Hao-ting assumed the office of assistant vice president of Taiwan Pelican Express on March 1, 2024, replacing his predecessor Wang Po-kang.

Note 3: Chou Cheng-hsiung was relieved of his original post of vice president on March 1, 2024.

B. Compensations for directors, president, and vice presidents

(a) Compensations for directors and independent directors

Unit: NT\$1,000

| Code | Title | Name | Compensations for directors | | | | | | | | Share of the total of A, B, C, and D in after-tax net profit | | Collection of related compensations by part-time employee | | | | | | | | Share of the total of A, B, C, D, E, F, and G in total after-tax net profit | | Collection of compensations from invested companies other than subsidiaries or parent company | |
|------|----------|---|-----------------------------|--|---------------------|--|---------------------------------|--|----------------------------|--|--|--|---|--|---------------------|--|---------------------------|--|------|-------------|---|-------------|---|-------------|
| | | | Compensations (A) | | Retirement fund (B) | | Compensations for directors (C) | | Business execution fees(D) | | | | Salary, bonus, and special allowance (E) | | Retirement fund (F) | | Employee compensation (G) | | | | | | | |
| | | | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | Cash | Stock value | Cash | Stock value | | The company |
| 1 | Chairman | TECO Electric & Machinery Co., Ltd. Representative : Chiu, Chwen-jy | - | - | - | - | - | - | 35 | 35 | 35 | 35 | - | - | - | - | - | - | - | - | - | 35 | 35 | 23,564 |
| 2 | Director | TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | - | - | - | - | - | - | 32 | 32 | 32 | 32 | - | - | - | - | - | - | - | - | - | 32 | 32 | - |
| 3 | Director | TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | - | - | - | - | - | - | 35 | 35 | 35 | 35 | 1,864 | 1,864 | 119 | 119 | - | - | - | - | 2,018 | 2,018 | 2,129 | |
| 4 | Director | TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | - | - | - | - | - | - | 35 | 35 | 35 | 35 | - | - | - | - | - | - | - | - | 35 | 35 | - | |
| 5 | Director | TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | - | - | - | - | - | - | 35 | 35 | 35 | 35 | 284 | 284 | 18 | 18 | - | - | - | - | 337 | 337 | 7,764 | |
| 6 | Director | ITOCHU Taiwan Corporation Representative : Ono Yuichiro(note 2) | - | - | - | - | - | - | 31 | 31 | 31 | 31 | - | - | - | - | - | - | - | - | 31 | 31 | - | |
| 7 | Director | ITOCHU Taiwan Corporation Representative : Osada Keishi (note 2) | - | - | - | - | - | - | 31 | 31 | 31 | 31 | - | - | - | - | - | - | - | - | 31 | 31 | - | |
| 8 | Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Shih Chi-yien (note 3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 9 | Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun-hsing (note 3) | - | - | - | - | - | - | 30 | 30 | 30 | 30 | - | - | - | - | - | - | - | - | 30 | 30 | - | |

| Code | Title | Name | Compensations for directors | | | | | | | | Share of the total of A, B, C, and D in after-tax net profit | | Collection of related compensations by part-time employee | | | | | | | | Share of the total of A, B, C, D, E, F, and G in total after-tax net profit | | Collection of compensations from invested companies other than subsidiary or parent company | |
|---|----------------------|----------------|-----------------------------|--|---------------------|--|---------------------------------|--|----------------------------|--|--|--|---|--|---------------------|--|---------------------------|--|-------------|--|---|-----------------|---|--|
| | | | Compensations (A) | | Retirement fund (B) | | Compensations for directors (C) | | Business execution fees(D) | | | | Salary, bonus, and special allowance (E) | | Retirement fund (F) | | Employee compensation (G) | | | | | | | |
| | | | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | The company | All the companies in financial statement | | | | |
| 10 | Independent director | Lien Yuan-lung | 720 | 720 | - | - | - | - | 62 | 62 | 782 | 782 | - | - | - | - | - | - | - | - | 782 | 782 | - | |
| 11 | Independent director | Tu Chi-yao | 420 | 420 | - | - | - | - | 35 | 35 | 455 | 455 | - | - | - | - | - | - | - | - | 455 | 455 | - | |
| 12 | Independent director | Yu Jiun-yu | 420 | 420 | - | - | - | - | 35 | 35 | 455 | 455 | - | - | - | - | - | - | - | - | 455 | 455 | - | |
| 13 | Independent director | Lin Wan-ying | 300 | 300 | - | - | - | - | 27 | 27 | 327 | 327 | - | - | - | - | - | - | - | - | 327 | 327 | - | |
| 14 | Independent director | Chen Wun-hwa | 300 | 300 | - | - | - | - | 27 | 27 | 327 | 327 | - | - | - | - | - | - | - | - | 327 | 327 | - | |
| Total | | | 2,160 | 2,160. | - | - | - | - | 450 | 450 | 2,610 -28.05% | 2,610 -28.05% | 2,148 | 2,148 | 137 | 137 | - | - | - | - | 4,895 -52.6% | 4,895 -52.6% | 33,457 | |
| 1. Describe the compensation policy, system, standard, and structure for independent directors, as well as the linkage between compensations and their responsibilities, risk and invested time: According to the company's "measures governing payout of compensations for directors," independent directors, who have to bear corresponding responsibilities and risks, are offered compensations in the form of "fixed amount for periodic payment," with their compensations also included in the total quota for directors. | | | | | | | | | | | | | | | | | | | | | | | | |
| 2. Collection of compensations by directors for provision of services to any of the companies in the financial statement in the recent year, other than those disclosed in the table above (such as consulting as non-employees): nil | | | | | | | | | | | | | | | | | | | | | | | | |

Note 1: The company's board of directors resolved on Feb. 27, 2022 to pay out NT\$0 for 2024 compensations for directors.

Note 2: ITOCHU Taiwan Corporation appointed Ono Yuichiro and Osada Keishi, replacing Matsui Manabu and Yamamoto Kazutoshi, as its representatives on Apr. 1, 2024.

Note 3: AN-SHIN FOOD SERVICES CO., LTD. appointed Kao Shun-hsing, replacing Shih Chi-yien, as its representative on Feb. 23, 2024.

(b) Compensations for president and vice presidents

Unit: NT\$1,000

| Title | Name | Salary (A) | | Severance or retirement pay (B)) | | Incentive pay and special allowance (C) | | Value of employee compensations (D) | | | | Share of the total of A, B , C, and D in after-tax net profit (%) | | Collection of compensations from invested enterprises other than subsidiaries or parent company |
|---------------|----------------------------|-------------|--|----------------------------------|--|---|--|-------------------------------------|-------------|--|-------------|---|--|---|
| | | The company | All the companies in the financial statement | The company | All the companies in the financial statement | The company | All the companies in the financial statement | The company | | All the companies in the financial statement | | The company | All the companies in the financial statement | |
| | | | | | | | | Cash value | Stock value | Cash value | Stock value | | | |
| President | Peng Chi-tseng (note 1) | 2,342 | 2,342 | 149 | 149 | 0 | 0 | 0 | 0 | 0 | 0 | 2,491 -26.77% | 2,491 -26.77% | 2,873 |
| President | Hsu Ching-yi (note 1) | | | | | | | | | | | | | |
| Vicepresident | Chou Cheng-hsiung (note 2) | | | | | | | | | | | | | |

Note 1: Hsu Ching-yi assumed the presidency of Taiwan Pelican Express on March 1, 2024, replacing his predecessor Peng Chi-tseng. The above discloses the compensation received during the

tenure of this position.

Note 2: Chou Cheng-hsiung was relieved of his original post of vice president on March 1, 2024. The above discloses the compensation received during the tenure of this position.

Compensation brackets

| Bracket of compensations for the company's president and vice presidents | Names of president and vice presidents | |
|--|--|--|
| | The company | All the companies in the financial statement |
| Less than NT\$1,000,000 | Peng Chi-tseng, Chou Cheng-hsiung | Peng Chi-tseng, Chou Cheng-hsiung |
| NT\$1,000,000(inclusive)~ 2,000,000(exclusive) | Hsu Ching-yi | Hsu Ching-yi |
| NT\$2,000,000(inclusive)~ 3,500,000(exclusive) | | |
| NT\$3,500,000(inclusive)~ 5,000,000(exclusive) | | |
| NT\$5,000,000(inclusive)~ 10,000,000(exclusive) | | |
| NT\$10,000,000(inclusive)~ 15,000,000(exclusive) | | |
| NT\$15,000,000(inclusive)~ 30,000,000(exclusive) | | |
| NT\$30,000,000(inclusive)~ 50,000,000(exclusive) | | |
| NT\$50,000,000(inclusive)~ 100,000,000(exclusive) | | |
| Over NT\$100,000,000 | | |
| Total | 3 persons | 3 persons |

(c) Compensation of the top five highest-remunerated executives of listed and OTC companies

| Title | Name | Salary (A) | | Severance or retirement pay (B)) | | Incentive pay and special allowance (C) | | Value of employee compensations (D) | | | | Share of the total of A, B , C, and D in after-tax net profit (%) | | Collection of compensations from invested enterprises other than subsidiaries or parent company |
|-------------------------|-------------------|-------------|--|----------------------------------|--|---|--|-------------------------------------|-------------|--|-------------|---|--|---|
| | | The company | All the companies in the financial statement | The company | All the companies in the financial statement | The company | All the companies in the financial statement | The company | | All the companies in the financial statement | | The company | All the companies in the financial statement | |
| | | | | | | | | Cash value | Stock value | Cash value | Stock value | | | |
| Special Assistant | Yang Hsi-chen | 2,597 | 2,597 | 108 | 108 | 0 | 0 | 0 | 0 | 0 | 0 | 2,705 | 2,705 | - |
| President | Hsu Ching-yi | 1,864 | 1,864 | 119 | 119 | 0 | 0 | 0 | 0 | 0 | 0 | 1,983 | 1,983 | 2,129 |
| Advisor | Chou Cheng-hsiung | 1,293 | 1,293 | 74 | 74 | 0 | 0 | 0 | 0 | 0 | 0 | 1,367 | 1,367 | - |
| Assistant vicepresident | Liao Hao-ting | 1,219 | 1,219 | 78 | 78 | 0 | 0 | 0 | 0 | 0 | 0 | 1,297 | 1,297 | 893 |
| Division Manager | Chiang,Chin-hua | 1,169 | 1,169 | 58 | 58 | 0 | 0 | 0 | 0 | 0 | 0 | 1,227 | 1,227 | - |

(d) Payout of compensations for managers

Unit: NT\$1,000

| | Title | Name | Stock value | Cash | Total | Share of total in after-tax net profit (%) |
|----------|-------------------------|----------------------------|-------------|------|-------|--|
| Managers | President | Peng Chi-tseng (note 1) | - | 0 | 0 | 0 |
| | President | Hsu Ching-yi (note 1) | | | | |
| | Vice president | Chou Cheng-hsiung (note 3) | | | | |
| | Assistant vicepresident | Wang Po-kang (note 2) | | | | |
| | Assistant vicepresident | Liao Hao-ting (note 2) | | | | |

Note 1: Hsu Ching-yi assumed the presidency of Taiwan Pelican Express on March 1, 2024, replacing his predecessor Peng Chi-tseng.

Note 2: Liao Hao-ting assumed the office of assistant vice president of Taiwan Pelican Express on March 1, 2024, replacing his predecessor Wang Po-kang.

Note 3: Chou Cheng-hsiung was relieved of his original post of vice president on March 1, 2024.

(e) Share of compensations paid by the company and all the companies in the consolidated financial statement to the company's directors, president, and vice presidents in the after-tax net profits in individual or consolidated financial statement in recent two years and explain the policy, standards, and composition of compensations payout, procedure for setting compensations, and its correlation with business performance.

1. Share of total compensations for directors, independent directors, president, and vice presidents in after-tax net profit in individual and consolidated financial statement:

| Item Title | The company | | | | All the companies in the consolidated financial statement | | | |
|---|-------------|-------------------------------|--------|-------------------------------|---|-------------------------------|--------|-------------------------------|
| | 2023 | | 2024 | | 2023 | | 2024 | |
| | Total | Share in after-tax net profit | Total | Share in after-tax net profit | Total | Share in after-tax net profit | Total | Share in after-tax net profit |
| Compensations for directors | 4,693 | 4.97 | 2,610 | -28.05 | 4,693 | 4.97 | 2,610 | -28.07 |
| Compensations for president and vice presidents | 4,488 | 4.75 | 2,491 | -26.77 | 4,488 | 4.75 | 2,491 | -26.77 |
| After-tax net profit | 94,496 | | -9,305 | | 94,496 | | -9,305 | |

Note: 2024 compensations for directors decreased from 2023, due to decline in 2024 after-tax net profit; 2024 compensations for president and vice presidents decreased from 2023, due to decline in bonus.

2. The policy, standards, and makeup for the payout of compensations, the procedure for the determination of compensations. and its correlation with business performance
- (1) According to the revised Company Act promulgated in May 2015 and the company's revised corporate charter approved shareholders' meeting in May 2016, the company appropriates 0.5-1.5% of pretax profits, after deducting payout for compensations for directors and employees, as employee bonus and up to 3% as director bonus. In line with the company's "measures governing payout of compensations for directors" and "measures governing performance evaluation for the board of directors," the company pays reasonable compensations to directors and managerial staff, according to the extent of their participation in corporate operation and personal performance and contribution, in addition to irregular review of the system on the compensations for directors and managerial staff timely, according to business status and related law/regulation.
 - (2) Compensations for president and vice presidents, including salaries, bonus, employee compensations, are determined on the basis of their positions and responsibilities, as well as target attainment rates, margin, operating benefits, and contributions, evaluated according to the company's "measures governing payout of employee compensations," "measures governing performance evaluation," and incentive pay system for high-ranking managers."
 - (3) The company sets compensations for directors at a reasonable level, according to overall operating performance, industrial development trend, and operating risks, as well as contributions to corporate performance, evaluated according to "measures governing performance evaluation for the board of directors." The compensations committee and the board of directors review performance evaluation and reasonableness of compensations, in addition to compensations system, according to business status and related law/regulation, to attain balance between sustainable operation and risk management.

C. Operating status of corporate governance

(a) Operation of the board of directors

The board of directors convened seven times in 2024, with the attendances of directors listed below:

| Title | Name | Number of attendance | Number of attendance via proxy | Attendance rate (%) | Note |
|----------------------|---|----------------------|--------------------------------|---------------------|---|
| Chairman | TECO Electric & Machinery Co., Ltd. Representative : Chiu, Chwen-jy | 7 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 7) |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | 7 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 7) |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | 7 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 7) |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | 7 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 7) |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | 7 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 7) |
| Director | ITOCHU Taiwan Corporation Representative : Matsui Manabu | 0 | 1 | 0% | Relieved of duty on 2024.3.31 (required number of attendance 1) |
| Director | ITOCHU Taiwan Corporation Representative : Ono Yuichiro | 6 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 6) |
| Director | ITOCHU Taiwan Corporation Representative : Yamamoto Kazutoshi | 1 | 0 | 100% | Relieved of duty on 2024.3.31 (required number of attendance 1) |
| Director | ITOCHU Taiwan Corporation Representative : Osada Keishi | 6 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 6) |
| Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Shih Chi-yien | 0 | 0 | 0% | Relieved of duty on 2024.2.22 (required number of attendance 0) |
| Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun- hsing | 6 | 1 | 86% | Reelected on 2024.5.27 (required number of attendance 7) |
| Independent director | Lien Yuan-lung | 7 | 0 | 100% | Reelected on 2024.5.27 (required number of attendance 7) |
| Independent director | Lin Wan-yin | 3 | 0 | 100% | Relieved of duty on 2024.5.27 (required number of attendance 3) |

| Title | Name | Number of attendance | Number of attendance via proxy | Attendance rate (%) | Note |
|----------------------|--------------|----------------------|--------------------------------|---------------------|---|
| Independent director | Tu Chi-yao | 4 | 0 | 100% | Elected on 2024.5.27 (required number of attendance 4) |
| Independent director | Chen Wun-hwa | 3 | 0 | 100% | Relieved of duty on 2024.5.27 (required number of attendance 3) |
| Independent director | Yu Jiun-yu | 4 | 0 | 100% | Elected on 2024.5.27 (required number of attendance 4) |

- a. In case there occurs one of the following situations, related information should be specified, including date of the board meeting, term of the board of directors, contents of agenda, opinions of all the independent directors, and handling of the opinions by the company:
- Cases listed in article 14-3 of the Securities and Exchange Act: please see the table below
 - Except the aforementioned items, resolutions of the board of directors with opposition, or reserved opinions, by any independent director on record or in written form: nil.
- b. For abstention of cases by directors due to involvement of related interests, specify the names of directors, contents of agenda, reasons for abstention, and situation of voting:
- 17th meeting of the 8th board of directors (2024/02/26)
Agenda Item:: Change of ranking officials and appointment of manager
Reasons for recusal and voting participation::
Directors Peng Chi-tseng and Hsu Ching-yi recused themselves from discussions and voting on this matter due to a conflict of interest.
Resolution: Except for Directors Peng Chi-tseng and Hsu Ching-yi, who recused themselves due to a conflict of interest, the proposal was approved unanimously by the remaining attending directors.
 - 19th Meeting of the 8th board of directors (2024/05/13)
Agenda Item: Related-party transaction – Lease of land in the Xinzhuang plant area.
Reason for recusal and voting participation:
Since Tung An Asset Development & Management Co., Ltd. is a wholly owned subsidiary of Teco Electric & Machinery Co., Ltd., and given that Chairman Chiu Chwen-jy, Director Huang Mao-hsiung, and Director Peng Chi-tseng hold positions in both companies (Chiu Chwen-jy and Huang Mao-hsiung as directors of Tung An Asset Development & Management Co., Ltd., and Peng Chi-tseng as a manager of Teco Electric & Machinery Co., Ltd.), they declared a conflict of interest and recused themselves from discussions and voting on this matter.
Resolution: Except for Chairman Chiu Chwen-jy, Director Huang Mao-hsiung, and Director Peng Chi-tseng, who recused themselves due to a conflict of interest, the proposal was unanimously approved by the remaining attending directors.
- c. Target for intensifying the function of the board of directors and evaluation of their implementation in the current year and latest year:
- In line with global corporate-governance current and with TWSE (Taiwan Stock Exchange) "Corporate Government Best Practice Principles for TWSE/TPEX Listed Companies" as reference, the company's board of directors resolved to formulate the "corporate governance best practice principles" at its meeting on June 14, 2013. Subsequently, in order to strengthen the structure of the board of directors and diversify its membership, plus institution of a corporate governance unit consisting of part-time staffers, the board of directors revised the "corporate governance best practice principles" at its meeting on March 14, 2017, followed by further revision at its meeting on March 7, 2018, to cover liability insurance for directors.
 - To materialize corporate governance and social responsibility, in line with the requirements of the new indicators of 2nd corporate governance valuation and with TWSE "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies" as reference, the company's board of directors resolved to formulate the "corporate social responsibility best practice principles" at its meeting on Nov. 10, 2015.
 - Based on the ethical management concept of honest, transparency, and responsibility and for strengthening a corporate culture of ethical management and creating a sustainable management environment, with TWSE "Ethical Corporate Management Best Principles for TWSE/TPEX Listed Companies" as reference, the company's board of directors resolved to formulate the "ethical corporate management best principles" at its meeting on Nov. 7, 2014. Subsequently, in line with the policy of the Financial Supervisory Commission (FSC) calling for institution of a unit dedicated to the formulation of ethical management policy and supervision of its implementation, the company's board of directors resolved to revise the "ethical corporate management best principles" at its meeting on March 14, 2017. The principles were

| Title | Name | Number of attendance | Number of attendance via proxy | Attendance rate (%) | Note |
|--|------|----------------------|--------------------------------|---------------------|------|
| <p>revised for the second time by the board of directors at its meeting on Feb. 26, 2020, according to the instruction of the TWSE (mail No. 1080008378, dated May 23, 2019), in line with the policy of the Financial Supervisory Commission calling for materialization of internal- control and -auditing mechanism. In order to materialize the ethical management policy and prevent unethical behaviors actively, the company formulated "operating regulations for ethical management" on Feb. 1, 2021, specifying noticeable items for employees of their execution of duties.</p> <p>4. In order to materialize corporate governance and intensify the functions of the board of directors, via setup of performance targets, in line with article 37 of the TWSE "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the company's board of directors resolved to formulate "measures governing performance evaluation for the board of directors" at its meeting on Nov. 10, 2015. In line with requirements of new indicators of corporate governance evaluation and with TWSE template as reference (TWSE mail No. 1090009468, dated June 3, 2020), the company's board of directors resolved to revise the "measures governing performance evaluation for the board of directors" at its meeting on Dec. 15, 2021. The board of directors has carried out annual self-evaluation of its performance from 2015 for submission of the result to the board of directors for review and improvement by the end of the first quarter next year. Moreover, external evaluation of the performance of the board of directors has been carried out once every three years since 2023.</p> <p>5. To institute good corporate governance and help the board of directors execute its duties and augment its performance, in line with the instruction of the TWSE (mail No. 10700253951, dated May 8, 2019), the board of directors resolved to formulate "standard operating procedure for handling requests of directors" at its meeting on May 8, 2019.</p> <p>6. To provide guidance for the selection and evaluation of certified public accountants and establish a good corporate government system, according to article 29 of the company's "corporate governance best practice principles," the board of directors resolved to formulate "measures governing selection and evaluation of certified public accountants" at its meeting on Dec. 25, 2015, according to which the company has evaluated the objectivity and independence of certified public accounts annually since 2016. And since 2023, the company has regularly referred to the Audit Quality Indicators (AQIs) to strengthen the evaluation of CPA's independence and competency .</p> <p>7. To strengthen corporate governance, intensify the functions of the board of directors, and uphold shareholders' interest, the board of directors</p> <p>8. To establish a sound corporate governance system, enhance and strengthen management functions, and promote corporate social responsibility and sustainable operations, the Board of Directors approved the establishment of the "Corporate Governance and Sustainability Committee" and its related regulations on August 12, 2024. Additionally, the proposal for the appointment of committee members was also approved.</p> <p>9. To ensure the company's sound operations, corporate governance, and sustainable development, as well as to establish an effective risk management mechanism to enhance operational control, the Board of Directors approved the "Risk Management Policy and Procedures" on August 12, 2024, and the "Sustainability Information Management Procedures" on November 11, 2024.</p> | | | | | |

Status of performance evaluation for the board of directors

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method | Evaluation Content |
|----------------------|-----------------------|---------------------------|---|---|
| At least once a year | 2024/01/01~2024/12/31 | Entire board of directors | Self evaluation by the board of directors | There are 45 evaluation items in five aspects: A. Extent of participation of corporate operation B. Enhancement of the decision-making quality of the board of directors C. Makeup and structure of the board of directors D. Election of directors and continuing study E. Internal control |
| At least once a year | 2024/01/01~2024/12/31 | Individual directors | Self-evaluation by directors | There are 23 items in six major aspects for the self-evaluation by 11 directors (including independent directors) A. Grasp of corporate target and mission B. Understanding of directors' duties C. Extent of participation in corporate |

| Evaluation cycle | Evaluation period | Evaluation scope | Evaluation method | Evaluation Content |
|---|-----------------------|---|---|--|
| | | | | operation D. Management and communications for internal relationship E. Expertise and continuing study F. Internal control |
| At least once a year | 2024/01/01~2024/12/31 | Functional committees | Self evaluation by functional committees | There are 23 items in five major aspects for the self evaluation: A. Extent of participation in corporate operation B. Understanding of the committee's duties C. Enhancement of the quality of functional committees' duties D. Composition of functional committees and selection of committee members E. Internal control |
| Evaluation by external independent professional institutions once every three years | 2023/01/01~2023/12/31 | Performance evaluation for the function of the board of directors and production of analytical report for external evaluation | In 2023, the company commissioned the "Taiwan Institute of Ethical Business" to conduct external performance evaluation for the board of directors, via such methods as "data review," "online questionnaire survey of members of the board of directors," and "interview with directors. " | The institute subsequently presented observation conclusions and optimization suggestions, with evaluation dimensions including: 1. Professional competence: Makeup of the membership of the board of directors reflect mainly the composition of shareholders' meeting, with members' backgrounds covering various professional fields, including industry, accounting, and management, capable of producing diversified opinions from different angles. 2. Decision-making performance: Members of the board of directors expressed having the opportunity for full discussion during meetings and sufficient participation in corporate operation, upholding decision-making performance. 3. Internal control: Via management team and internal system, the board of directors carries out identification and management of operating risk, as well as full communication and understanding on the execution and performance of auditing operation, facilitating its supervision of corporate internal control. 4. Sustainable development: The evaluated enterprise has set up environmental-management system and intensified labor-right protection via digitalized management and salary-structure adjustment, on top of talent cultivation for succession plan, helping the board of directors oversee the materialization of sustainable corporate development. |

(b) Status of the operation of auditing committee:

The company's auditing committee was set up on May 7, 2013, substituting for the original system of supervisors, with its members being independent directors (three), who elects one among them as convener and chairman of its meetings. It operates, according to the company's "organizational charter for auditing committee."

Tenure of the members of the current auditing committee: May 27, 2024 through May 26, 2027. In 2024, the auditing committee convened six times (A), with status of attendance by independent directors as follows:

| Title | Name | Number of attendance (B) | Number of attendance via proxy | Attendance rate (%) (B/A) (note 1, note 2) | Note |
|----------------------|----------------|--------------------------|--------------------------------|--|--|
| Independent director | Lin Wan-ying | 3 | - | 100% | Relieved of duty on May 27, 2024 (need to attend three times) |
| Independent director | Tu Chi-yao | 3 | - | 100% | Election on May 27, 2024 as a new member and convener (need to attend three times) |
| Independent director | Lien Yuan-lung | 6 | - | 100% | Reelection on May 27, 2024 (need to attend six times) |
| Independent director | Chen Wun-hwa | 3 | - | 100% | Relieved of duty on May 27, 2024 (need to attend three times) |
| Independent director | Yu Jiun-yu | 3 | - | 100% | Election on May 27, 2024 as a new member (need to attend three times) |

Other items mandating registration:

- a. For one of the following situations, specify date and term of meeting of the auditing committee, contents of agenda, contrary opinions or reserved opinions of independent directors, and major suggestions, resolutions of the auditing committee, and handling of the auditing committee's opinions by the company:
- Items specified in Article 14-5 of Securities & Exchange Act
 - Other items approved by over two thirds of all the directors without passage by the auditing committee beforehand

| Auditing committee | Contents of agenda and subsequent handling | Items specified in Article 14-5 of Securities & Exchange Act | Other items approved by over two thirds of all the directors without passage by the auditing committee beforehand |
|---|--|--|---|
| Fourth auditing committee 11th meeting 2024/02/21 | 1. The company's 2023 business report and financial statement ° | V | |
| | 2. Distribution of the company's 2023 earnings | V | |
| | 3. Self evaluation of the company's internal control in 2023 and production of internal control statement | V | |
| | 4. Change of the CPAs for auditing the financial statement ° | V | |
| | 5. Lease for movement of the company's "Jinhu logistics center" | V | |
| | 6. Change of accounting chief and appointment of managerial staffer | V | |
| | Resolution of the auditing committee: Passage with no opposition from any members in attendance upon inquiry by the chairman followed by the submission to the board of directors for discussion | | |
| | The company's subsequent handling of independent directors' opinions: Passage with agreement of all the directors in attendance | | |

| Auditing committee | Contents of agenda and subsequent handling | Items specified in Article 14-5 of Securities & Exchange Act | Other items approved by over two thirds of all the directors without passage by the auditing committee beforehand |
|---|--|--|---|
| Fourth auditing committee 12th meeting 2024/02/26 | 1. Change of accounting chief and appointment of managerial staffer | V | |
| | Resolution of the auditing committee: Passage with no opposition from any members in attendance upon inquiry by the chairman followed by the submission to the board of directors for discussion | | |
| | The company's subsequent handling of independent directors' opinions: Passage with agreement of all the directors in attendance | | |
| Fourth auditing committee 13th meeting 2024/05/03 | 1. The company's 2024 Q1 consolidated financial statement | V | |
| | 2. Appointment of CPAs for the period from 2024 Q2 and 2025 Q1 and CPAs compensations | V | |
| | 3. Related-Party Transaction – Lease of Land in the Xinzhuang Plant Area | V | |
| | Resolution of the auditing committee: Passage with no opposition from any members in attendance upon inquiry by the chairman followed by the submission to the board of directors for discussion | | |
| | The company's subsequent handling of independent directors' opinions: Passage with agreement of all the directors in attendance | | |
| Fifth auditing committee 2th meeting 2024/08/07 | 1. The company's 2024 Q2 consolidated financial statement | V | |
| | 2. Proposal for Establishing the Company's "Risk Management Policies and Procedures | V | |
| | 3. Establishing the "Regulations on Financial and Business Operations Among Related Parties" | V | |
| | 4. Change of accounting chief | V | |
| | Resolution of the auditing committee: Passage with no opposition from any members in attendance upon inquiry by the chairman followed by the submission to the board of directors for discussion | | |
| | The company's subsequent handling of independent directors' opinions: Passage with agreement of all the directors in attendance | | |
| Fifth auditing committee 3th meeting 2024/11/06 | 1. The company's 2024 Q3 consolidated financial statement ° | V | |
| | 2. Amending the "Procedures for Handling Material Internal Information and Preventing Insider Trading". | V | |
| | 3. Establishing the "Sustainability Information Management Procedures. | V | |
| | Resolution of the auditing committee: Passage with no opposition from any members in attendance upon inquiry by the chairman followed by the submission to the board of directors for discussion | | |
| | The company's subsequent handling of independent directors' opinions: Passage with agreement of all the directors in attendance | | |
| Fifth auditing committee 4th meeting 2025/02/21 | 1. The company's 2024 business report and financial statement ° | V | |
| | 2. Distribution of the company's 2024 earnings | V | |
| | 3. Self evaluation of the company's internal control in 2024 and production of internal control statement | V | |
| | Resolution of the auditing committee: Passage with no opposition from any members in attendance upon inquiry by the chairman followed by the submission to the board of directors for discussion | | |
| | The company's subsequent handling of independent directors' opinions: Passage with agreement of all the directors in attendance | | |

- b. Abstention by independent directors due to conflict of interest and specific names of independent directors involved, contents of agenda, reasons for abstention, and status of voting: nil
- c. Items and state of communication by independent directors with certified public accountant and in-house auditing chief (over major corporate affairs, such as finance and business status, as well as communications method and results):
- (a) The company's independent directors have sufficient channels for contact with in-house auditing chief and certified public accountants and carry out regular auditing on corporate finance and business status, according to the regulations of the competent authority, via communications with management and governing units via smooth channels.
1. In addition to submission of monthly internal auditing report to independent directors for perusal, auditing chief makes specific auditing report upon the request of independent directors, plus quarterly auditing report at the auditing committee's meeting. As a result, there is sufficient communications on the execution of auditing operation and performance.
 2. After auditing the semiannual and annual financial reports, the certified public accountants would report the findings of auditing or perusal at the auditing committee's meeting, as well as other mandatory communications items.
- (b) Given good communications with in-house auditing chief, independent directors have no other suggestions. Major communications items in 2024 are listed below:

| Date | Communication method | Communications item | Communications result |
|-----------|----------------------|--|---|
| 2024/2/21 | Auditing committee | 1.Q4 2023 auditing report 2. Report on self evaluation of 2023 internal control and production of statement on internal control | 1. Acknowledgement 2. Passage with no opposition from any members in attendance upon inquiry by the chairman |
| 2024/4/3 | Email | Responses to questions regarding the February 2024 Internal Audit Report. | Acknowledgement |
| 2024/5/3 | Auditing committee | Q1 2024 auditing report | Acknowledgement |
| 2024/8/7 | Auditing committee | Q2 2024 auditing report | Acknowledgement |
| 2024/8/29 | Email | Responses to questions regarding the July 2024 Internal Audit Report. | Acknowledgement |
| 2024/10/1 | Email | Responses to questions regarding the August 2024 Internal Audit Report. | Acknowledgement |
| 2024/11/6 | Auditing committee | 1. Q3 2024 auditing report 2. 2025 auditing plan | 1. Acknowledgement 2. Passage with no opposition from any members in attendance upon inquiry by the chairman |

- (c) Given good communications with certified public accountants , independent directors have no other suggestions. Major communications items in 2024 are listed below:

| | | | |
|------------|---|--|---|
| 2024/2/21 | Auditing committee and sending of communications mail | <ol style="list-style-type: none"> 1. Communications on revisions of auditing quality index (AQI) and international CPA ethical code (IEXSBA Code) and other major items 2. Certified public accountants reported on analysis of financial status and business performance in 2023 financial statement, planning items, and key auditing items, as well as responsibilities of auditors for perusal of financial statement. 3. Certified public accountants explained auditing findings and adjustment of auditing entries with auditing committee members. 4. Explanation of CPAs independence and fee 5. Certified public accountants answered the questions of auditing committee members. | After passage of the auditing committee and approval of the board of directors, the annual financial statement was reported to the regulator timely, on top of obtaining the auditing committee's confirmation of the independence of CPAs and evaluation on annual auditing work via mail. |
| 2024/5/3 | Auditing committee and sending of communications mail | <ol style="list-style-type: none"> 1. CPAs reported their findings from perusal of 2024 Q1 consolidated financial statement and adjustment of auditing entries with auditing-committee members 2. Certified public accountants answered the questions of auditing committee members. | Opinions of auditing-committee members on Q1 financial statement were obtained via mail for submission to and passage by the board of directors before publication and report to the regulator time. |
| 2024/8/7 | Auditing committee and sending of communications mail | <ol style="list-style-type: none"> 1. CPAs reported their findings from perusal of 2024 Q2 consolidated financial statement and adjustment of auditing entries with auditing-committee members. 2. Certified public accountants answered the questions of auditing committee members. | Opinions of auditing-committee members on Q2 financial statement were obtained via mail for submission to and passage by the board of directors before publication and report to the regulator timely |
| 2024/11/6 | Auditing committee and sending of communications mail | <ol style="list-style-type: none"> 1. CPAs reported their findings from perusal of 2024 Q3 consolidated financial statement and adjustment of auditing entries with auditing-committee members 2. Certified public accountants answered the questions of auditing committee members. | Opinions of auditing-committee members on Q3 financial statement were obtained via mail for submission to and passage by the board of directors before publication and report to the regulator timely. |
| 2024/12/25 | Sending of communications mail | <ol style="list-style-type: none"> 1. Certified public accountants explained their role and responsibilities for 2024 auditing work. 2. Certified public accountants explained their auditing plan, auditing method, and standards for judgment of materiality, and possible employment of other experts for 2024 auditing work. 3. Certified public accountants explained preliminary opinions on corporate risk assessment and auditing risks for key items for 2024 auditing work. 4. CPAs explained briefly work types for individual member of the group's consolidated financial statement for 2024 auditing work. 5. CPAs team made independent statement for their auditing work. 6. Explanation of the quality control system of CPAs' accounting firm. | Opinions of auditing-committee members on the independence and annual auditing work were obtained via mail. |

d. Major works of the auditing committee in the year

1. The company's auditing committee is meant to help the board of directors supervise the quality and ethics in accounting, auditing, financial-report flow, and financial control with major tasks including:

- (1) adequate expression in financial statement;
- (2) auditing and accounting policy and procedure;
- (3) internal control-related policy and procedure;
- (4) major trading in assets or derivatives;
- (5) major loaning and provision of endorsement or guarantee;
- (6) raising, issuance, or private placement equity-oriented securities;
- (7) financial derivatives and cash investment;
- (8) hire and dismissal of financial, accounting, and in-house auditing chiefs;
- (9) employment and dismissal of certified public accountants and their fees;
- (10) evaluation of the qualifications, independent, and performance of certified public accountants;
- (11) legal compliance;
- (12) risk management;
- (13) involvement in trading with related parties by managerial staffers and directors and possible conflict of interest.

2. Perusal of financial statement

The board of directors produced the company's 2024 business report, financial statement (including consolidated financial statement) and presented plan for earnings distribution, of which the financial statement has been audited by CPAs Chih Ping-chun and Tu Chan-yuan of PwC Taiwan followed by production of auditing report. After auditing, the auditing committee finds no improperness in the aforementioned business report, financial statement (including consolidated financial statement), and plan for earnings distribution.

3. Evaluation of the effectiveness of internal control system

The auditing committee evaluates the effectiveness of the policy and procedure of the company's internal control system (including finance, operation, risk management, information security, outsourcing, and legal compliance) and reviews the regular reports by the auditing unit and CPAs and management on risk management and legal compliance. Based on the internal control system-internal control-integrated framework) published by the Committee of Sponsoring Organization of the Treadway Commission (COSO), the auditing committee confirms the effectiveness of the company's risk management and internal control, as it has employed necessary control mechanism to supervise and rectify irregularities.

Note 1: In case there is any independent director leaving the post by the end of the year, the following information should be entered in the note column, including job expiration date, with attendance rate (%) based on division of the actual number of attendances by the number of committee meetings during his/her service period.

Note 2: In case there is reelection for independent directors by the end of the year, information on both original and new independent directors should be entered in the note column, including the distinction of previous, new, or continuing membership and the date of reelection, with attendance rate (%) based on division of the actual number of attendances by the number of auditing

(c) Operating status of corporate governance and difference from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons

| Evaluation items | Status of operation (note) | | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|----------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| A. Whether or not the company has formulated and disclosed corporate governance best-practice principles according to "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"? | V | | The company's board of directors already resolved to formulate the "corporate governance best practice principles" in 2013 and subsequently passed revision of the principles in 2017, posted on the corporate website for access by shareholders. For detailed information, please access http://www.e-can.com.tw/upload/UserFiles/公司治理實務守則現行條文.pdf | No difference |
| B. Company shareholding structure and shareholders' equity | V | | | |
| (a) Whether or not the company has formulated and implemented internal operating procedure for handling shareholders' suggestions, questions, disputes, and litigations. | V | | (a) The company has instituted spokesman and acting spokesman to handle shareholders' suggestions or inquiries. | No difference |
| (b) Whether or not the company has a firm grip on the list of controlling shareholders and the eventual controllers of major shareholders? | V | | (b) The company has grasped shareholdings by directors, managerial staff, and reported changes in the shareholdings according to legal requirement. | No difference |
| (c) Whether or not the company has established and implemented risk-management and fireproof mechanisms with affiliates? | V | | (c) The company has instituted related supervisory mechanism in corporate bylaws and internal control. | No difference |
| (d) Whether or not the company has formulated internal regulations forbidding the company's insiders to take advantage of undisclosed information in engaging in securities trading? | V | | (d) The company's insiders have to sign internal regulatory statement, whose contents are set according to the Securities & Exchange Act: 1. Article 22-2 (report on share transfer beforehand, no sale of shareholding within six months after assumption of office, report on transfer of shares for sale of pledged shares by pledgee or auction by court). 2. Article 25 (insiders should report to the company on change of shareholding in the previous month by the 5th of every month, except imposition (lifting) of pledge which be reported to the company immediately). 3. Article 28-2-6 (ban on sale of shares during the period for purchasing treasury stocks) 4. Article 43-1-1 (report on acquisition of over 10% of shares of public companies by oneself or together with others, as well as subsequent change of the shareholding | No difference |

| Evaluation items | Status of operation (note) | | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|--|----------------------------|----|---|--|
| | Yes | No | Summarized explanation | |
| | | | <p>at a scale of over 1%)</p> <p>5. Article 157 (insiders cannot sell shares within six months after obtaining the shares or purchase shares within six months after selling them)</p> <p>6. Article 157-1 (ban on insider trading) and confidentiality agreement for material inside information: It is forbidden to leak material inside information to others and it is mandatory to report to responsible unit should one learns of such leakage. It is obligatory to keep the confidentiality of material information during one's tenure and one should not leak or deliver material inside information or utilize such information of the interest of oneself or a third party.</p> | |
| <p>C. Makeup and duties of the board of directors</p> <p>(a) Whether or not the board of directors has formulated and implemented diversification policy for its membership?</p> | V | | <p>(a)</p> <p>1. Article 20 of the company's "corporate governance best practice principle" calls for diversification of the membership of the board of directors, according to which the number of directors with concurrent managerial position should not be over one third of the total seats and composition of membership should take into account corporate operation, operating type, and development need, including the following standards in two major aspects:</p> <p>(1) Fundamental conditions and values: gender, age, nationality, culture;</p> <p>(2) Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skill, and industrial experience.</p> <p>Composition of the membership of the board of directors should take into account knowledge, skills, literary necessary for the fulfillment of duties. To attain the ideal target of corporate governance, the board of directors as whole should possess the following capabilities:</p> <p>(1) business judgment;</p> <p>(2) accounting and financial analysis;</p> <p>(3) business management;</p> <p>(4) crisis management;</p> <p>(5) industrial knowledge;</p> <p>(6) international market perspective;</p> <p>(7) leadership;</p> <p>(8) decision making.</p> <p>2. Materialization of diversification policy:</p> <p>(1) The company has been seeking the diversification of the membership of its board of directors (note 1), as a result of which of the 11 seats of the ninth board</p> | No difference |

| Evaluation items | Status of operation (note) | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|----------------------------|----|---|
| | Yes | No | |
| (b) Whether or not the company is willing to establish other functional committees on its own initiative, on top of mandatory institution of compensation committee and auditing committee? | | | <p>of directors (including independent directors), , there is a diverse range of professional expertise in law, accounting, industry, finance, and marketing, one is females (9%) and two are Japanese (18%), with five being over 60 of age, five aged 50-60, and one less than 40 of age. There are no spousal or second-degree familial relationships among the directors.</p> <p>(2) Members of the board of directors generally possess knowledge, skills, and literacy needed for the fulfillment of their duties, including chairman Chiu Chwen-jy, director Huang Mao-hsiung, and director Ono Yuichiro boasting expertise in leadership/decision making, business judgment, and management, plus insightful international-market perspective; directors Kuo Tzu-yi, Peng Chi-tseng, Kao Shun-hsing , Hsu Ching-yi and director Osada Keishi having abundant literacy in corporate governance, as well as rich experience in corporate management, business judgment, and industrial knowledge. Among independent directors, Lien Yuan-lung is a practicing lawyers, a prestigious figure in the judicial field, Tu Chi-yao is a certified public accountant and specializes in financial and accounting management and analysis. He has extensive experience in taxation and finance across both sides of the Taiwan Strait , and Yu Jiun-yu is a faculty member at a top-tier university and has demonstrated excellence in business administration. Backed by their expertise and experience, members of the board of directors can offer professional opinions to corporate management from various angles, making valuable contribution to corporate development.</p> <p>(b) In addition to the legally required establishment of the Compensation Committee and Audit Committee, the Board of Directors of the company resolved at the 9th Board of Directors' 2nd meeting (on August 12, 2024) to establish the "Corporate Governance and Sustainability Committee" and its related regulations. At the same time, the proposal for the appointment of members to the "Corporate Governance and Sustainability Committee"</p> <p>No difference</p> |

| Evaluation items | Status of operation (note) | | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|--|----------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| (c) Whether or not the company has formulated measures and methods for evaluating the performance of the board of directors and carried out periodic review of such performance annually, while submitting the results to the board of directors as reference in determining the compensations of individual directors and nomination for a continuing term? | | | <p>was also approved. Please refer to Note 3 for details on the operation of the "Corporate Governance and Sustainability Committee."</p> <p>(c) The company's board of directors passed the measures governing the performance of the board of directors" at its meeting on Nov. 10, 2015, according to which the board of directors should conduct at least one self evaluation of its performance a year, which be conducted by the end of each year and completed by the board's first meeting next year. The company's 8th board of directors passed revision of "measures governing performance evaluation for the board of directors" at its 3th meeting (2021/12/15), calling for external evaluation of the performance of the board of directors by external independent professional institutions once every once every three years.</p> <p>A. Performance evaluation method for the board of directors Performance evaluation for the board of directors cover the entire board of directors, individual directors, and functional committees, all in the form of self evaluation.</p> <p>(1) The board of directors conducts self evaluation, according to standards in the following five major aspects: A. Extent of participation of corporate operation B. Enhancement of the decision-making quality of the board of directors C. Makeup and structure of the board of directors D. Election of directors and continuing study E. Internal control</p> <p>(2) Members of the board of directors conducts self evaluation, according to standards in the following six major aspects: A. Grasp of corporate target and mission B. Understanding of directors' duties C. Extent of participation in corporate operation D. Management and communications for internal relationship E. Expertise and continuing study F. Internal control</p> <p>(3) Functional committees conduct self evaluation, according to standards in the following five major aspects:</p> | No difference |

| Evaluation items | Status of operation (note) | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|------------------|----------------------------|----|---|
| | Yes | No | |
| | | | <p>A. E : 1 control</p> <p>(4) Operation for the performance evaluation for the board of directors in 2024 was carried out by the president's office and human-resources division, with the auditing panel as the evaluation auditing unit. The evaluation covers the board of directors as a whole, individual directors, and functional committees, via self-evaluation questionnaires. The evaluation results are served as reference in selection and nomination of directors and the setting of their compensations.</p> <p>The company started self-evaluation operation for performance of the board of directors in Dec. 2024, whose results and suggested improvements have been reported to the 9th meeting of the 5th board of directors on Feb. 27, 2025.</p> <p>(5) According to the evaluation results, the attainment rates in the year were 98.2% for the board of directors as a whole, 97.5% on average for individual directors, 99.1% for the auditing committee, 97.6% for the compensations committee, and 97.6% for the Corporate Governance and Sustainability Committee all reaching standards and underscoring good operation of the board of directors.</p> <p>B. Continuously strengthen the performance of the board of directors:</p> <p>In order to raise the attendance rate of directors in shareholders' meeting, holding of the meetings of the board of directors has been postponed to sometime after shareholders' meeting since 2019, with significant effect. In order to spur and acknowledge the performance of management team, in addition to the "bonus markup for managerial chiefs" proposed by the 7th board of directors at its 18th meeting (2021/2/26), the board passed the reshuffle of ranking officials at its 22nd meeting (2021/8/4). Similar promotion of ranking managers were also passed by the eight board of directors at its 7th meeting (2022/6/17). In 2022, the company also launched performance evaluation for various functional committees and continued intensifying succession plan and the appointment and evaluation, plus compensations adjustment, of in-house auditors. It also</p> |

| Evaluation items | Status of operation (note) | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|------------------|----------------------------|----|---|
| | Yes | No | |
| | | | <p>familiarized new directors with the company's operation and environment. To strengthen corporate governance and the competence of the board of directors, while upholding shareholders' meeting, the 18th board of directors resolved to institute corporate-governance chief at its 13th meeting (2023/5/18).</p> <p>At the 2th meeting of the 9th Board of Directors (Aug. 12, 2024), the Board of Directors passed a resolution to establish a "Corporate Governance and Sustainability Committee" and related regulations, and also proposed the appointment of members of the "Corporate Governance and Sustainability Committee".</p> <p>C.In 2023, the company commissioned the "Taiwan Institute of Ethical Business" to conduct external performance evaluation for the board of directors.</p> <p>(1) The evaluation was carried out by experts with profound professional knowledge and independence via such methods as "data review," "online questionnaire survey of members of the board of directors," and "interview with directors," producing observation conclusions and optimization suggestions.</p> <p>(2) The evaluation covers such dimensions as professional competence, decision-making performance, internal control, and sustainable development.</p> <p>(3) Evaluation results</p> <ol style="list-style-type: none"> 1. Professional competence: Makeup of the membership of the board of directors reflect mainly the composition of shareholders' meeting, with members' backgrounds covering various professional fields, including industry, accounting, and management, capable of producing diversified opinions from different angles. 2. Decision-making performance: Members of the board of directors expressed having the opportunity for full discussion during meetings and sufficient participation in corporate operation, upholding decision-making performance. 3. Internal control: Via management team and internal system, the board of directors carries out identification and management of operating risk, as |

| Evaluation items | Status of operation (note) | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|------------------|----------------------------|----|---|
| | Yes | No | |
| | | | <p>well as full communication and understanding on the execution and performance of auditing operation, facilitating its supervision of corporate internal control.</p> <p>4. Sustainable development: The evaluated enterprise has set up environmental-management system and intensified labor-right protection via digitalized management and salary-structure adjustment, on top of talent cultivation for succession plan, helping the board of directors oversee the materialization of sustainable development.</p> <p>(4) Optimization suggestions:</p> <ol style="list-style-type: none"> 1. Provide meeting materials timely and increase communications among directors <ul style="list-style-type: none"> ➢ Improvement plan: The company has started providing meeting materials to directors timely. The company already installed corporate-governance chief in May 2023, who is responsible for handling directors' requests according to standard operating procedure. 2. Strengthen integrated risk assessment and management mechanism <ul style="list-style-type: none"> ➢ Improvement plan: In 2024, the company instituted risk-management policy and procedure, in order to strengthen risk-assessment and -management mechanism. 3. Establish a succession team consisting of professional talents <ul style="list-style-type: none"> ➢ In 2024, in alignment with the Group's organizational restructuring and senior executive rotation mechanism, the company aims to enhance diversified channels for the appointment of managers and other key positions, as well as to strengthen the rotation system and talent development for other critical management levels. These appointments have been proposed and approved by the Board of Directors. 4. Discussion of sustainability issue at the meetings of the board of directors <ul style="list-style-type: none"> ➢ Improvement plan: In line with its high regard for labor interests, the company, in addition to human-rights declaration, has |

| Evaluation items | Status of operation (note) | | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|----------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| | | | implemented various measures, including institution of employee complaint mechanism and "employee wellbeing committee," and "vocational safety and hygiene center," plus gender equality. | |
| (d) Whether or not the company has reviewed the independence of certified public account periodically? | V | | <p>(d) To assure the credibility of the financial statement, the management head division conducted preliminary evaluation of the independence and competence of certified public accountants before hiring every year (note 2) , in addition to asking CPAs to produce "statement of independence" and auditing-quality index report, according to "auditing quality index AQIs," whose results are reviewed by the auditing committee before submission to the board of directors for approval. The evaluation is carried out according to the following standards and procedure:</p> <ol style="list-style-type: none"> (1) less than seven years in a row for the certification service; (2) production of independence statement by certified public accountants every year; (3) quality and timeliness for auditing and taxation services; (4) involvement in litigation or correction by competent authority or not; (5) scale and reput of accounting firm; (6) result of evaluation of the competence and independence of certified public accountants via questionnaire. <p>The independence and competence of 2024 CPAs has been upheld by the 4th auditing committee at its 11th meeting and 8th board of directors at its 17th meeting.</p> | No difference |
| D. Whether or not the company as a public company has put in place adequate number of qualified corporate-governance staffers and designated corporate-governance chief in charge of corporate governance-related affairs (including, but not limited to, provision of data needed by directors and supervisors in legal compliance, the handling of affairs related to meetings of the board of directors and shareholders' meeting, and production of minutes of meetings of the board of directors and shareholders' meeting)? | V | | <p>Article 3 of the company's "corporate governance best practice principles" designates the management head division, president's office, and legal affairs office as units responsible for handling corporate governance-related works on a part-time basis, with responsible staffers and their duties listed below:</p> <p>A. Management head division</p> <ol style="list-style-type: none"> (a) Introduction to staffers Assistant vice president Liao Hao-ting heads the unit, which includes stock-affairs and accounting units for handling corporate governance-related works. (b) Responsibilities: <ol style="list-style-type: none"> 1. Corporate registration and registration change; 2. Production of minutes for meetings of the board of directors; | No difference |

| Evaluation items | Status of operation (note) | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|------------------|----------------------------|----|---|
| | Yes | No | |
| | | | <p>3. Dispatch of employees to attend corporate governance-related courses.</p> <p>(c) Work plan Communication with certified public accounts on materialization of corporate governance in the operation of shareholders' meeting and the production of annual report and financial statement.</p> <p>B. President's office</p> <p>(a) Introduction to staffers: President Hsu Ching-yi heads the unit, whose staffers handle affairs related to the board of directors, the auditing committee, and corporate governance.</p> <p>(b) Responsibilities</p> <ol style="list-style-type: none"> 1. Handle affairs related to meetings of the board of directors and the auditing committee according to law. 2. Conduct performance evaluation for the board of directors; 3. Dispatch employees to attend corporate governance-related course. <p>(c) Work plan In line with the norms set by the competent authority, handle affairs related to the board of directors, the auditing committee, and corporate governance, such as performance evaluation and record of major opinions at meetings.</p> <p>C. Legal affairs office</p> <p>(a) Introduction to staffers Special assistant Hu Xiang-sheng heads the unit and concurrently holds the position of Corporate Governance Officer, whose staffers handle such affairs as revision of corporate governance-related bylaws and corporate-governance evaluation.</p> <p>(b) Responsibilities:</p> <ol style="list-style-type: none"> 1. Production of minutes for shareholders' meeting; 2. Attendance of meetings of the board of directors and shareholders' meeting; 3. Dispatch of employees to attend corporate governance-related courses; 4. Revision of corporate governance best practice principles and ethical corporate management best practice principles; 5. Corporate-governance evaluation. <p>(c) Work plan:</p> <ol style="list-style-type: none"> 1. In line with the instruction of competent authority, revise corporate |

| Evaluation items | Status of operation (note) | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|--|----------------------------|----|--|
| | Yes | No | |
| | | | governance best practice principles and ethical corporate management best practice principles. 2. Promote ethical management-based operation. |
| E. Whether or not the company has established channels for communications with stakeholders (including, but not limited to, shareholders, employees, customers, and suppliers) and special section for stakeholders on corporate website, in addition to responding properly to major issues on corporate social responsibilities concerned by stakeholders? | V | | The company has instituted spokesperson and acting spokesperson, with provision of their e-mail addresses and phone numbers, plus setup of "stakeholder section" on corporate website at https://www.e-can.com.tw/aboutUs_relationship.aspx , as a communications channels with stakeholders. https://www.e-can.com.tw/aboutUs_relationship.aspx |
| F. Whether or not the company has commissioned professional stock-affairs agency to handling affairs related to shareholders' meeting? | V | | The company has entrusted KGI Securities Co., Ltd. for handling affairs related to shareholders' meeting. |
| G. Information publication (a) Whether or not the company has established website disclosing information on finance, business, and corporate governance? | V | | (a) The company has established corporate website, with website address at https://www.e-can.com.tw for disclosure of information on finance, business and corporate governance. |
| (b) Whether or not the company has employed other methods for information disclosure (such as establishment of English-language website, appointment of staffer responsible for collection and disclosure of information, materialization of spokesperson system, and posting of the process of investors' conferences on corporate website)? | V | | 1. The company has designated staffers in charge of information collection and disclosure: The management head division has designated staffers in charge of information collection and disclosure, whose operation is quite smooth. 2. Materialization of spokesman's system Assistance vice president Liao Hau-ting serves as the company's spokesman. 3. Posting of audio or video recording for investment conference on corporate website: The company posts audio or video files for the process of investor conference on the investor section of corporate website for access by interested parties. |
| (c) Whether or not the company has publicized and declared annual financial statement within two months after end of fiscal year, made the declaration ahead of schedule, and declared financial statements for first, second, and third | V | | 1. The company already publicized and reported 2024 financial statement on Feb. 27, 2025. 2. In line with regulation, the company has posted information on monthly revenue and quarterly financial report onto the Market Observation Post System timely. |

| Evaluation items | Status of operation (note) | | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|----------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| quarter, as well as the business status of respective months? | | | | |
| H. Whether or not the company has provided other key information facilitating understanding of the company's corporate governance(including, but not limited to, employee benefits and rights, care for employees, investor relationship, supplier relationship, rights of stakeholders, study by directors and supervisors, execution of risk-management policy and risk-evaluation standards, execution of customer policy, and taking out of liabilities insurance for directors and supervisors). | V | | <p>1. As for investor relationship, in addition to periodic disclosure of information on major corporate operation, the company has endeavored to enhance information transparency, so that investors can have firm grip on corporate operation and development plan.</p> <p>2. For information on attendance of the board of directors' meeting, please access the Market Observation Post System at http://mops.twse.com.tw/mops/web/t93sc03_1</p> <p>3. Taking out of liability insurance for directors and independent directors: In order to strengthen corporate governance and reduce or disperse liability risk for directors and managerial staff in execution of their duties during their tenure, in line with article 39 of "corporate governance best practice principles," the company has taken out liability insurance at amount of US\$3 million since 2013 and has reported the execution status for the insurance to the board of directors every year since 2018. The insurance amount has been raised to US\$4 million, according to the report to the 19th meeting of the 8th board of directors on May 13, 2024.</p> | No difference |
| <p>I. As for the result of the latest corporate-governance evaluation by the corporate governance center of Taiwan Stock Exchange Corporation, please explain completed improvements and priority improvement plan for other items Improvements for the results of the tenth corporate governance evaluation are listed below:</p> <p>(a) The company scored 71.31 points, ranking top 51-65% among listed companies, in the evaluation, with completed improvements as follows:</p> <p>(b) With the results of the 11th corporate governance evaluation having not yet to be publicized, the company has made the following improvement:</p> <ol style="list-style-type: none"> 1. Established written regulations for financial and business transactions with related parties, covering procurement, sales, acquisition, and disposal of assets. Major transactions require board approval and must be reported to or approved by shareholders. 2. Uploaded both Chinese and English versions of the Shareholders' Meeting Handbook and supplementary materials 30 days before the annual general meeting. 3. Uploaded the Chinese and English versions of the annual report 18 days before the shareholders' meeting. 4. Formulated and published insider trading regulations on the company's website, prohibiting directors and employees from trading securities using undisclosed market information. This includes a trading blackout period, barring directors from trading company shares 30 days before the release of the annual financial report and 15 days before quarterly financial reports. 5. Established the Corporate Governance and Sustainability Committee on August 12, 2024, approved by the board of directors. The committee consists of at least three members, with more than half being independent directors, and at least one member possessing the required professional expertise. The committee's composition, responsibilities, and operations are disclosed publicly. 6. Assigned the Corporate Governance and Sustainability Committee to oversee risk management, formulating board-approved risk management policies and procedures. The committee discloses the risk management framework, processes, and implementation details and reports to the board at least | | | | |

| Evaluation items | Status of operation (note) | | | Difference from "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|----------------------------|----|------------------------|--|
| | Yes | No | Summarized explanation | |
| <p>once a year.</p> <p>7. The company complies with major information disclosure regulations for listed companies and has not been subject to any fines for non-compliance.</p> <p>8. Uploaded the English-translated annual financial report 16 days before the shareholders' meeting.</p> <p>9. The Corporate Governance and Sustainability Committee, established on August 12, 2024, conducts risk assessments related to environmental, social, and governance (ESG) issues. It develops risk management policies and strategies aligned with the company's operations, with the board overseeing sustainability initiatives. These efforts are disclosed on the company's website and in the annual report.</p> <p>10. Disclosed climate-related risks and opportunities following the Task Force on Climate-related Financial Disclosures (TCFD) framework, including governance, strategy, risk management, metrics, and targets.</p> <p>11. Invested in energy-efficient and green energy equipment, disclosing investment details and measurable sustainability benefits.</p> | | | | |

Note 1: Status for the diversification of the membership of the board of directors

| Diversification item | Basic makeup | | | | | | Professional background | business judgment | accounting and financial analysis | business management | crisis management | industrial knowledge | international market perspective | leadership | Decision-making capacity | law |
|--|--------------|-------------|---------------------------------|---|-----------|--------------|-------------------------|-------------------|-----------------------------------|---------------------|-------------------|----------------------|----------------------------------|------------|--------------------------|-----|
| | Gender | Nationality | Also an employee of the company | Independent director Number of years of service for the position | | | | | | | | | | | | |
| | | | | Less than 3 years | 3-9 years | Over 9 years | | | | | | | | | | |
| Name of director | | | | | | | | | | | | | | | | |
| TECO Electric & Machinery Co., Ltd. Representative : Chiu, Chwen-jy | Female | ROC | | | | | Business management | V | V | V | V | V | V | V | V | |
| TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | Male | ROC | | | | | Economics | V | | V | V | V | V | V | V | |
| TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | Male | ROC | | | | | Business management | V | | V | V | V | V | V | V | |
| TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | Male | ROC | | | | | Business management | V | | V | V | V | V | V | V | |
| TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | Male | ROC | | | | | Telecommunications | V | | V | V | V | V | V | V | |
| ITOCHU Taiwan Corporation Representative : Matsui Manabu (note1) | Male | Japan | | | | | Economics | V | | V | V | V | V | V | V | |
| ITOCHU Taiwan Corporation Representative : Ono Yuichiro (note1) | Male | Japan | | | | | Business management Law | V | | V | V | V | V | V | V | V |
| ITOCHU Taiwan Corporation Representative : Yamamoto Kazutoshi(note1) | Male | Japan | | | | | Business administration | V | | V | V | | V | V | V | |

| Diversification item | Basic makeup | | | | | | Professional background | business judgment | accounting and financial analysis | business management | crisis management | industrial knowledge | international market perspective | leadership | Decision-making capacity | law |
|--|--------------|-------------|---------------------------------|--|-----------|--------------|-------------------------|-------------------|-----------------------------------|---------------------|-------------------|----------------------|----------------------------------|------------|--------------------------|-----|
| | Gender | Nationality | Also an employee of the company | Independent director Number of years of service for the position | | | | | | | | | | | | |
| | | | | Less than 3 years | 3-9 years | Over 9 years | | | | | | | | | | |
| Name of director | | | | | | | | | | | | | | | | |
| ITOCHU Taiwan Corporation Representative : Osada Keishi(note1) | Male | Japan | | | | | Business administration | V | | V | V | | V | V | V | |
| AN-SHIN FOOD SERVICES CO., LTD. Representative : Shih Chi-yien (note2) | Male | ROC | | | | | Accounting | V | V | | V | | | | V | |
| AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun- hsing (note2) | Male | ROC | | | | | Industrial management | V | | V | V | | V | V | V | |
| Independent director : Lien Yuan-lung | Male | ROC | | | V | | Law | V | | V | V | | V | V | V | V |
| Independent director : Lin Wan-ying (note 3) | Female | ROC | | | V | | Accounting | V | V | V | V | V | V | V | V | |
| Independent director : Tu Chi-yao (note 3) | Male | ROC | | V | | | Finance Accounting | V | V | V | V | | V | V | V | |
| Independent director : Chen Wun-hwa (note 3) | Male | ROC | | | V | | Business administration | V | V | V | V | V | V | V | V | |
| Independent director : Yu Jiun-yu (note 3) | Male | ROC | | V | | | Business administration | V | | V | V | | V | V | V | |

Note 1: ITOCHU Taiwan Corporation appointed Ono Yuichiro and Osada Keishi , replacing Matsui Manabu and Yamamoto Kazutoshi , as its representatives on Apr. 1, 2024.

Note 2: AN-SHIN FOOD SERVICES CO., LTD. appointed Kao Shun-hsing , replacing Shih Chi-yien , as its representative on Feb. 23, 2024.

Note 3: Tu Chi-yao and Yu Jiun-yu were newly appointed after the re-election on May 27, 2024; Lin Wan-ying and Chen Wun-hwa stepped down after the re-election on May 27, 2024.

Note 2: Evaluation table for certified public accountants :

| Evaluation items | | Evaluation result | Conformance to independence or not |
|--|---|-------------------|------------------------------------|
| A. Review of key conditions for independence | | | |
| 01 | Is there a relationship of investment or financial benefits between the certified public accountant, his/her spouse, or minor children with the company? | No | V |
| 02 | Is there a relationship of loaning between the certified public accountant, his/her spouse, or minor children with the company, excluding the case in which the principal is a financial institution for engagement in normal business dealing? | No | V |
| 03 | Whether or not the certified public accountant or member of the auditing section serves as the company's director, managerial staff, or other position with major influence on the audited case in recent two years? | No | V |
| 04 | Whether or not the certified public accountant or member of the auditing section has promoted or brokered shares or other securities issued by the company? | No | V |
| 05 | Whether nor not the certified public accountant or member of the auditing section has defended the company in its litigation with a third party or other disputes? | No | V |
| 06 | Whether nor not the certified public accountant or member of the auditing section is the spouse, a lineal relative by blood, a lineal relative by marriage, or a collateral relative by blood of the company's directors, managerial staff, or employees with position capable of significantly influencing the audited case? | No | V |
| 07 | Whether or not the certified public accountants services as the company's director, manager, or employee with position capable of influencing the audited case significantly within one year after the relief of his/her duty? | No | V |
| 08 | Whether nor not the certified public accountant or member of the auditing section has received gift with significant value or preferential treatment from the company's director, managerial staff, or major shareholder? | No | V |
| 09 | Whether or not the certified public accountant has undertaken regular work, received fixed pay, or serve as director or supervisor of the principal or the audited party? | No | V |
| B. Review of independent operation | | | |
| 01 | Whether or not the certified public accountant has abstained from or decline cases involving direct or significant indirect interests of himself or herself which could influence his/her impartiality for the cases? | Yes | V |
| 02 | Whether or not the certified public accountant has maintained independence, in both substance and form, when producing statement of opinions for auditing, perusal, review, or specific examination of financial statement? | Yes | V |
| 03 | Whether or not members of the auditing section, other jointly practicing CPA or shareholders of juridical-person accounting firm, accounting firm, affiliates of accounting firm and allied accounting firm has maintained independence from the company? | Yes | V |
| 04 | Whether or not the certified public accountant has executed professional service in an honest and rigorous manner? | Yes | V |
| 05 | Whether or not the certified public accountant has maintained an impartial and objective stance in the execution of professional service, free from prejudice, conflict of interest, or consideration of benefit, which could affect his/her professional judgment? | Yes | V |

Note 3 : Details on the operation of the "Corporate Governance and Sustainability Committee."

To establish a sound corporate governance system, enhance management functions, and fulfill corporate social responsibility and sustainable operations, the company resolved in the 9th Board of Directors' 2nd meeting (August 12, 2024) to establish the "Corporate Governance and Sustainability Committee."

The committee members are appointed by a resolution of the Board of Directors and consist of at least three directors, with more than half being independent directors. One independent director is elected by the committee members to serve as the convener and chairperson of the meetings.

The Corporate Governance and Sustainability Committee operates in accordance with the company's "Corporate Governance and Sustainability Committee Charter" and convenes at least twice a year. Its responsibilities include reviewing the soundness of corporate governance structures and systems, strengthening the functions of the Board of Directors, supervising the implementation of corporate social responsibility and sustainability initiatives, examining risk management policies and procedures, overseeing risk management, and enhancing the operations and management of board committees.

In the year 2024, the Corporate Governance and Sustainability Committee held one meeting.

The operational details are as follows:

| Title | Name | Times of attendance (B) | Times of attendance via proxy | Attendance rate (%) (B/A) | Note |
|----------|----------------|-------------------------|-------------------------------|---------------------------|--|
| Convener | Chiu, Chwen-jy | 1 | 0 | 100% | Elected on Aug. 12, 2024 (required number of attendance 1) |
| Member | Tu Chi-yao | 1 | 0 | 100% | Elected on Aug. 12, 2024 (required number of attendance 1) |
| Member | Yu Jiun-yu | 1 | 0 | 100% | Elected on Aug. 12, 2024 (required number of attendance 1) |
| Member | Lien Yuan-lung | 1 | 0 | 100% | Elected on Aug. 12, 2024 (required number of attendance 1) |
| Member | Peng Chi-tseng | 1 | 0 | 100% | Elected on Aug. 12, 2024 (required number of attendance 1) |

Other items mandating record:

- A. In case of rejecting or revising the suggestions by the Corporate Governance and Sustainability Committee, specify the date of the board meeting, the term of the board, contents of agenda, resolutions of the board meeting, and handling of the opinions of the Corporate Governance and Sustainability Committee by the company: nil
- B. In case there is any member opposing or having reservation for the resolutions of the Corporate Governance and Sustainability Committee, on record or in written form, specify the date of the meeting, the term of the committee, contents of agenda, opinions of all the members, and handling of the contrarian opinion: nil.

C. The summary of the main discussion items is as follows:

| Corporate Governance and Sustainability Committee | Contents of agenda and subsequent handling | Note |
|--|--|---|
| 1th meeting of the first Corporate Governance and Sustainability committee 2024/11/6 | Reviewed the risk management execution and operation report submitted by the Risk Management Task Force. | Submitted the report to the 9th Board of Directors' 3rd meeting on November 11, 2024. |
| Resolution Results and Supervision Status 1. The proposal was approved without objection by all attending committee members after being consulted by the chairperson. 2. Risks should be categorized as short-, medium-, and long-term, with each category marked and assessed for its level of impact. Different response strategies should be formulated accordingly to meet corporate governance requirements, including internal control and compliance. 3. The company should proactively collect and clarify negative information about the company on various online platforms and social media. At the same time, attention should be paid to issues related to fraud and misinformation to prevent any impact on customer and consumer rights and to avoid operational risks, thereby fulfilling the company's social responsibility. | | |

(d) Information on the status of operation of the compensation committee

The company's compensations committee was established on Dec. 3, 2012, with its members being appointed by the board of directors, who elected one among them as the convener and the chairman of its members. It operates, according to the company's "organizational charter for the compensations committee," in charge of:

- (1) Formulate and regular review the policy, system, standards and structure for the performance evaluation and compensations for directors, supervisors, and managerial staff.
- (2) Regularly review and setting the compensations for directors, supervisors, and managerial staff.

1. Data on the members of the 5th compensation committee

| Conditions | | Professional qualifications and experience (note 2) | State of independence (note 3) | Number of concurrent memberships on the compensation committees of other companies with public share offering |
|---------------------------------|----------------|---|---|---|
| Identity (note 1) | Name (note 1) | | | |
| Independent director (convener) | Lien Yuan-lung | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs for over 20 years 2. Licensed lawyer with passage of national examination 3. Without situations specified in article 30, the Company Act | (1) Not having spouse or relatives within second degree of kinship who are also the directors, supervisors, or employees of the company or affiliates (2) Not having spouse or relatives within second degree of kinship (or in the name of others) who hold the company's shares (3) Not holding the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters | 1 |

| Conditions | | Professional qualifications and experience (note 2) | State of independence (note 3) | Number of concurrent memberships on the compensation committees of other companies with public share offering |
|----------------------|--------------|--|---|---|
| Identity (note 1) | (note1) Name | | | |
| | | | for Public Companies") (4) No provision of such services as commerce, legal affairs, and accounting to the company and affiliates, as well as no collection of compensations, in recent two years. (5) Conformance to the conditions for independence as specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." | |
| Independent director | Tu Chi-yao | 1. Possession of work experience for handling commerce, finance, accounting, and corporate affairs 2. Certified Public Accountant in Taiwan; Passed the CPA Exams in the US and China 3. Without situations specified in article 30, the Company Act | (1) Not having spouse or relatives within second degree of kinship who are also the directors, supervisors, or employees of the company or affiliates (2) Not having spouse or relatives within second degree of kinship (or in the name of others) who hold the company's shares (3) Not holding the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies") (4) No provision of such services as commerce, legal affairs, and accounting to the company and affiliates, as well as no collection of compensations, in recent two years. (5) Conformance to the conditions for independence as specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." | 2 |
| Independent director | Yu Jiun-yu | 1. Possession of work experience for business administration, and corporate affairs. 2. Instructor for disciplines related to commerce, finance, corporate business for over 20 years at public college 3. Without situations specified in article 30, the Company Act | (1) Not having spouse or relatives within second degree of kinship who are also the directors, supervisors, or employees of the company or affiliates (2) Not having spouse or relatives within second degree of kinship (or in the name of others) who hold the company's shares (3) Not holding the positions of director, supervisor, or employee at companies with special relationship with the company (as specified in article 3-1-5~8 of | 0 |

| Conditions | | Professional qualifications and experience (note 2) | State of independence (note 3) | Number of concurrent memberships on the compensation committees of other companies with public share offering |
|-------------------|--------------|---|--|---|
| Identity (note 1) | (note1) Name | | | |
| | | | "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies") (4) No provision of such services as commerce, legal affairs, and accounting to the company and affiliates, as well as no collection of compensations, in recent two years. (5) Conformance to the conditions for independence as specified in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." | |

Note 1: Specify in the column service years, professional qualifications, and state of independence of compensation committee members. For identity, fill in independent director (in the case of convener, specific the capacity in note).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual compensation-committee members.

Note 3: State of independence conformance: Specify state of independence conformance for compensation-committee members, including, but not limited to, assumption of such posts as director, supervisor, or employee of the company or affiliates by himself/herself, spouse, or relatives within second degree of kinship; ownership of the company's shares and percentage by himself/herself, spouse, relatives within second degree of kinship (or in the name of others); assumption of such posts as director, supervisor, or employee of companies with special relationship with the company (refer to article 6-1-5 to 6-1-8 of measures governing the installation of compensation committee of public company and exercise of line of its authority; compensations for provision of such services as commerce, legal affairs, finance, and accounting to the company and affiliates in recent two years.

2. Information on the operation of the compensation committee

(1)The company's compensation committee consists of three members.

(2)Term of the members of the current committee: From May. 27, 2024 through May. 26, 2027. In 2024, the fourth compensations committee convened twice , on Jan. 31 for its 6th meeting and Feb. 21 for its 7th meeting, the fifth compensations committee convened once , on May. 27 for its 1st meeting, with the attendance its members listed below:

| Title | Name | Times of attendance (B) | Times of attendance via proxy | Attendance rate (%) (B/A) | Note |
|----------|----------------|---------------------------|-------------------------------|---------------------------|--|
| Convener | Lien Yuan-lung | 3 | 0 | 100% | Reelection on May. 27, 2024, serving a continuing term as convener (required number of attendance 3) |
| Member | Tu Chi-yao | 1 | 0 | 100% | New member elected on May. 27, 2024 (required number of attendance 1) |
| Member | Yu Jiun-yu | 1 | 0 | 100% | New member elected on May. 27, 2024 (required number of attendance 1) |
| Member | Lin Wan-ying | 2 | 0 | 100% | Relieved of duty on May 27, 2024 (required number of attendance 2) |
| Member | Chen Wun-hwa | 2 | 0 | 100% | Relieved of duty on May 27, 2024 (required number of attendance 2) |

Other items mandating record:

A. In case of rejecting or revising the suggestions by the compensation committee, specify the date of the board meeting, the term of the board, contents of agenda, resolutions of the board meeting, and handling of the opinions of the compensation committee by the company (should the level of compensations passed by the board of directors be higher than that suggested by the compensation committee, the extent of difference and reasons should be specified): nil

B. In case there is any member opposing or having reservation for the resolutions of the compensation committee, on record or in written form, specify the date of the meeting, the term of the committee, contents of agenda, opinions of all the members, and handling of the contrarian opinion: nil.

C. Responsibilities of the compensations committee:

(1) Formulate and regular review the policy, system, standards and structure for the performance evaluation and compensations for directors, supervisors, and managerial staff.

(2) Regularly review and setting the compensations for directors, supervisors, and managerial staff.

When fulfilling its duties, the compensations committee should abide by the following principles:

(1) Refer to peer level in performance evaluation and compensations for directors and managerial staff, plus the consideration of reasonableness in terms of personal performance, corporate business performance, and future risks.

(2) Avoid inducing directors and managerial staff to undertake risks exceeding corporate tolerance in the quest for high compensations.

(3) Take into account industrial features and corporate business nature for the payout of bonus for short-term performance and the timing for partial change in compensations for directors and high-ranking managers.

The aforementioned compensations include cash, stock option, stock dividend, retirement benefits or severance pay, various allowances, and other substantive incentives, with its scope consistent with the criteria for compensations for directors and managerial staff specified in annual report.

When discussing the suggestions by the compensations committee, the board of director should consider the amount of compensations, payment method, and the company's future risks.

For revising or declining the suggestions of the compensations committee by the board of directors, it needs the support of over half of directors present at a meeting attended by over two thirds of all the directors, while including the aforementioned considerations in its resolution and specifying whether the

finalized compensations is higher than the level suggested by the committee.

In case the compensations determined by the board of directors is higher than the level suggested by the compensations committee, specify the difference and reasons in the minutes of the meeting and post it on the website designated by the competent authority within two days after the resolution made by the board of directors.

Suggestions of subsidiary for the compensations for its directors and managerial staff which should be ratified by the company's board of directors should be reviewed by the compensations committee for making suggestions before submission to the board of directors.

D. Disclose the dates, term, contents of agenda, and resolutions of the meetings of the compensations in the recent year and the handling of the committee's opinions by the company in the recent year.

| Compensations committee | Contents of agenda and subsequent handling | Resolution | Handling of the compensations committee's opinions by the company |
|---|--|---|---|
| 6th meeting of the fourth compensations committee 2024/01/31 | 1. Payout of 2023 year-end bonus for managerial staff | Passage without opposition by members in attendance upon inquiry by the chairman | Acceptance of the compensations committee's suggestions for execution |
| 7th meeting of the fourth compensations committee 2024/02/21 | 1. Payout for 2023 compensations for directors 2. Payout for 2023 compensations for employees | Passage without opposition by members in attendance upon inquiry by the chairman | Acceptance of the compensations committee's suggestions for execution |
| 7th meeting of the fifth compensations committee 2024/05/27 | Nomination of the Chairperson and convener for the 5th Term Compensation Committee | A member was unanimously nominated by all committee members to serve as the Chairperson and convener. T | This has been carried out in accordance with the company's "Compensation Committee Organizational Regulations." |

(E) Operating status of corporate sustainable development and difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons:

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|--------------------------------|----|--|---|
| | Yes | No | Summarized explanation | |
| a. Whether or not the company has set up a corporate governance structure for pushing sustainable development, a dedicated (or part-time) sustainable development unit, and a ranking manager in charge, authorized and supervised by the board of directors? | V | | <p>In line with the company's ESG (environment, social, governance) vision and mission, the "Sustainable Development Implementation Team", convened by the company's president, was established in 2018 and is responsible for implementing matters related to the company's sustainable development, executing related plans, and materializing various concrete measures for sustainable development. The team reports to the president at least once a year.</p> <p>On August 12, 2024, the Board of Directors approved the establishment of the Corporate Governance and Sustainability Committee, tasked with overseeing the Company's sustainability initiatives and risk management practices. For details regarding its composition and operational procedures, please refer to Note 3.</p> <p>1. Team members: With company president as the convener, team members include representatives from operation planning department, legal affairs office, audit team, occupational safety and health center, management department, finance and accounting department, marketing planning department, human resources department, and operation department.</p> <p>2. Execution of plans and results: (1) One Sep. 26, 2024 the company again obtained the certification of "ISO 14064-1 Greenhouse Gas Inventory Standard," with the certification period running from January 1 to December 31, 2023. The company also regularly conducts annual inventory checks to actively understand the greenhouse gas emissions generated by its operations and seek the room for reductions to pursue sustainable business operations. (2) On April 16, 2020, the company officially obtained the carbon footprint label and carbon reduction label certified by the Environmental Protection Administration, and the certificate is valid from April 16, 2020 to April 15, 2025. The company has led peers to obtain the first domestic carbon reduction label for the home delivery and logistics industry. The company, long proactive in understanding its carbon emission situation, continues to monitor and improve the idling speed of ambient-temperature transportation vehicles through the smart mobility control center, so as to effectively control fuel consumption. It also prioritizes</p> | Establishment of sustainability committee and production of sustainability report is not mandatory for the company. |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---------------|--------------------------------|----|--|---|
| | Yes | No | Summarized explanation | |
| | | | <p>replacing old vehicles and refrigeration equipment every year and other carbon reduction management strategies.</p> <p>(3) The company keeps upgrading the quality of operations to ensure the rights and interests of consumers, and implements specific projects aimed at improving delivery timeliness, shipment specifications control and stacking methods to boost customer satisfaction.</p> <p>(4) The company has been on track for switching to the use of electronic invoices to reduce paper waste.</p> <p>(5) In line with the online shopping packaging reduction program of the Environmental Protection Administration, the company reduces the amount of packaging materials for small-capital boxes, uses cartons made of raw pulp paper, adopts environmentally friendly inks while reducing the printing area by 30%, protects products with durable corrugated paper, and utilizes cartons that comply with EU PPW regulations governing packaging materials as well as RESY-certified recycled and environmentally friendly cartons. Taiwan Pelican Express Co., Ltd. has never ceased its efforts to actively contribute to environmental protection in Taiwan.</p> <p>(6) In 2024, Taiwan Pelican Express Co., Ltd. actively incorporated digitalization into its daily operations, starting with introducing APPs to replace four major paper-based routine operations, which can not only lower paper waste but also slash carbon emission expenses required for document delivery between units.</p> <p>(7) In 2024, Taiwan Pelican Express Co., Ltd. participated in the charitable one-acre farming activity, adopting 0.5 hectares to play its part in making contributions to Taiwan's farmland and rice farmers. The harvested white rice is donated to the Zhijixiang Food Bank - Ruisui Warehouse.</p> <p>(8) Taiwan Pelican Express Co., Ltd. upholds the ESG sustainable business philosophy and takes practical actions to protect Taiwan's environment. The company encourages employees to participate in coastal clean-up activities. Additionally, they engage in the restoration of wetlands in Daxi District, Taoyuan City, by planting aquatic plants and removing the invasive apple snails. Collaborating with the Xuebao National Park Management Office, Taiwan Pelican Express Co., Ltd. promotes the removal of invasive plant species. These efforts contribute to Taiwan's environmental sustainability and the realization of ecological balance and</p> | |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|--------------------------------|----|---|---|
| | Yes | No | Summarized explanation | |
| | | | <p>sustainable development.</p> <p>3. Main tasks:</p> <p>(1) Setting the goals for the company's sustainable development direction</p> <p>(2) Formulating the company's sustainable development policy or management guidelines</p> <p>(3) Tracking current market and industry conditions and handling information collection and integration</p> <p>(4) Establishing and screening the company's related operation and management systems.</p> <p>(5) Handling planning, promotion and implementation of projects assigned by the company for sustainable development.</p> <p>(6) Compilation of sustainability report.</p> | |
| b. Whether or not the company has based on materiality principle in conducting risk evaluation of operation-related environmental, social, and corporate-governance issues and formulated related risk-management policy or strategy? | V | | <p>1. The disclosed data cover the sustainability performance of the company's major business sites during Jan.-Dec. 2024. The risk assessment boundary being the company, including its business sites in Taiwan and Vietnam. In view of its relevance and effect on material issues, Pelican Express (Vietnam) Co., Ltd. was covered by the assessment.</p> <p>2. The sustainability team analyzes the sustainability report according to the principle of materiality, communicates with internal and external stakeholders, and integrate evaluation data of various divisions of subsidiary, thereby evaluating material ESG issues, formulating risk-management policy covering identification, assessment, supervision, and control, and forging action plan, so as to minimize risks.</p> <p>3. The company conducts risk assessments on important issues based on the principle of CSR (corporate social responsibility) materiality, and formulates relevant risk management policies or strategies in accordance for the assessed risks as follows:</p> <p>a. Important issue: environment</p> <p>(a) Risk assessment item: environmental protection</p> <p>(b) Risk management policy or strategy: The company implements greenhouse gas inventory check every year in accordance with the ISO 14064-1: 2008 standard, which is certified by the third-party agency PWC Taiwan, and conducts regularly inventory of greenhouse-gas emission, using the findings as basis for carbon-abatement measures .</p> <p>b. Important issue: society</p> <p>(a) Risk assessment item: delivery quality and product safety</p> <p>(b) Risk-management policy or strategy</p> <p>1. Vocational safety: The company conducts regularly vocational safety education and training, to cultivate</p> | No difference |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|--------------------------------|----|---|---|
| | Yes | No | Summarized explanation | |
| | | | <p>employees' ability for emergency response and self protection.</p> <p>2. Delivery quality and product safety: The company's consignment services comply with the requirements of the government's relevant road transportation laws; and it has also established a customer multiple-service network, including voice, e-mail and text customer services, to enhance customer satisfaction. Relevant delivery quality indicators are regularly reviewed at quality project meetings to examine countermeasures and track improvements for deficiencies to reduce operational risks.</p> <p>Meanwhile, in order to improve its ability to transport food shipments, the company participates in the food business registration program initiated by Taiwan Food and Drug Administration (FDA), registering all its transshipment centers and business stations and joining regular training programs and seminars concerning FDA's decrees and regulations. In addition, the company also internally distributes relevant regulations and government decrees to all its departments, and conduct regular inspections to reduce risks</p> <p>c. Important issue: corporate governance</p> <p>(a) Risk assessment item: social economy and regulatory compliance, strengthening of directors' competence, communications with stakeholders</p> <p>(b) Risk management policy or strategy:</p> <p>1. Social economy and legal compliance Establish governance institution and materialize internal-control mechanism, to assure legal compliance by all the employees and operation.</p> <p>2. Strengthening of directors' competence Arrange study on related issues for directors, update directors on latest development in legislation, system and policy, and take liability insurance for directors.</p> <p>3. Communication with stakeholders Provide analysis on material issues concerned by stakeholders, to prevent misunderstanding or even legal dispute. Spokesman is responsible to respond to stakeholders' questions, so as to minimize confrontation and misunderstanding.</p> | |
| 3. Environmental issue (a) Whether or not the company has put in place an environmental-management system, | V | | a. The company complies with the requirements of ISO 14064 and has passed third-party verification continuously, plus execution of greenhouse-gas inventory, while tracking carbon-abatement performance for disclosure in | No difference |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|--|--------------------------------|----|--|---|
| | Yes | No | Summarized explanation | |
| <p>suited to the features of its industry?</p> <p>(b) Whether or not the company has endeavored to enhance the utilization efficiency for various resources and use reclaimed materials to lower environment load?</p> | V | | <p>sustainability report and the corporate website https://www.e-can.com.tw/</p> <p>b. The company has been actively pushing energy reduction measures via employment of high energy efficiency and energy-conserving equipment, so as to cut corporate and production energy consumption.</p> <ol style="list-style-type: none"> 1. The company implements planned replacement of old trucks and motorcycles with new ones that comply with the year's environmental protection regulations rules and regulations, and also purchases productive equipment and electrical appliances that carry power-saving and water-saving labels,. In 2024, plus introduction of electric vehicles into its transportation fleet to accomplish its energy conservation and carbon reduction goals. 2. The company has implemented various to cut waste output, such as roll containers for pallets, to cut use of plastic packaging films and logistics box for cardboard box and plastic bags. 3. The company employs cardboard boxes and packaging bags, which conform to EU RoHS. 4. Procured 70 electric scooters and 5 electric trucks to integrate into company operations. | No difference |
| (c) Whether not the company has evaluated potential risks and opportunities of climate change for the company now or in the future and adopted countermeasures for climate-related issues? | V | | c. The company incorporates climate change factors into its operating strategy planning and decision-making processes and into the overall risk management policy, actively promotes various environmental protection, energy conservation and carbon reduction measures, reduces greenhouse gas emissions, and promotes green transportation services, so as to cushion and adapt to the impact of climate changes on its business operations. In order to align with the international climate change framework, the company continues to advance its climate change management. | No difference |
| (d) Whether or not the company has tallied its greenhouse-gas emission, water consumption, and total weight of wastes in the past two years and formulated policy on energy conservation/carbon abatement, reduction of greenhouse-gas emission and water consumption, and waste management? | V | | d. The company's carbon reduction work plan has a greenhouse gas reduction target of more than 3% since 2014. Based on its analysis, the company finds the main sources of its greenhouse gas emissions are electricity consumption at business premises and vehicle fuel combustion in the transportation service phase. The company's aggregate annual greenhouse gas emissions reached 21,423.9772 tCO ₂ e in 2023 and 21,712.9640 tCO ₂ e in 2024, representing a total increase of 288.9868 tCO ₂ e in the past year. Its annual water consumption came to 50,329 cubic meters in 2023, and increased by 12,278 cubic meters to 62,207 cubic meters in 2024. The company's total weight of wastes reached 1,300 metric tons (including 0 tons of hazardous waste and 1,300 tons of non-hazardous waste) in 2023 and decreased by 535 metric tons to 765 metric | No difference |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|--------------------------------|----|---|---|
| | Yes | No | Summarized explanation | |
| | | | tons(including 0 tons of hazardous waste and 765 tons of non-hazardous waste)in 2024. The data covers all factory areas. The greenhouse gas emissions for 2023 and 2024 were verified by PWC Taiwan. | |
| d. Social issues (a) Whether or not the company has related management policy and procedure, in line with relevant legislations and the International Bill of Human Rights? | V | | a. The company identifies and complies internal labor standards on its own initiative, including "UN Universal Declaration of Human Rights" and "ILO Convention," and global human rights norms and principles, a policy which has been posted on the corporate website. 1. The company's human-rights declaration: fairness and no discrimination, no bullying, no harassment, good labor-management relationship, and ban on child labor and forced and mandated labor The company complies with local legal requirement on working hours and provides a safe, hygienic, and healthy working environment. 2. Concrete management programs (1) Training on legal compliance for newcomers, cadres, and unit chiefs; (2) Complete vocational-safety training (3) In-house complaint channels | No difference |
| (b) Whether or not the company has formulated and implemented reasonable employee welfare measures (including compensations, leave, and other fringe benefits and reflect business performance or results in employee compensation properly ? | | | b. The human resources section of the company's intranet provides employees with work rules, performance evaluation methods, and employee leave rules, so that all employees can understand relevant labor laws and their basic rights. Employee bonus: After making up for previous deficits, the company appropriates 0.5%-1.5% of the company's annual profits as employee bonus. In order to achieve sustainable operation and create a good working environment for colleagues, the company has established an employee welfare committee and as provided it annual subsidy of NT\$8 million since 1996 to handle various welfare measures so that employees can enjoy the profits of its business operations. The implementation situation of the company's welfare measures is as follows: (a) Company welfare measures: 1. Employee wedding and funeral subsidies 2. Group uniform 3. Employee health examination 4. Employee compensation 5. Year-end bonus 6. Employee retirement pension: a 2% monthly provision for the old pension system is put into a special account at the Bank of Taiwan 7. Meal allowance 8. Labor insurance, health insurance, group insurance, and labor retirement pension (6% monthly provision) 9. Special price offers for employees to buy products from affiliated companies | No difference |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---|--------------------------------|----|--|---|
| | Yes | No | Summarized explanation | |
| (c) Whether or not the company has provided employees a safe and healthful working environment, as well as safety and health education regularly? | | | <p>10. Spring wine party subsidy and summer drinks</p> <p>11. Friendly Workplace Maternity Support Measures:</p> <p>11.1. Maternity Leave for Bed Rest: The first 2 days each year are provided with full salary.</p> <p>11.2. Paternity and Maternity Check-up Leave: Male employees are entitled to 8 days of full salary.</p> <p>11.3. Maternity Check-up Leave: Female employees are entitled to 8 days of full salary. Pregnant women over the age of 34 are entitled to 10 days of full salary.</p> <p>(b) Employee welfare measures:</p> <p>1. Birthday gifts</p> <p>2. Wedding and funeral grants</p> <p>3. Meal subsidy for group social gathering of employees</p> <p>4. Gifts for three major festivals</p> <p>The company's employee number reached 2,057, as of Dec. 31, 2024, including 31 handicapped ones (higher than the legally required amount of 21), 1.5% of the total, and 33 aboriginals, for 1.6% share.</p> <p>Gender distribution of full-time employees in the entire company: 73% male, 27% female. In the year 2024, a total of 50 employees were eligible for parental leave, with 42 submitting applications for parental leave without pay. Among them, 17 were male and 25 were female, resulting in a return-to-work rate of 71.79% and a retention rate of 85.71%. In terms of vacation requests, there were a total of 25 applications for maternity leave, 22 applications for prenatal check-up leave, and 25 male colleagues applied for paternity leave throughout the year.</p> <p>(c) The performance appraisal method is established to rate individual employee performance, which is linked to the annual year-end bonus distribution, annual salary adjustment, promotion, etc.</p> <p>c. Vocational safety and hygiene policy</p> <p>In line with the spirit of "no environmental pollution, no vocational disaster," the company has endeavored to establish a safety culture and intensify safety and hygiene management, in order to attain the zero-disaster target. The company has committed to the following items:</p> <p>1. Legal compliance: comply with vocational-safety laws/regulations, to uphold labor safety.</p> <p>2. Sound vocational safety and hygiene system</p> <p>3. High regard for workplace safety and hygiene: materialize workplace discipline and enhance vocational-safety awareness among laborers.</p> | No difference |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|--|--------------------------------|----|--|---|
| | Yes | No | Summarized explanation | |
| (d) Whether or not the company has set up an effective development and training plan for the capabilities necessary for employees' career? | | | <p>4. Strengthen risk assessment and education/training and conduct safety and hygiene auditing.</p> <p>5. Participation by all the employees and contractors</p> <p>It provides annual physical health checkups for all employees, and contracting special occupational doctors and nurses to provide on-site health services for employees, so as to better understand the health status of employees and use it as a basis for work assignment and working environment improvement; implementing fire drills every six months, promoting smoke-free workplaces, and formulating measures to prevent employees from suffering unlawful abuses; practicing 5S campaign, continuing to conduct employee safety and health training, publicity, communications and consultations, and regularly disclosing the above protective measures on the "employee on-the-job training section" of the company's official website. The company encourages all employees to join efforts to improve and care for environmental facilities, hoping to achieve zero disasters and zero accidents while building a friendly, safe and healthy working environment.</p> <p>In 2024, there were 54 workplace accidents, 2.63% of the total employee number of 2,057. In addition to compliance with legal vocational-safety requirements, Taiwan Pelican Express has been pushing safety/hygiene management, via the management method of "plan, do, check, and action," in order to attain human safety, work safety, and vehicle safety.</p> <p>In 2024, there were 0 fire incident with no casualties. The company has established protocols for self-defense firefighting teams and regular inspections of firefighting equipment. Moreover, all unit supervisors hold certifications in fire management, ensuring effective prevention and response to related disasters.</p> <p>d. In order to cultivate the morality of employees and boost their quality, professional capability and work efficiency, the company, in addition to arranging pre-employment training courses and organizing various educational training programs for new employees upon their arrival, also conducts professional technical trainings in accordance with different job functions and business requirements to enhance their own academic skills to facilitate mission accomplishment. The company also holds regular courses for reserve specialists and reserve managers every year to provide career planning and training for potential employees. The company held sessions promoting human-rights policy and code for employees, attracting 1,740 attendee/times, totaling 5,220 hours, as</p> | No difference |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|--------------------------------|----|---|---|
| | Yes | No | Summarized explanation | |
| (e) Whether or not the company has formulated policy protecting consumer interests and complaint procedure concerning customer health and safety, customer privacy, marketing, and labeling related to its products and services, in line with related legal requirements and international criteria? | | | well orientation sessions for new comers, boasting 795 attendee/times, totaling 7,141 hours. e. The company has formulated regulations governing personal data safety, according to which personal data collection is mainly for the business needs of providing home delivery services, and the data is only for use by the company and its outsourced partners. The company totally complies with the provisions of the Personal Data Protection Act in collecting, processing and using personal data. In order to ensure the security of user data transmission, the company's official website uses Sectigo SSL server digital certificates to securely encrypt personal privacy, transaction contents and various confidential data. The rights and interests of consumers pertaining to their home delivery shipments are clearly stated in Article 21 of the consignment terms, and the company also provides a consumer complaint hotline at 02-6618-1818, as well as online customer services on its website or webmail to further safeguard their rights and interests. | No difference |
| (f) Whether or not the company has formulated supplier management policy, requiring suppliers to comply with related regulations in environmental protection, occupational safety and hygiene, and labor rights, plus execution of the policy? | | | f. In order to ensure that contractors, during their operations at the company's workplaces, can avoid occupational accidents that may cause injuries to the company's employees, or contractors and their workers, and follow relevant laws and regulations, the company has formulated a set of safety and health management rules for outsourced contractors, governing their management principles and obligations concerning safety and health and environmental protection while also encouraging excellent contractors. Contractors covered in the rules include those engaged in new construction, overhaul engineering, repair, maintenance, equipment installation, distribution of goods, etc. after they sign engineering or business cooperation agreements with the company. | No difference |
| e. Whether or not the company has referred to international universal criteria and guidelines in compiling report disclosing corporate non-finance information such as CSR report, and obtain assurance or guarantee for the report from third-party certification body? | V | | In 2024, the company took the internationally accepted report-compilation standards or guidelines as a reference in compiling its 2023 Sustainability Report to disclose its non-financial information. The report has obtained confirmation or guarantee opinions from a third-party verification agency. | No difference |
| f. If company has formulated sustainability principles according to "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe its difference from the latter in operation: The company has faithfully abided by the "corporate social responsibility best practice principles," according to the resolution of the board of directors at its meeting on Nov. 10, 2015. So there is no difference up to now. | | | | |
| G. Other key information conducive to understanding of the company's execution status for sustainable development | | | | |

| Pushing items | Implementation status (note 1) | | | Difference from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|---------------|--------------------------------|----|---|---|
| | Yes | No | Summarized explanation | |
| | | | <p>Taiwan Pelican Express Co., Ltd. leverages its logistics expertise to deliver various supplies to those in need through collaborations with social welfare organizations and major foundations. Corporate social responsibility activities are also published through press releases on the official website. Long-term partners of Zha Pei Tong include organizations such as the Zhong Yi Foundation, Ren An Foundation, Hua Shu Foundation, Tong Yuan Cultural and Educational Foundation, and the China Youth Association. Through these partnerships, resources are collected and then delivered to areas in need by Taiwan Pelican Express Co., Ltd..</p> <p>Additionally, the company sponsors a plot of land, with the harvested rice donated to the Zhen Ji Xiang Food Bank at the Rui Suo warehouse to help underprivileged families in rural areas of Hualien and Taitung. Zha Pei Tong also works with the Tong Yuan Group to adopt coastal environmental cleaning, organizing beach cleanup activities at the Zhoushi Bay Beach in Tamsui. The company participates in the restoration of wetlands in the Daxi District of Taoyuan City, planting aquatic plants and removing invasive golden apple snails from the wetland. Furthermore, Zha Pei Tong collaborates with the Shei-Pa National Park Administration to promote the removal of invasive plant species to protect and sustain the ecological environment of the national park.</p> <p>For records on the public-service activities, access https://www.e-can.com.tw/aboutUs_duty.aspx and refer to the annual reports of past years. lay its part in making contributions to Taiwan's farmland and rice farmers.</p> | |

h.Climate-related information of listed companies

| | |
|--|---|
| (1)The oversight and governance of climate-related risks and opportunities by the board of directors and management. | <p>1. The Board of Directors is the highest governing body for the company's climate-related matters, responsible for oversight and decision-making.</p> <p>2. Under the Board of Directors, a functional committee—the "Corporate Governance and Sustainability Committee"—holds regular meetings to review the company's sustainability policies, strategies, and management guidelines, and reports to the Board.</p> <p>3. Internally, the company has also established the "Risk Management Task Force" and the "Sustainability Information Management Task Force." These teams regularly identify, assess, control, monitor, and communicate potential risks and opportunities. Using both qualitative and quantitative management approaches, they aim to keep climate-related risks within acceptable and controllable levels while identifying opportunities related to climate change and proactively planning and executing relevant strategies.</p> |
| (2) Describing how identified climate risks and opportunities affect the company's business, strategies, and finances (short-term, medium-term, long-term) | <p>1.The identified risks for the company are as follows:</p> <p>Short-term:</p> <p>Transition Risk – Increased stakeholder concerns and negative feedback.</p> <p>Physical Risk – Higher severity of extreme weather events such as typhoons and floods.</p> <p>Medium- to Long-term:</p> <p>Physical Risk – Rising average temperatures.</p> <p>2. The financial impacts of these risks include increased direct and indirect operating costs, as well as higher capital expenditures for mitigation measures.</p> <p>3. Strategies adopted to address these risks include:</p> |

| | |
|---|---|
| | <p>3.1. Optimizing delivery routes and reducing the use of fuel-intensive vehicles while effectively communicating with stakeholders to enhance customer and employee satisfaction.</p> <p>3.2. Implementing a "Major Disaster Prevention and Response Plan," which includes regular annual drills to minimize economic losses caused by floods, typhoons, and other disasters.</p> |
| (3) Describing the financial impact of extreme weather events and transition actions | <p>Extreme Weather Events – Increasing severity of typhoons, floods, and other extreme weather conditions may pose safety threats to employees at operational sites. The financial impacts include:</p> <p>1.1. Increased Operating Costs: Business disruptions lead to higher direct costs, and the need for additional temporary storage space for undelivered shipments. Additionally, rising temperatures may increase electricity consumption for air conditioning and cold storage facilities.</p> <p>1.2. Increased Capital Expenditures: Assets at service locations may suffer damage, resulting in impairment or premature write-offs. Additional costs may also be incurred for reconstruction.</p> <p>Financial Impact of Transition Actions</p> <p>2.1. The company continues to implement its fuel vehicle replacement plan. In 2024, a total of 70 electric motorcycles and 5 electric trucks will be purchased, with a total procurement cost of 12,000 thousand NTD.</p> |
| (4) Describing how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system | <p>1. The company organizes Climate Change Risk and Opportunity Workshops (TCFD Workshop), inviting department heads to conduct research, discussions, information consolidation, and risk and opportunity analysis related to climate change. Through this process, the company identifies key risks and opportunities for Taiwan Pelican Express. Additionally, in response to international trends and regulatory changes, the company regularly conducts comprehensive assessments of potential risk and opportunity factors, updates strategies to mitigate risks, and implements preventive measures to minimize risks and seize opportunities.</p> <p>2. The identification, assessment, and management process includes:</p> <p>2.1. Assessing the impact of the operating environment.</p> <p>2.2. Identifying climate-related risks and opportunities.</p> <p>2.3. Developing response strategies.</p> <p>2.4. Analyzing the financial impacts of climate risks and opportunities.</p> <p>2.5. Establishing climate change management indicators.</p> |
| (5) If using scenario analysis to assess resilience to climate change risks, one should elucidate the scenario, parameters, assumptions, analytical factors, and primary financial impacts utilized | Scenario analysis has not yet been used for evaluation. |
| (6) If there is a transition plan to manage climate-related risks, the details of the plan, as well as the indicators and objectives used to identify and manage physical and transition risks, should be | <p>1. The company will adopt "Green Transportation and Smart Logistics" as its primary development strategy. To achieve its green transportation goals, it has already deployed 5 electric trucks and 70 electric motorcycles in 2024. In 2025, the company plans to purchase an additional 30 to 50</p> |

| | | | | | | | | | | | | | | | |
|--|---|------|-------|-------|-------|-------|------|------|---|-------|------|-------|-------|-------|-------|
| explained | <p>electric motorcycles, proactively advancing its emission reduction and net-zero targets. Taiwan Pelican Express aims to have 50% of its motorcycles and 10% of its trucks electrified by 2030.</p> <p>2. Indicators and Goals</p> <p>2.1. Indicator 1: Energy Conservation and Carbon Reduction Management – Transportation Emissions Goal: Reduce total carbon emissions by 3% by 2030, using 2024 as the baseline year.</p> <p>2.2. Indicator 2: More Efficient Service Processes and Transportation Methods – Customer Satisfaction Goal: Reduce the number of customer complaints recorded by the Quality Department each month.</p> <p>2.3. Indicator 3: Rising Average Temperatures – Prevention of Heat-related Injuries Goal: Establish high-temperature operation guidelines and optimize driver schedules and route planning to prevent accidents caused by heat-related injuries.</p> | | | | | | | | | | | | | | |
| (7) If internal carbon pricing is utilized as a planning tool, the basis for price determination should be explained | Carbon pricing has not yet been used as a planning tool. | | | | | | | | | | | | | | |
| (8) If climate-related targets are set, it should be clarified which activities they encompass, the scope of greenhouse gas emissions, the planning timeframe, progress achieved annually, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of carbon offset credits or the number of RECs exchanged should be disclosed | <p>1. The main coverage includes Scope 1 and Scope 2, encompassing all operating units of Taiwan Pelican Express Co., Ltd. . The goal is to have electric trucks account for 10% of all trucks and electric motorcycles account for 50% of all motorcycles by 2030. The carbon reduction targets for each year compared to 2024 are as follows:</p> <table><tr><td>year</td><td>2025</td><td>2026</td><td>2027</td><td>2028</td><td>2029</td><td>2030</td></tr><tr><td>%</td><td>-0.05</td><td>-0.6</td><td>-1.35</td><td>-2.07</td><td>-2.77</td><td>-3.27</td></tr></table> <p>2. Currently, there is no use of carbon offsets or Renewable Energy Certificates (RECs) or similar mechanisms.</p> | year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | % | -0.05 | -0.6 | -1.35 | -2.07 | -2.77 | -3.27 |
| year | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | | | | | | | | | |
| % | -0.05 | -0.6 | -1.35 | -2.07 | -2.77 | -3.27 | | | | | | | | | |
| (9) Greenhouse Gas Inventory and Confidence Situation with Reduction Targets, Strategies, and Specific Action Plans (also filled in sections 1-1 and 1-2) | Please refer to the explanations in sections 1-1 and 1-2. | | | | | | | | | | | | | | |

1-1. Company's Greenhouse Gas Inventory and Assurance Status in the Past Two Year

1-1-1. Greenhouse Gas Inventory Information

| | | |
|---|--------|--------|
| Please specify the greenhouse gas emissions (in metric tons of CO ₂ e), intensity (in metric tons of CO ₂ e per million), and the scope of data coverage for the most recent two years. | | |
| | 2023 | 2024 |
| Scope 1 (tonCO ₂ e) | 13,052 | 13,139 |
| Scope 2 (tonCO ₂ e) | 4,579 | 4,834 |
| Intensity (tonCO ₂ e/TWD M) | 4.21 | 4.44 |
| Coverage (%) | 100% | 100% |
| The above summary covers the gas emissions of the company and all subsidiaries included in the consolidated financial statements (Pelican Express (Vietnam) Co., Ltd.). | | |

1-1-2. Greenhouse Gas Assurance Information

| | |
|---|--|
| Description of the assurance status for the two most recent years up to the date of the annual report printing, including the scope of assurance, assurance provider, assurance standards, and assurance opinion. | |
| 1. | The assurance scope for the years 2023 and 2024 covers all units of the company and all subsidiaries included in the consolidated financial statements (Pelican Express (Vietnam) Co., Ltd.). The assurance institution is PwC Taiwan. |
| 2. | Assurance standard: The standard for both years 2023 and 2024 is ISO 14064-1:2018. |
| 3. | Assurance status: Both years 2023 and 2024 comply with the requirements of ISO 14064-1:2018. |

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

The 2030 carbon reduction plan aims to have electric trucks account for 10% of all trucks and electric motorcycles account for 50% of all motorcycles. The total carbon emissions in 2030 are expected to be lower than 305.59 tCO₂e in 2024, achieving a 3.27% reduction.

In 2024, the economic emission intensity is 0.359 tCO₂e per thousand NT dollars, while in 2030, it is projected to decrease to 0.260 tCO₂e per thousand NT dollars, representing a 27.0% reduction.

| Year | Number of Gasoline Cars | Number of Electric Cars | Number of Gasoline Motorcycles | Number of Electric Motorcycles | Total Vehicle Carbon Emissions | Difference in Vehicle Carbon Emissions Compared to 2024 | Percentage Change in Vehicle Carbon Emissions Compared to 2024 | Estimated Economic Emission Intensity (%) |
|------|-------------------------|-------------------------|--------------------------------|--------------------------------|--------------------------------|---|--|---|
| 2024 | 903 | 5 | 203 | 83 | 9,913.95 | - | - | 0.359% |
| 2025 | 901 | 10 | 197 | 100 | 9,909.18 | (4.77) | -0.05% | 0.342% |
| 2026 | 893 | 23 | 161 | 176 | 9,857.48 | (56.47) | -0.60% | 0.324% |
| 2027 | 880 | 40 | 155 | 223 | 9,788.05 | (125.89) | -1.35% | 0.306% |
| 2028 | 868 | 58 | 149 | 272 | 9,720.54 | (193.40) | -2.07% | 0.290% |
| 2029 | 855 | 76 | 144 | 321 | 9,655.01 | (258.94) | -2.77% | 0.274% |
| 2030 | 843 | 94 | 171 | 340 | 9,608.36 | (305.59) | -3.27% | 0.260% |

(F) Operating status of corporate ethical management and difference from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons:

| Evaluation items | Operating status (note 1) | | | Difference from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and reasons |
|--|---------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| A. Formulation of ethical management policy and program | | | | |
| (a) Whether or not the company has put in place an ethical-management policy approved by the board of directors and has described explicitly its ethical-management policy and measures, as well as pledge of the board of directors and management for implementation of the policy, in its regulations and external documents? | V | | (a) The company has formulated "ethical management best practice principles" and specified its ethical management policy in its regulations and external documents, plus pledge of the board of directors and management to actively materialize the policy in its internal management and outward business activities. | No difference |
| (b) Whether or not the company has established evaluation system for risk of unethical conduct, calling for regular analysis and evaluation of business activities with higher risk of unethical conduct in its business scope and formulation of program preventing unethical conducts accordingly, including at least preventive measures for conducts specified in article 7-2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"? | V | | (b) The company has formulated "ethical management best practice principles", "ethical management operating rules", specifying operating procedure or behavioral norms for preventing unethical behaviors and setting out noticeable items for directors, managerial staff, employees, or persons with substantive controlling ability in the execution of their duties. The company has also put in place "code of employee conduct," setting out detailed operating norms, such as printing of corporate logo on gifts for business partners. Employees are liable to penalties set in related laws/regulations and work rules for unethical conduct. There are dedicated mailbox or phone number for insiders and outsiders to report irregularities, disclosed on the corporate website→ investor section→ corporate governance→ corporate bylaw→ employee conduct code. | No difference |
| (c) Whether or not the company has specified in its program preventing unethical conducts operating procedure, code of conduct, punishment for offense and appeal system, with faithful implementation, plus regular review and modification of the aforementioned program? | V | | (c) The company has formulated "ethical management best practice principles," "ethical management operating rules," and "code of employee conduct" and has set up specific mailbox for reporting corruption and unethical behaviors for investigation and handling by designated staffers. | No difference |

| Evaluation items | Operating status (note 1) | | | Difference from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|---------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| B. Materialization of ethical management | | | | |
| (a) Whether or not the company has evaluated the ethical record of business partners and included ethical-behavior article in the contracts signed with them? | V | | (a) When the company signs major contracts with others, its contents should contain abidance with the ethical management policy, enabling the company to terminate or invalidate the contracts. should the counterparty of the transaction be found to be involved in unethical behaviors. | No difference |
| (b) Whether or not the company has setup up dedicated unit to push corporate ethical management and report ethical management policy, program preventing unethical conducts, and supervision of execution to the board of directors regularly (at least once a year)? | | | (b) For materialization of sound ethical management, the company has human-resources and legal affairs units in charge of the formulation of ethical management policy and its execution on a part-time basis, the auditing unit responsible for supervision, and the auditing section handling auditing for regular report (once a year) of the auditing results to the board of directors. Operation and execution status in the current years follow: 1. Introduction to staffers (1) Human resources unit is headed by manager Chang Pao-wen, who and section chief are in charge of setting up and adjusting the company's channel for reporting unethical behaviors and subsequently handling of the irregularities. (2) The legal affairs unit is headed by special assistant Hu Hsiang-sheng, overseeing specialists in the unit in formulating and revising the company's ethical management best practice principles and promotion. 2. Responsibilities: (1) Setup and adjustment of the company reporting channel; (2) Formulation and revision of the company's ethical management best practice principles; (3) Holding of employee behavior evaluation council to discuss handling of discovered unethical behaviors; (4) Investigation of unethical behaviors and follow-up legal actions. 3. Work plan: (1) Revision of ethical management best practice principles, in line with the instruction of the competent authority; (2) Periodic promotion of ethical management-related practices. (3) Review and adjust the company's reporting channel. (4) Study measures for intensifying prevention of unethical behaviors. | No difference |

| Evaluation items | Operating status (note 1) | | | Difference from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|---------------------------|----|---|--|
| | Yes | No | Summarized explanation | |
| (c) Whether or not the company has formulated policy to prevent conflict of interests, provided proper channels for expression of opinions, and faithfully implemented them? | | | (c) The company has put in place "ethical management best practice principles," calling for formulation of policy avoiding conflict of interests, setting out employee code of ethics, and actively preventing unethical behaviors. According the company's code of employee conduct, employees are obligatory to report unethical behaviors, via the following channels: 1. mailbox for reporting corrupt and unethical behaviors: hr01@e-can.com.tw (reporting mails will be forwarded to chiefs of human resources division, auditing section, and legal affairs office). 2. Delivery of report: Employees can send reports on irregularities to chief of human resources division via mail or in person. 3. There are dedicated mailbox or phone number for insiders and outsiders to report irregularities, disclosed on the corporate website→ investor section→ corporate governance→ corporate bylaw→ employee conduct code. | No difference |
| (d) Whether or not the company has established effective accounting system and internal control system, as well as formulation of related auditing plan by in-house auditing unit, according to revaluation result of unethical-behavior risks, so as to audit compliance with the program for preventing unethical behaviors, either by the in-house unit or CPAs. | | | (d) For materializing ethical management, the company has put in place effective accounting system and internal control system, as well as "ethical management best practice principles," "ethical management operating rules," and "code of employee conduct," plus prevention program and auditing, on regular or irregular basis, according to annual auditing program, to assure continuing effectiveness of the system's design and execution, as well as annual review and revision, so as to establish good corporate governance and risk management mechanism, as basis for evaluating the validity of the internal control system and producing statement on internal control system. | No difference |
| (e) Whether or not the company has held internal or external education and training on ethical management periodically? | | | (e) To cultivate employee ethics and raise their quality, professional ability, and work efficiency, in addition to training courses for newcomers and regular training and education, the company has arranged professional-skill training, to help employee complete their missions. Human resources division: In 2024, the human resources division disseminated irregularly the message on the importance of ethics among all the employees via inside and outside education and training, helping employees understand and abide by (1) The human resources division | No difference |

| Evaluation items | Operating status (note 1) | | | Difference from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|--|---------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| | | | <p>conducted online education and training for newcomers in 2024, covering legal affairs, vocational safety and hygiene, and code of employee conduct, which was attended by 795 person/times, totaling 7,141 hours in time.</p> <p>(2) The company also held 8 sessions of courses and promotion on corporate social responsibility and code of employee conduct, attended by 1,740 person/times, totaling 5,220 hours in time, as well as courses on human-right policy.</p> <p>Legal affairs: The company held 5 inside and outside sessions of education and training on ethical management-related issues in 2024, attended by 207 person/times.</p> | |
| C. Status of the operation of the company's reporting system | V | | | |
| (a) Whether or not the company has established a substantive reporting system and convenient reporting channels, in addition of designation of proper staffers for handling the reporting? | V | | <p>(a) The company encourages employees and third parties to report suspected, witnessed, or personal unfair treatments at workplace and violation of the ethical management best practice principles to managers in charge or human resources unit, without malicious framing, via the following reporting channels:</p> <ol style="list-style-type: none"> 1. mailbox for reporting corrupt and unethical behaviors: hr01@e-can.com.tw (reporting mails will be forwarded to chiefs of human resources division, auditing section, and legal affairs office). 2. Delivery of report: Employees can send reports on irregularities to chief of human resources division via mail or in person. 3. There are dedicated mailbox or phone number for insiders and outsiders to report irregularities, disclosed on the corporate website→ investor section→ corporate governance→ corporate bylaw→ employee conduct code. | No difference |
| (b) Whether or not the company has formulated standard investigative procedure and related confidentiality mechanism for handling reporting? | | | <p>(b) After receiving report on irregularities, the human resources, legal affairs office, or auditing chief would conduct investigation and report the findings and subsequent handling to the president, carried out in a confidential manner, with investigators forbidden to leak names of informants or other information capable revealing the latter's identity. Employees found to violate corporate bylaws in the investigation are subject to penalties, according to work rules and penalties determined by employee affairs evaluation council, in the case of serious violations of corporate bylaws.</p> | No difference |

| Evaluation items | Operating status (note 1) | | | Difference from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and reasons |
|---|---------------------------|----|--|--|
| | Yes | No | Summarized explanation | |
| (c) Whether or the company has adopted measures protecting informants from improper treatment? | | | (c) Designated investigators for reported cases should not leak the names of informants or other information capable of revealing the latter's identify. Subjects of the reported cases should not have any acts of revenge or threat against the informants, who can inform the human resources unit of any revenge, threat, or harassment for immediate response from the company. | No difference |
| D. Intensification of information disclosure (a) Whether or not the company has disclosed its ethical management principles and execution results on its website and the Market Observation Post System? | V | | The company has posted the ethical management best practice principles on the corporate website and the Market Observation Post System and disclosed execution status and result. | No difference |
| E. For company with own ethical management principles, formulated according to "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," describe the operation of its own principles and the difference with the later: no difference. | | | | |
| F. Other key information conducive to the understanding of the operation of the company's ethical management (such as how does the company review and revise its ethical management principles): nil. | | | | |

(g) Other key information conducive to the understanding of the operating status of the company's corporate governance:

1. The company's material information is all available on the Market Observation Post System, in compliance with the regulation of the competent authority.

2. Study by directors in 2024

| Title | Name | Date | Organizer | Name of course | Study hour |
|----------|---|------------|---|---|------------|
| Chairman | TECO Electric & Machinery Co., Ltd. Representative : Chiu Chwen-ji | 2024/1/25 | Taiwan Institute for Sustainable Energy | 35st TCCS directors' meetina and CEO lecture | 2 hours |
| | | 2024/4/25 | Taiwan Institute for Sustainable Energy | 36ndTCCS directors' meetina and CEO lecture | 2 hours |
| | | 2024/7/18 | Taiwan Institute for Sustainable Energy | 37thTCCS directors' meetina and CEO lecture | 2 hours |
| | | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/12/17 | Taiwan Straits Business Development Associatioion | The Present and Future of Energy Technology Services (ESCO) | 3 hours |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | 2024/4/10 | Securities & Futures Institute | Advanced Practical Seminar for Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers [Risks and Considerations of Artificial Intelligence for Businesses] | 3 hours |
| | | 2024/8/7 | Securities & Futures Institute | Advanced Practical Seminar for Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers [Global Net-Zero Carbon Emission Trends and Corporate Response Strategies] | 3 hours |
| | | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/12/17 | Taiwan Straits Business Development Associatioion | The Present and Future of Energy Technology Services (ESCO) | 3 hours |

| Title | Name | Date | Organizer | Name of course | Study hour |
|----------------------|---|------------|---|--|------------|
| Director | TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | 2024/9/20 | Securities & Futures Institute | 2024 Insider Trading Prevention Seminar | 3 hours |
| | | 2024/9/24 | Commerce Development Research Institute | ESG sustainable development of the automobile passenger transport industry | 6 hours |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/12/17 | Taiwan Straits Business Development Association | The Present and Future of Energy Technology Services (ESCO) | 3 hours |
| Director | ITOCHU Taiwan Corporation Representative : Ono Yuichiro | 2024/10/8 | Taiwan Corporate Governance Association | Fraud Cases and Internal Control | 3 hours |
| | | 2024/10/8 | Taiwan Corporate Governance Association | Recent Developments in ESG | 3 hours |
| | | 2024/10/11 | Taiwan Corporate Governance Association | Corporate Governance and Insider-Related Securities Regulations | 3 hours |
| | | 2024/12/17 | Taiwan Straits Business Development Association | The Present and Future of Energy Technology Services (ESCO) | 3 hours |
| Director | ITOCHU Taiwan Corporation Representative : Osada Keishi | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/10/8 | Taiwan Corporate Governance Association | Fraud Cases and Internal Control | 3 hours |
| | | 2024/10/8 | Taiwan Corporate Governance Association | Recent Developments in ESG | 3 hours |
| | | 2024/10/11 | Taiwan Corporate Governance Association | Corporate Governance and Insider-Related Securities Regulations | 3 hours |
| Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun-hsing | 2024/9/6 | Taiwan Corporate Governance Association | Strategic thinking on group enterprise reorganization | 3 hours |
| | | 2024/9/20 | Securities & Futures Institute | 2024 Insider Trading Prevention Seminar | 3 hours |
| Independent director | Lien Yuan-lung | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/10/15 | Taiwan Corporate Governance Association | Global future risks and opportunities for sustainable transformation | 1.5 hours |
| | | 2024/10/15 | Taiwan Corporate Governance Association | Global Economic Situation and Industry Outlook | 1.5 hours |

| Title | Name | Date | Organizer | Name of course | Study hour |
|----------------------|------------|------------|---|--|------------|
| Independent director | Tu Chi-yao | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/10/25 | Securities & Futures Institute | 2024 Insider Equity Trading Compliance Seminar | 3 hours |
| Independent director | Yu Jiun-yu | 2024/8/14 | Taiwan Corporate Governance Association | Trends in Smart Manufacturing and the Application of Digital Technology in Business Management | 3 hours |
| | | 2024/10/28 | Taipei Foundation Of Finance | Corporate Governance – Trends in Generative AI Industry Development | 3 hours |
| | | 2024/11/13 | Institute of Financial Law and Crime Prevention | 2024 Q4 Corporate Governance Practical Workshop: ESG Investment Concepts and Applications" | 3 hours |
| | | 2024/12/17 | Taiwan Straits Business Development Associatioion | The Present and Future of Energy Technology Services (ESCO) | 3 hours |

(h) Execution status of internal control system

1. Statement on internal control system

Statement on internal control system of
Taiwan Pelican Express Co., Ltd.

Feb. 27, 2025

Based on self review, the company makes the following statement on the company's internal control system in 2024:

- (1) The company is fully aware that establishment, execution, and maintenance of internal control system is the duty of the company's board of directors and managerial staff; therefore, the company has established the system. The purpose is to provide reasonable assurance for the efficacy and efficiency of operation (including profitability, performance, and protection of the safety of assets), the reliability, timeliness, and transparency of reports, and compliance with related norms, regulations, and laws.
- (2) Internal control system has its inherent constraint, as it, no matter how perfect is its design, can only provide reasonable assurance for the attainment of the aforementioned three objectives. In addition, change in environment and status may affect the efficacy of internal control system. Therefore, the company's internal control system has a mechanism of self supervision, capable of locating defects for immediate rectification.
- (3) The company evaluates the efficacy of its internal control system, according to the evaluation items contained in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" ("regulations" in short hereafter), which divides internal control system into five constituents, according to the procedure of management control: 1. control environment, 2. risk management, 3. control activities, 4. information and communications, 5. monitoring activities, with each containing several items (refer to the stipulations of the "regulations."
- (4) The company has employed the aforementioned evaluation items in checking the efficacy of the design and execution of the internal control system.
- (5) Based on the aforementioned evaluation, the company believes that with reasonable assurance, the company's internal control system (including supervision and management of subsidiaries) as of Dec. 31, 2024 had been effective in both design and execution concerning understanding of the efficacy and efficiency of management, reliability, timeliness, and transparency of reports, and compliance with related norms, regulations, and laws.
- (6) The statement will be publicized, as a major part of the company's annual report and prospectus. Falsehood, concealment, and other illegalities in the aforementioned publicized contents would entail legal responsibilities, according to article 20, article 32, article 171, and article 174 of the Securities and Exchange Act.
- (7) The statement was approved by the company's board of directors on Feb. 27, 2025, endorsed by all of the 10 directors in attendance, without any contrary opinion.

Chairman Chiu Chwen-ji
President Hsu Ching-yi
Taiwan Pelican Express Co., Ltd.

2. In case review of internal control system is outsourced to certified public accountant, disclose the CPA review report: nil.

(i) Major resolutions of shareholders' meeting and the board of directors in the latest year and as of the date of the printing of the annual report:

1. Major resolutions of the board of directors in 2024 and as of the date of the printing of the annual report:

| | | |
|--------------------|------------|--|
| Board of directors | 2024/02/26 | <ul style="list-style-type: none"> (1) The company's 2023 business report and financial statement, the latter of which to be submitted to 2024 shareholders' meeting for acknowledgement (2) 2023 payout of compensations for directors, followed by report to 2024 shareholders' meeting (3) 2023 payout of compensations for employees, followed by report to 2024 shareholders' meeting (4) Distribution of 2023 earnings, setting cash dividend at NT\$0.8 per share, totaling NT\$76,373,600, followed by submission to 2024 shareholders' meeting for acknowledgement (5) Time, venue, and agenda for 2023 shareholders' meeting (6) The company's 2024 capital outlay budget (7) Lease of plant building for the "Jinhu logistics center," with term ranging from June 1, 2024 through May 31, 2029 and usage-right assets reaching NT\$162,000,000 in value. (8) Appointment of Liao Hao-ting as financial chief, effective March 1, 2024, replacing Wang Po-kang, who left the post due to job change (9) Appointment of Hsu Ching-yi as president, effective March 1, 2024, replacing Peng Chi-tseng. (10) Chou Cheng-hsiung was relieved of the post of vice president, effective March 1, 2024, due to job change. |
| Board of directors | 2024/04/8 | <ul style="list-style-type: none"> (1) Nomination of Candidates for the 9th Term of General Directors and Independent Directors by the Board of Directors The nomination of the following candidates has been approved: General Director Candidates: Ms. Chiu Chwen-jy, Mr. Huang Mao-hsiung, Mr. Hsu Ching-yi, Mr. Kuo Tzu-yi, Mr. Peng Chi-tseng, Mr. Ono Yuichiro, Mr. Osada Keishi, and Mr. Kao Shun-hsing. Independent Director Candidates: Mr. Yu Jiun-yu, Mr. Tu Chi-yao, and Mr. Lien Yuan-lung. The nominations will be submitted for election at the 2024 Annual General Shareholders' Meeting. |
| Board of directors | 2024/05/13 | <ul style="list-style-type: none"> (1) The company's 2024 Q1 consolidated financial statement (2) Related Party Transaction for the Lease of Land at the Xinzhuang Plant |
| Board of directors | 2024/05/27 | <ul style="list-style-type: none"> (1) Election of Chairman for the 9th Term of the Board of Directors The Board of Directors unanimously elected Ms. Chiu Chwen-jy as the Chairman of the Board for the company. (2) Appointment of Members for the 5th Term of the "Compensation Committee" The appointment of the following independent directors to the company's 5th Term Compensation Committee has been approved: Mr. Lien Yuan-lung, Mr. Tu Chi-yao, and Mr. Yu Jiun-yu. |
| Board of directors | 2024/08/12 | <ul style="list-style-type: none"> (1) The company's 2024 Q2 consolidated financial statement (2) Establishment and Organizational Regulations of the "Corporate Governance and Sustainability Committee" (3) Appointment of Members for the 1st Term of the "Corporate Governance and Sustainability Committee". The following individuals have been appointed as members of the company's 1st Term "Corporate Governance and Sustainability Committee": Chairman: Ms. Chiu Chwen-jy Director: Mr. Peng Chi-tseng Independent Directors: Mr. Lien Yuan-lung, Mr. Tu Chi-yao, and Mr. Yu Jiun-yu. |

| | | |
|--------------------|------------|--|
| | | <p>(4) Change of Accounting Officer The former accounting officer, Ms. Chen Yien-hsi stepped down due to resignation, effective August 12, 2024. Mr. Liao Hao-ting has been appointed as the new accounting officer.</p> <p>(5) Change of Registered Address The company's registered address has been changed from "No. 288, Yuantong Road, Zhonghe District, New Taipei City" to "No. 426, Shennong Street, Sanchong District, New Taipei City."</p> |
| Board of directors | 2024/11/11 | <p>(1) The company's 2024 Q3 consolidated financial statement</p> <p>(2) 2025 auditing plan</p> |
| Board of directors | 2024/12/16 | (1) 2025 business budget |
| Board of directors | 2025/02/27 | <p>(1) The company's 2024 business report and financial statement, the latter of which to be submitted to 2025 shareholders' meeting for acknowledgement</p> <p>(2) 2024 payout of compensations for directors, followed by report to 2025 shareholders' meeting</p> <p>(3) 2024 payout of compensations for employees, followed by report to 2025 shareholders' meeting</p> <p>(4) Distribution of 2024 earnings, setting cash dividend at NT\$0.5 per share, totaling NT\$47,733,500, followed by submission to 2025 shareholders' meeting for acknowledgement</p> <p>(5) Amendment to the Company's "Articles of Incorporation"</p> <p>(6) Time, venue, and agenda for 2023 shareholders' meeting</p> |

2. Major resolutions of 2024 shareholders' meeting (2024/05/27) and execution status

| No. | Resolution | Execution status |
|-----|---|--|
| 1 | Passage of "2023 business report and financial statement" | Passage with the support of shareholders in attendance accounting for 98.54% of total voting rights. |
| 2 | Passage of "2023 earnings distribution," setting cash dividend at NT\$0.8 | <p>1. Passage with the support of shareholders in attendance accounting for 98.56% of total voting rights.</p> <p>2. Setting ex-cash dividend date on June 13, 2024, with cash dividends having been paid out on July 28, 2024</p> |

(j) Opinion of director, on record or in written form, contrary to major resolutions of the board of directors in the latest year and as of the date of the printing of the annual report: nil

D. Information on CPA fees

(a) Disclosure of information on auditing fee paid to certified public accounts:

Unit: NT\$1,000

| Name of accounting firm | Names of certified public accountants | CPA auditing period | Auditing fee | Non-auditing fee (note) | Total | Note |
|-------------------------|---------------------------------------|---------------------|--------------|-------------------------|-------|------|
| PwC Taiwan | Hsu Ming-chuan | Fiscal 2024 | 1,945 | 1,250 | 3,195 | |
| | Tu Chan-yuan | Fiscal 2024 | | | | |

Specify contents of non-auditing services: NT\$460,000 for taxation certification, 200,000 for English translation of financial statement, NT\$110,00 for other data review, NT\$430,000 for other assurance service, and NT\$50,000 for auditing full-time employee pays

Note: Should there be replacement of public accountant or accounting firm, specify auditing periods and explain reasons for the replacement, in addition to disclosing auditing fee and non-auditing fees before and after the replacement, plus contents of non-auditing services.

(b) Replacement of CPA accounting firm and auditing fee paid in the year is less than the previous year: nil

(c) Auditing fee decreases over 10% from the previous year: nil

E. Information on replacement of CPA

a. About previous CPAS

| | | | | |
|--|--|-------------------------------|----------------------------------|----------------|
| Replacement time | Resolution of passage by the board of directors on Feb. 26, 2024 | | | |
| Replacement reason and explanation | For the sake of in-house rotation, PwC appointed CPAs Hsu Ming-chuan and Tu Chan-yuan, replacing Hsu Ming-chuan and Lin Chun-yao, starting Q1, 2024. | | | |
| Explain reason for principal or CPA to end or turn down appointment | Client | CPA | Principal | |
| | Situation | End of appointment by its own | Not applicable | Not applicable |
| | Discontinue appointment | Not applicable | Not applicable | Not applicable |
| Opinion and reason for auditing report with reserved opinion in recent two years | | | | |
| Different opinion with issuer | Yes | | Accounting principle or practice | |
| | | | Disclosure of financial report | |
| | | | Auditing scope or procedure | |
| | | | Other | |
| | Nil | V | | |
| | Explanation | | | |
| Other disclosure items (Article 10-1-4 to 10-1-7) | Nil | | | |

F. Information on the company's chairman, president, and financial or accounting manager with service at CPA accounting firm or its affiliates in the latest year, disclose related information : nil.

G. Status of shareholding transfer and change in creation of pledge by directors, managers, and shareholders with over 10% stake in the latest year and as of the date of the printing of the annual report:

- a. Change in shareholding by directors, supervisors, managerial staffers, and major shareholders:

March 31, 2025

| Title | Name | 2024 | | As of March 31 of the current year | |
|----------|---|--|--|--|--|
| | | Amount of shareholding increase (decrease) | Increased (decreased) amount of pledged shares | Amount of shareholding increase (decrease) | Increased (decreased) amount of pledged shares |
| Chairman | TECO Electric & Machinery Co., Ltd. Representative : Chiu Chwen-ji | 0 | 0 | 0 | 0 |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Huang Mao-hsiung | 0 | 0 | 0 | 0 |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Hsu Ching-yi | 0 | 0 | 0 | 0 |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Peng Chi-tseng | 0 | 0 | 0 | 0 |
| Director | TECO Electric & Machinery Co., Ltd. Representative : Kuo Tzu-yi | 0 | 0 | 0 | 0 |
| Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Shih Chi-yien | 0 | 0 | 0 | 0 |
| Director | AN-SHIN FOOD SERVICES CO., LTD. Representative : Kao Shun-hsing | 0 | 0 | 0 | 0 |
| Director | ITOCHU Taiwan Corporation Representative : Matsui Manabu | 0 | 0 | 0 | 0 |
| Director | ITOCHU Taiwan Corporation Representative : Ono Yuichiro | 0 | 0 | 0 | 0 |
| Director | ITOCHU Taiwan Corporation Representative : Yamamoto Kazutoshi | 0 | 0 | 0 | 0 |

| Title | Name | 2024 | | As of March 31 of the current year | |
|----------------------|---|--|--|--|--|
| | | Amount of shareholding increase (decrease) | Increased (decreased) amount of pledged shares | Amount of shareholding increase (decrease) | Increased (decreased) amount of pledged shares |
| Director | ITOCHU Taiwan Corporation Representative : Osada Keishi | 0 | 0 | 0 | 0 |
| Independent director | Lien Yuan-lung | 0 | 0 | 0 | 0 |
| Independent director | Tu Chi-yao | 0 | 0 | 0 | 0 |
| Independent director | Yu Jiun-yu | 0 | 0 | 0 | 0 |
| Independent director | Chen Wun-hwa | 0 | 0 | 0 | 0 |
| Independent director | Lin Wan-ying | 0 | 0 | 0 | 0 |
| Managerial staffer | Peng Chi-tseng | 0 | 0 | 0 | 0 |
| Managerial staffer | Hsu Ching-yi | 0 | 0 | 0 | 0 |
| Managerial staffer | Chou Cheng-hsiung | 0 | 0 | 0 | 0 |
| Managerial staffer | Wang Po-kang | 0 | 0 | 0 | 0 |
| Managerial staffer | Liao Hao-ting | 0 | 0 | 0 | 0 |
| Major shareholder | TECO Electric & Machinery Co., Ltd. | 0 | 0 | 0 | 0 |
| Major shareholder | ITOCHU Taiwan Corporation | 0 | 0 | 0 | 0 |

Note 1: Shareholders with over 10% shareholding should be specified as major shareholder and listed separately.

Note 2: Filling in the following table, in case the recipient of share transfer or pledged shares is a related party.

Note 3: Hsu Ching-yi was assumed of his post on March 31, 2024, before that there was no change in his shareholding or the amount of pledged shares.

Note 4: Peng Chi-tseng was relieved of his post on March 1, 2024, before that there was no change in his shareholding or the amount of pledged shares.

Note 5: Wang Po-kang was relieved of his post on March 1, 2024, before that there was no change in his shareholding or the amount of pledged shares.

Note 6: Liao Hao-ting was assumed of his post on March 1, 2024, before that there was no change in his shareholding or the amount of pledged shares.

Note 7: Chou Cheng-hsiung was relieved of his post on March 1, 2024, before that there was no change in his shareholding or the amount of pledged shares.

Note 8: ITOCHU Taiwan Corporation appointed Ono Yuichiro and Osada Keishi, replacing Matsui Manabu and Yamamoto Kazutoshi, as its representatives on Apr. 1, 2024. There were no changes in the shares held or pledged before and after the appointments and resignations.

Note 9: AN-SHIN FOOD SERVICES CO., LTD. appointed Kao Shun-hsing, replacing Shih Chi-yien, as its representative on Feb. 23, 2024. There were no changes in the shares held or pledged before and after the appointments and resignations.

Note 10: Mr. Tu Chi-yao and Mr. Yu Jiun-yu were newly appointed after the re-election at the shareholders' meeting on May 27, 2024. Mr. Chen Wun-hwa and Ms. Lin Wan-ying stepped down after the re-election at the shareholders' meeting on May 27, 2024. There were no changes in the shares held or pledged before and after the appointments and resignations.

b. Information on share transfer

| Name | Reason for share transfer | Transaction date | Trading counterparty | Relationship of trading counterparty with the company, directors, and shareholders with over 10% shareholding | Amount of shares | Transaction price (NT dollar) |
|------|---------------------------|------------------|----------------------|---|------------------|-------------------------------|
| Nil | | | | | | |

c. Information on pledged share

| Name | Reason for change in pledged shareholding | Date of change | Trading counterparty | Relationship of trading counterparty with the company, directors, and shareholders with over 10% shareholding | Amount of shares | Percentage of shareholding | Percentage of pledged shareholding | Pledged (redeemed) value |
|------|---|----------------|----------------------|---|------------------|----------------------------|------------------------------------|--------------------------|
| Nil | | | | | | | | |

H. Information on the relationships of related parties, or spouses, or relatives within second degree of kinship between shareholders with shareholdings among the top 10:

March 21, 2025

| Name | Shareholding of shareholder | | Shareholding of spouse and minor childre | | Shareholding in others' names | | Names and relationship of other top 10 shareholders with the relationship specified in Statement of Financial Accounting Standards No. 6 or the relationship of spouse of relative within 2nd-degree kinship | | Note |
|--|-----------------------------|----------------------------|--|----------------------------|-------------------------------|----------------------------|--|--------------------------|------|
| | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Title (or name) | Relationship | |
| TECO Electric & Machinery Co., Ltd. (TECO) Representative : Li Ming-shien | 24,121,700 | 25.27% | 0 | - | 0 | - | Tung An Investment Co., Ltd | Parent company-subsidary | |
| | | | | | | | TECO International Investment Co., Ltd. | | |
| | | | | | | | AN-SHIN FOOD SERVICES CO., LTD. | Other related parties | |
| | | | | | | | TIS | | |
| | | | | | | | CREATIVE SENSOR INC. | Director of TECO | |
| ITOCHU Taiwan Corporation Representative : Ono Yuichiro | 18,138,500 | 19.00% | 0 | - | 0 | - | | - | |

| Name | Shareholding of shareholder | | Shareholding of spouse and minor childre | | Shareholding in others' names | | Names and relationship of other top 10 shareholders with the relationship specified in Statement of Financial Accounting Standards No. 6 or the relationship of spouse of relative within 2nd-degree kinship | | Note |
|--|-----------------------------|----------------------------|--|----------------------------|-------------------------------|----------------------------|--|---|------|
| | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Title (or name) | Relationship | |
| Tung An Investment Co., Ltd. Representative : Huang Mao-hsiung | 6,474,468 | 6.78% | 0 | - | 0 | - | TECO | 1. Parent company-subsubsidiary 2.Director, Tong An Investment Co., Ltd. | |
| | | | | | | | TECO International Investment Co., Ltd. | 1.The same chairman 2. Both are subsidiaries of TECO | |
| | 200,000 | 0.21% | 0 | - | 0 | - | An-Shin Food Services Co., Ltd. | The same chairman | |
| | | | | | | | TIS | Chairmen of juridical shareholders are relatives within second-degree kinship | |
| | | | | | | | CREATIVE SENSOR INC. | | |
| NIPPON EXPRESS HOLDING Representative : Satoshi Horikiri | 4,441,000 | 4.65% | 0 | - | 0 | - | - | - | |
| Kuang Chuan Dairy Co., Ltd. Representative : Wang Lin-hsiang | 1,647,500 | 1.73% | 0 | - | 0 | - | - | - | |
| AN-SHIN FOOD SERVICES CO., LTD. Representative : Huang Mao-hsiung | 1,556,000 | 1.63% | 0 | - | 0 | - | TECO | Other related parties | |
| | | | | | | | Tung An Investment Co., Ltd | The same chairman | |
| | | | | | | | TECO International Investment Co., Ltd. | | |
| | 200,000 | 0.21% | 0 | - | 0 | - | TIS | Chairmen of juridical shareholders are relatives within second-degree kinship | |
| | | | | | | | CREATIVE SENSOR INC. | | |

| Name | Shareholding of shareholder | | Shareholding of spouse and minor childre | | Shareholding in others' names | | Names and relationship of other top 10 shareholders with the relationship specified in Statement of Financial Accounting Standards No. 6 or the relationship of spouse of relative within 2nd-degree kinship | | Note |
|--|-----------------------------|----------------------------|--|----------------------------|-------------------------------|----------------------------|--|---|------|
| | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Title (or name) | Relationship | |
| TECO International Investment Co., Ltd. Representative : Huang Mao-hsiung | 1,266,332 | 1.33% | 0 | - | 0 | - | TECO | Parent company-subsiidiary | |
| | | | | | | | Tung An Investment Co., Ltd. | 1.The same chairman 2. Both are subsidiaries of TECO | |
| | 200,000 | 0.21% | 0 | - | 0 | - | AN-SHIN FOOD SERVICES CO., LTD. | The same chairman | |
| | | | | | | | TIS | Chairmen of juridical shareholders are relatives within second-degree kinship | |
| | | | | | | | CREATIVE SENSOR INC. | | |
| TECO Image Systems (TIS) Co., Ltd. Representative Huang Yu-jen | 281,000 | 0.29% | 0 | - | 0 | - | TECO | Other related parties | |
| | | | | | | | Tung An Investment Co., Ltd. | Chairmen of juridical shareholders are relatives within second-degree kinship | |
| | | | | | | | AN-SHIN FOOD SERVICES CO., LTD. | | |
| | | | | | | | TECO International Investment Co., Ltd. | 1.Chairmen of juridical shareholders are relatives within second-degree kinship 2.Director of TIS. | |
| | | | | | | | CREATIVE SENSOR INC. | 1.The same chairman 2.Director of TIS. | |

| Name | Shareholding of shareholder | | Shareholding of spouse and minor childre | | Shareholding in others' names | | Names and relationship of other top 10 shareholders with the relationship specified in Statement of Financial Accounting Standards No. 6 or the relationship of spouse of relative within 2nd-degree kinship | | Note |
|--|-----------------------------|----------------------------|--|----------------------------|-------------------------------|----------------------------|--|---|------|
| | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Title (or name) | Relationship | |
| CREATIVE SENSOR INC. Representative Huang Yu-jen | 281,000 | 0.29% | 0 | - | 0 | - | TECO. | CREATIVE SENSOR INC. is director of TECO. | |
| | | | | | | | Tung An Investment Co., Ltd. | Chairmen of juridical shareholders are relatives within second-degree kinship | |
| | | | | | | | TECO International Investment Co., Ltd. | | |
| | | | | | | | AN-SHIN FOOD SERVICES CO., LTD. | | |
| | | | | | | | TIS | 1.the same chairman 2. CREATIVE SENSOR INC. is director of TIS. | |
| Citigroup Custody of Berkeley Capital SBL/PB Investment Account. | 213,000 | 0.22% | 0 | - | 0 | - | - | - | |

I. Shareholding of the company, its directors, managers, and enterprises under the company's direct or indirect control in an invested enterprises and share of consolidated shareholding.

| Invested enterprises | Investment by the company | | Investment by the company's directors, managerial staff, and directly or indirectly controlled enterprises | | Consolidated investment | |
|----------------------------------|---------------------------|----------------------------|--|----------------------------|-------------------------|----------------------------|
| | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding | Number of shares | Percentage of shareholding |
| Pelican Express(Vietnam)Co.,Ltd. | - | 100% | - | - | - | 100% |

III. Fund raising situation

A. Capital and share capital

(a) Sources of share capital

1. Process for formation of share capital

March 31, 2025/unit: 1,000 shares/NT\$1,000

| Year/ month | Issuance price | Approved share capital | | Paid-in capital | | Note | | |
|----------------|-------------------|---------------------------|-----------|---------------------|---------|---|---|--------|
| | | Number of shares | Value | Number of shares | Value | Sources of share capital | Share subscription with non-cash assets | Others |
| 1999.09 | 10 | 2,500 | 25,000 | 2,500 | 25,000 | Founding capital | Nil | Note 1 |
| 2000.07 | 10 | 50,000 | 500,000 | 19,000 | 190,000 | Name change from Yi Chieh Logistics Co. Ltd. to Taiwan Pelican Express Co. Ltd. | Nil | Note 1 |
| 2001.01 | 15 | 50,000 | 500,000 | 45,000 | 450,000 | 26,000,000 shares via cash capital increase | Nil | Note 1 |
| 2002.04 | 12 | 65,000 | 650,000 | 56,000 | 560,000 | 11,000,000 shares via cash capital increase | Nil | Note 1 |
| 2004.08 | 10 | 100,000 | 1,000,000 | 72,000 | 720,000 | Issuance of 16,000,000 preferred A shares | Nil | Note 1 |
| 2005.02 | 10 | 100,000 | 1,000,000 | 86,000 | 860,000 | Issuance of 14,000,000 preferred A shares | Nil | Note 1 |
| 2011.10 | 10 | 100,000 | 1,000,000 | 86,000 | 860,000 | Conversion of 30,000,000 preferred shares into common shares | Nil | Note 1 |
| 2013.12 | 10 | 100,000 | 1,000,000 | 95,467 | 954,670 | 9,467,000 shares via cash capital increase | Nil | Note 2 |

Note 1 : No specification of the effective date and official document No. for capital increase, since the change of share capital didn't occur within recent five years

Note 2 : Approval mail No. 10301002430, dated 2014

2. Total share number

March 31, 2025/unit: 1,000 shares

| Kind of share | Approved share capital | | | Note |
|------------------------------------|---|------------------------------|---------|------|
| | Number of shares in circulation (note) | Number of unissued shares | Total | |
| Common shares of listed company | 95,467 | 4,533 | 100,000 | |

Note: Specify where the stock is listed on Taiwan Stock Exchange of Taipei Exchange (if the stock is subject to restricted trading, specify)

3. Aggregation of Information on Reporting System

| Types of securities | Planned issuance amount | | Issued number | | Purpose and expected benefit of issued shares | Planned issuance time for unissued shares | Note |
|---------------------|-------------------------|----------------|------------------|-------|---|---|------|
| | Total amount of shares | Approved value | Number of shares | Price | | | |
| Nil | | | | | | | |

(b) Major shareholders :

Names and amount and percentage of shareholding of shareholders with over 5% shareholding or on the list of top 10 shareholder

| Names of major shareholders | Shareholding | Amount of shareholding | Percentage of shareholding |
|--|--------------|------------------------|----------------------------|
| TECO Electric & Machinery Co., Ltd. | | 24,121,700 | 25.27% |
| ITOCHU Taiwan Corporation | | 18,138,500 | 19.00% |
| Tung An Investment Co., Ltd. | | 6,474,468 | 6.78% |
| NIPPON EXPRESS HOLDING | | 4,441,000 | 4.65% |
| Kuang Chuan Dairy Co., Ltd. | | 1,647,500 | 1.73% |
| AN-SHIN FOOD SERVICES CO., LTD. | | 1,556,000 | 1.63% |
| TECO International Investment Co., Ltd. | | 1,266,332 | 1.33% |
| TECO Image Systems (TIS) Co., Ltd. | | 281,000 | 0.29% |
| CREATIVE SENSOR INC. | | 281,000 | 0.29% |
| Citigroup Custody of Berkeley Capital SBL/PB Investment Account. | | 213,000 | 0.22% |

(c) The company's dividend policy and execution status

1. Earning of general final account, if any, should first be appropriated for paying tax and covering accumulated loss, setting aside 10% of the remainder as legal surplus reserve and then special surplus reserve, the latter according to the regulation of the competent authority, and then using the remainder, if any, plus undistributed earnings of the previous year, for the board of directors to formulate proposal for earnings distribution, to be submitted to the shareholders' for approval.

Reserve part of the remainder, if any, taking into account the company's environment, growth stage, funding need for major future plan, and long-term financial plan. The remainder can be combined with up to 50% of accumulated undistributed earnings in the previous year for use by the board of directors, taking into account funding status of the current year and economic development, for distribution of shareholder dividend, half of which should be in the form of cash in principle and no less than 5%.

2. Proposal of dividend payout for the shareholders' meeting:

- (1) The proposal for distribution of 2024 earnings is formulated, according to article 28-1 of the corporate charter.
 - (2) Plan to pay out NT\$0.5 cash dividend per share for common shares.
 - (3) After approval of the proposal for earnings distribution by the shareholders, plan to authorize the board of directors to decide the ex-dividend base date. Cash dividend for individual shareholders will be paid in rounded amount, with the mantissa to be covered by corporate expense.
- (d) Effect of the proposed stock grant for the shareholders' meeting on the company's business performance and earnings per share: not applicable

(e) Compensations for employees and directors:

1. Percentage or scope of compensations for employees and directors specified in the corporate charter:

According to revised Company Act promulgated in May 2015 and the revised corporate charter approved by the shareholders' meeting in May 2016, the company appropriates 0.5-1.5% of pretax earnings, after deduction of payout of compensations for employees and directors, for employee bonus and up to 3% for bonus of directors and supervisors.

2. Estimates for current compensations for employees and directors is based on the number of shares for stock grant for employees and accounting treatment for the difference of amount of actual payout and estimated amount.

After end of a year, should there be major change in payout value set by the board of directors, the amount of change should be adjusted via appropriate of annual expense and should there be share on the date of the resolution by the shareholders' meeting, the change will be handled with accounting estimate followed by adjustment in account.

3. Compensations payout passed by the board of directors

- (1) Should there be difference between the values of compensations for employees and directors in the form of cash or stock grant and estimated value for acknowledged expense for the year, disclose the amount of difference, reason, and handling status:
 - 1) Payout of employees compensations in cash: NT\$0
 - 2) Payout of employees compensations in stock: NT\$0
 - 3) Director compensations: NT\$0
 - 4) No difference with estimated value
- (2) Percentage of employees compensations in stock in the combination of after-tax net profits and employees compensations in individual or separate financial statement: not applicable

4. Should there be difference between actual compensations payout for employees and directors (including the amount of shares, value, and share price) and acknowledged compensations for employees and directors, , disclose the amount of difference, reason, and handling status: not applicable

(f) Share buyback by the company: nil.

B. Status of the issuance of corporate bonds (including overseas corporate bonds): nil

C. Status OF the issuance of preferred stock: nil

D. Status of the issuance of overseas depository receipts: nil

E. Status of the issuance of employee stock option certificates: nil

F. Status of the issuance of employee restricted stock awards: nil

G. New share issuance for M&A or stock transfer: nil

H. Fund utilization plan and execution status: nil

IV. Business Operation Overview

A. Business Contents

a. Business Scope

1. The main business scope of Taiwan Pelican Express Co., Ltd. is to provide nationwide home delivery and warehousing logistics services, which are described as follows:

| Home delivery services | Warehousing logistics services |
|--|--|
| (1) Mainly delivering parcels to homes, including B2C (business to consumers) and C2C (consumer to consumer) services. (2) Service items include: Ambient -temperature and low -temperature delivery, reverse logistics (C2B), same- day delivery; airport luggage collection from home, delivery to home, luggage storage, luggage packing, luggage wrapping, packing materials sales, airline luggage evacuation and smart locker services; in-house logistics delivery services; smart mailing, home-to-store/counter transfer, payment collection, digital signature, and merchandising services. | (1) Mainly providing complete supply chain logistics solutions for corporate customers in the following industries: TV/Internet shopping, health food, daily necessities, cosmetics, home appliances/motors, 3C products, etc. (2) Service items include: warehousing and handling (incoming goods unloading, picking and sorting, distribution processing, warehousing, return and reverse logistics processing, etc.), transportation and distribution (long-distance transfer, short-distance delivery, home delivery and installation, B2B dedicated truck delivery service), proxy procurement and other services; other customized processes, customer services, cargo tracking and other value-added services. |

2. Revenue ratios and main service businesses

Unit: NT\$1,000

| Main Service products \ Year | 2023 | | 2024 | |
|------------------------------|-------------|---------------|-------------|---------------|
| | sales value | revenue ratio | sales value | revenue ratio |
| Home delivery business | 2,883,570 | 68.85% | 2,718,092 | 67.09% |
| Logistics business | 1,270,466 | 30.33% | 1,298,239 | 32.05% |
| Others | 34,425 | 0.82% | 34,843 | 0.86% |
| Total | 4,188,461 | 100.00% | 4,051,174 | 100.00% |

3. New products (services) planned for development

The company currently focuses primarily on providing home delivery, logistics and merchandize sales services. In terms of operational systems in 2025, it will continue to create intelligent and automated operational processes to enhance operational efficiency and reduce the workload on frontline personnel. Logistics operations incorporate intelligent and automated cold chain technologies, such as temperature monitoring systems and automated warehousing, to establish low-temperature logistics services for entering the cold chain market.

b. Industry overview

1. Current status and development of the industry

In recent years, the global economy has faced increasingly complex impacts on domestic demand due to heightened uncertainty. Regarding domestic consumption, according to the National Development Council's Non-Manufacturing Managers' Index, the outlook score for the retail industry managers over the next six months is 37.5, which is below the neutral score of 50. This indicates that the managers hold a relatively conservative and downward-leaning view on the future economic outlook.

In 2024, the scale of Taiwan's retail industry reached NT\$4.853 trillion, an annual increase of 2.6%. However, this growth rate is significantly lower than the 8.3% growth in 2022 and 6.2% in 2023, suggesting that the rapid growth experienced during the pandemic has slowed and that growth momentum is returning to fundamentals. The scale of non-store retail in 2024 increased by 1.8% to NT\$568 billion, accounting for 11.7% of the total retail market, down slightly from 11.8%. Among this, e-commerce and mail-order businesses (pure e-commerce) reached a scale of NT\$466.8 billion, comprising 82.2% of the non-store retail sector, with an annual growth of 3.0%. In 2024, the Consumer Price Index (CPI) for goods grew by 1.89%. In comparison, retail sales revenue increased by 2.6% year-over-year, indicating that despite rising prices, domestic consumption continued to grow throughout the year. Notably, the pure e-commerce sector has drawn attention from major players such as TON YI and Coupang, who are actively seeking to capture digital retail opportunities through acquisitions, strategic partnerships, and increased capital investment.

From January to November 2024, non-store retail sales accounted for 19.6% in the United States, 11.7% in Taiwan, and 21.5% in South Korea (from January to October). This indicates that there is still significant growth potential for Taiwan's non-store retail sector.

2. Linkages between industry upstream, midstream and downstream

| Service type | Upstream | Downstream |
|--------------------------------|---|--|
| Home delivery services | TV shopping platforms, Large online shopping platforms, Live Streaming Platform, Social Commerce Platform, Local suppliers, FamilyMart and Hi-Life, Local collection channels | Delivery to homes (B2C) Delivery to companies and stores (B2B) |
| Warehousing logistics services | Medium/large online shopping platforms, 3C supply / agents, Home appliance suppliers / agents, Daily necessities suppliers, Manufacturing suppliers | Delivery to stores/manufacturers (B2B) Home delivery and installation (B2C) |

3. Various development trends and competition situations of products

The overall external competitive landscape is undergoing significant changes. Taiwan's e-commerce market is being restructured, with TON YI Group entering the e-commerce sector and accelerating its cross-border store-based delivery strategies. Meanwhile, South Korean e-commerce players are expanding their investments in Taiwan and increasing their market share. In the short-chain logistics market, e-commerce companies are establishing their own logistics fleets and utilizing satellite warehouses for direct consumer shipments. Retailers, on the other hand, are fulfilling online orders from physical stores and utilizing motorcycle fleets for short-distance deliveries, accelerating the shift in the home delivery market. The store-based delivery market was estimated to have grown to 740 million parcels in 2024, leading to a redistribution of the home delivery market scale and customer segmentation.

In the logistics sector, major e-commerce platforms are expanding and gradually shifting from outsourced warehousing to in-house operations, making EC platforms direct competitors. Additionally, the rise of social commerce and direct-to-consumer (D2C) business models is shifting warehousing demand from large enterprises to small and medium-sized businesses.

Cold chain warehousing and logistics demand remain strong. The company has a comprehensive delivery network and warehousing expertise, along with cross-platform collaboration experience with key clients. The company provides integrated home delivery and warehousing solutions. In May 2024, The company entered the frozen and refrigerated logistics market, expanding its cold chain logistics services.

The Linsen Cold Chain Logistics Center, located near Taoyuan Train Station, serves as The company's cold chain warehousing and transportation hub. Its strategic location offers transportation advantages, while its semi-automated, multi-temperature logistics facility—equipped with advanced cold chain technology—enhances delivery coverage and efficiency.

For The company, the strategic focus in 2025 will be on consolidating existing markets and strengthening operational structures.

Home Delivery Strategy: The core focus will be stabilization, emphasizing the e-commerce platform, wholesale and department store, and third-party logistics (3PL) markets. The company aims to enhance operational stability, improve D+1 delivery rates, optimize business structure, and increase service pricing.

Logistics Strategy: The focus will be aggressive growth, strengthening customization capabilities, accelerating market expansion, and adjusting service pricing to improve profitability.

- c. Technology and R&D overview: R&D expenses incurred in the most recent fiscal year and up to the printing date of the annual report, along with details of successful technological advancements or products developed.

In 2024, an intelligent customer service system was established. By leveraging AI and big data analytics, the system enhances response efficiency, enabling customer service representatives to handle inquiries quickly and accurately, reduce query time, serve multiple customers simultaneously, and shorten customer wait times. Total expenditures for this initiative in 2024 and up to the publication date amounted to approximately NT\$613,000.

- d. Short- and long-term business development plans

1. Short-term development plan:

According to the Ministry of Economic Affairs' analysis of recent trends in online sales within the physical retail and e-commerce sectors, physical retailers are accelerating their digital transformation. In the first three quarters of 2024, online sales from physical retail businesses accounted for 31.0% of total online retail sales, 7.2% increase compared to 2019. In contrast, the share from e-commerce businesses declined by 5.2%, indicating that the integration of physical and digital channels is becoming a prevailing trend in Taiwan.

In addition, the government has announced its 2050 net-zero emissions goal. Among the twelve key strategies outlined, Strategy 7—"Electrification and Decarbonization of Transportation"—is particularly relevant to logistics and transportation providers.

In response to rapid market changes and evolving government policies, the company will continue to focus on process optimization and intelligent operations. In line with the trend of omni-channel retail integration, the company aims to strengthen collaboration with platform operators and new retail markets, offering flexible home delivery and logistics solutions. Since 2016, the company has voluntarily conducted annual carbon inventories, which are verified by third-party certification bodies. To contribute to the 2050 net-zero target, the company plans to purchase an additional 30 to 50 electric scooters in 2025, taking proactive steps toward emissions reduction and fulfilling its corporate social responsibility for environmental sustainability.

2. Long-term development plan:

(1) Diversified and Flexible Provision of Integrated Services

To adapt to the rapidly changing market, it is essential to maintain and enhance operational flexibility. In the long term, efforts will be continuously deepened across all aspects such as pickup, transshipment, delivery, warehousing, and home appliance installation services. Various opportunities for integrated development will be actively pursued. By building a flexible operational system, the company aims to expand cross-industry collaborations, establish a professional and reliable service network, and become a trusted home delivery logistics provider in the smart retail market.

(2) Diversified Logistics Development

The company has established a solid foundation in home appliance logistics, including services such as scheduled delivery (T-Home service) and heavy appliance transportation, with stable and scalable service capabilities. In response to the rise of social commerce and the new retail market, the company is actively developing parcel consolidation operations in the lifestyle logistics segment and is expanding its partnerships with brand enterprises to enhance service capacity in this area.

With the growing demand for cold chain delivery and storage, the company launched its low-temperature logistics warehousing operations in May 2024, officially entering the chilled and frozen logistics market. The company has successfully established cold storage services in collaboration with leading domestic food distributors. Going forward, the company plans to further expand its cold chain warehousing capacity and delivery fleet, while also exploring opportunities in pharmaceutical logistics, aligning with its long-term goal of diversified logistics development.

B. Market, Production and Sales Overview

a. Market analysis

1. Main product sales areas:

Unit: NT\$1,000

| Area \ Year | 2023 | | 2024 | |
|----------------|-------------|-----------|-------------|-----------|
| | Sales value | Ratio (%) | Sales value | Ratio (%) |
| Domestic sales | 4,168,587 | 99.5% | 4,023,321 | 99.3% |
| Overseas sales | 19,874 | 0.5% | 27,853 | 0.7% |
| Total | 4,188,461 | 100.00% | 4,051,174 | 100.00% |

2. Future market supply/demand situations and growth prospects:

(1) Supply situation

Besides top domestic home delivery logistics companies including Taiwan Pelican Express, President Transnet, HCT Logistics, Kerry TJ Logistics and Chunghwa Post, there are also regional small-scale delivery firms, international couriers and emerging platform-sharing operators joining the competition to capture business opportunities in the home delivery market. Furthermore, in recent years, e-commerce platform operators have also deployed their own fleets to provide new delivery capacity for short chains. In the future, home delivery operators will not only need to understand industry development trends to provide more diverse, integrated, or differentiated services, but must also focus on the development and application of new technologies and utilize more professional quality/performance management to meet consumer needs. According to industry revenue estimates, our company holds a home delivery market share of around 15%, ranking between 3rd and 4th place.

(2) Demand situations and future market growth prospects

Retail Market:

According to the Ministry of Economic Affairs' current economic outlook, as post-pandemic consumer demand shifted back to physical channels, physical retail sales grew by 7.0% in 2023—surpassing the 1.5% growth of e-commerce for the first time. However, from January to November 2024, the growth rate of e-commerce rebounded to 3.0%, exceeding the 2.6% growth of physical retail. This indicates that consumer demand for online shopping remains fundamentally strong.

Cold chain logistics market:

With the rapid development of the low-temperature food market in recent years, there has been a significant increase in demand for cold chain and low-temperature logistics services. Moreover, robust pandemic-driven home economy has led to a noticeable rise in online purchases of fresh food, in turn sending low-temperature warehousing market scale growing rapidly. In addition to startups heavily investing in the last-mile delivery of low-temperature goods, physical retail outlets have also actively partnered with delivery platforms to seize business opportunities.

Short-chain market opportunities:

Mass retailers, e-commerce platforms, and food delivery fleets have all introduced short-chain delivery services to attract different consumer segments and expand their revenue streams. This demonstrates that short-chain delivery is a crucial strategy for certain distribution channels to increase customer reach and boost revenue.

3. Competitive niches:

In response to the future growth and development of the market, the company will, in addition to its existing service model, continuously sharpen its corporate competitive edge, expand the scope of professional services, actively embrace innovative operating models, and integrate resources from affiliated companies, aiming to provide a more diversified and comprehensive range of professional services and boost its revenue goal. The company's competitive niches are as follows:

(1). Dense network coverage across Taiwan

The logistics and home delivery industry is a high-threshold sector, requiring a certain scale of equipment investment and a sufficient fleet of vehicles to cope with the rapid supply service system required in line with the growing e-commerce development trend. The company has seen its network infrastructure across Taiwan become increasingly complete, and will continue to expand service points in the future, moving forward in the direction of offering accelerated and efficient services.

Additionally, the company has established a fleet management system and an operation control center, allowing its managers nationwide to grasp the dynamics of drivers across the country at any time. Through real-time information connection and message integration, real-time action management without time difference is achieved.

(2) Complete collection service points

Domestic home delivery service providers are more competitive in the market when using convenience stores as collection agencies. Apart from Black Cat Delivery Service and President Chain Store Corporation, which belong to the Uni-President Group, Taiwan Pelican Express has already established cooperative relationships with over 15,000 collection agencies, including FamilyMart and Hi-Life convenience stores, fast-food chains, pharmacy chains, gas stations, major hypermarkets, and community channels. Furthermore, the company also integrates community networks and intelligent logistics locker systems to expand more diversified collection-point services, providing customers with the most convenient home delivery collection services at any time.

Moreover, besides providing luggage delivery services, smart locker storage, self-printing of waybills, low-temperature delivery, and 24-hour services at Taoyuan International Airport, the company in 2018 obtained exclusive luggage delivery services at Taipei Songshan Airport, completing the deployment of luggage delivery services at northern international airports.

(3) Providing integrated warehousing and delivery services covering logistics, home delivery, cash flow, and information flow

From assisting with unloading inbound shipment containers, warehouse storage, picking and packing, to distribution processing, the company designs a one-stop logistics customized service for strategic partners. When the company's logistics center receives an order message from an e-commerce platform's client, it can immediately

pick, label, and dispatch the goods to the delivery station, providing home delivery services promptly. The company can also offer home appliance installation services, enhancing overall service efficiency. Considering that along with the development of e-commerce, online stores show demand for credit-card or cash payment upon delivery, the company also provides payment collection service for contract merchants, allowing them to obtain convenient cash flow services that can also make consumers feel at ease. Consumers can also check the delivery progress of their goods anytime, anywhere through the dedicated home delivery service app.

(4) Selecting catalogs of potentially-popular products

Through the meticulous observations of delivery engineers around the country, interactions with consumers, and continuous proactive development, the company has compiled many catalogs of new hot-selling products for consumers in recent years. The headquarters simultaneously selects "future star products" through analysis by professional marketers, and promotes them in catalogs or on websites, achieving a win-win effect.

4. Favorable and unfavorable factors for development prospects, and countermeasures:

(1) Favorable factors

(1-1) Continuous growth in potential markets

The domestic consumer market continues to attract resources from international giants, especially with new competitors entering the e-commerce platforms, simultaneously stimulating market demand. In addition, the rapid growth of the delivery market reflects the growth potential in both home delivery and store retail delivery markets.

(1-2) Strong demand for cold storage

According to statistics from the Department of Statistics, Ministry of Economic Affairs, the sales of frozen and prepared foods in Taiwan reached NT\$76.4 billion in 2020, a growth of 45% over the past decade. In recent years, the demand for cold storage has been increasing annually, indicating a gradual transformation in the structure of Taiwan's logistics and warehousing market.

(2) Unfavorable factors and countermeasures

(2-1) Increasing consumer quality requirements

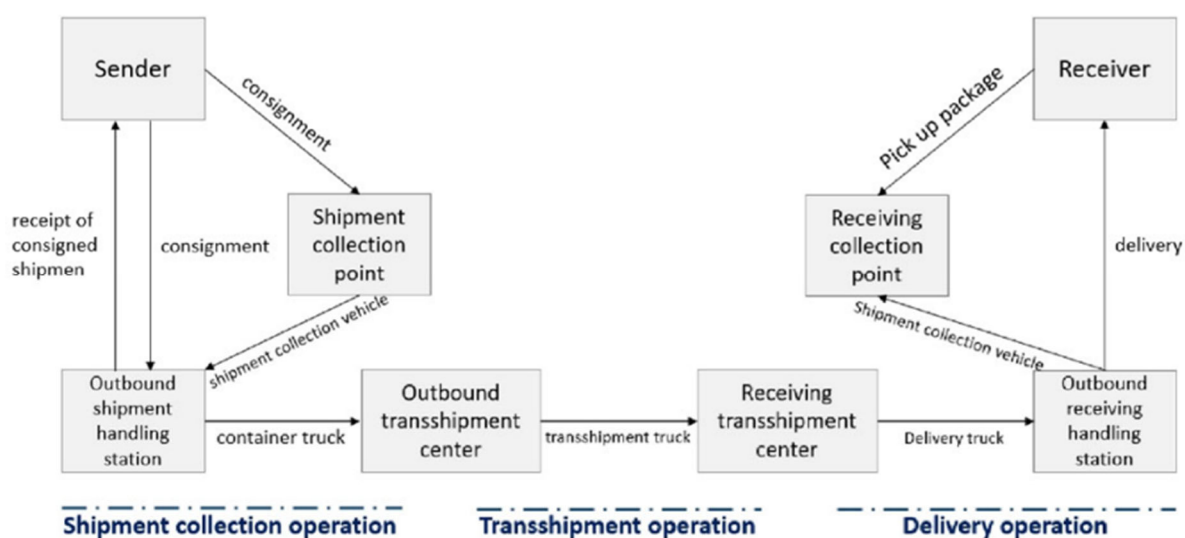
As e-commerce operators increasingly prioritize consumer experiences, many are emphasizing delivery efficiency, prompting delivery service providers to continuously enhance operational equipment investment to keep pace with the growing e-commerce market, so as to ensure consistent service quality. Additionally, with the improvement in the quality of daily life in recent years, consumers have become more stringent about food safety and delivery of fresh ingredients. This has led to additional customized service requirements such as re-delivery arrangements.

(2-2) Rising operating costs

Operating costs are climbing due to fluctuations in international oil prices, ongoing increases in basic wages and labor insurance premiums arising from amendments to the Labor Standards Act, and other operational pressures. Additionally, with freight/courier companies rushing into the e-commerce delivery market, platform operators establishing their own fleets, and the rise of food delivery platforms, the delivery industry faces continuous challenges in the overall competitive environment. This has resulted in ongoing labor shortages and other pressures, making the operation of delivery industries still challenging. The future of home delivery and logistics services needs to move toward intelligent and technological solutions. This requires continuous investment in operations to maintain high service quality and operational performance, ensuring competitiveness and meeting market demands.

b. Important uses and production processes of main products

The company mainly provides corporate and individual customers with home delivery services and customized logistics services. The flow of main transportation services is illustrated in the following diagram:



c. Supply status of main raw materials

The raw materials purchased by the company are solely used for the service of goods vendors, accounting for a very small proportion of the overall operating costs. The other costs mainly include transportation equipment fuel cost, repair cost, the cost of consumables required for operations, and the freight cost for outsourced home delivery in remote areas. Apart from diesel, which is mainly supplied by Formosa Petrochemical Corp., there is no supply demand for other main raw materials. .

d. The names of customers who accounted for more than 10% of the company's total purchases (or sales) in any one of the past two fiscal years, along with their corresponding transaction amounts and proportions:

1. Recent two-year data on main suppliers of the parent company and its subsidiaries.

With the recovery of the catering industry among end customers after the pandemic, there has been an increase in procurement of catering consumables associated with the company's purchasing and distribution management.

Unit: NT1,000

| Item | 2022 | | | | 2023 | | | |
|------|--------------------|---------|---|------------------------------|--------------------|---------|---|------------------------------|
| | Name | Value | Percentage of net purchases over the entire fiscal year (%) | Relationship with the issuer | Name | Value | Percentage of net purchases over the entire fiscal year (%) | Relationship with the issuer |
| 1 | Company A | 49,585 | 22.33 | No | Company A | 62,558 | 26.05 | No |
| 2 | Company B | 23,924 | 10.77 | No | Company B | 28,674 | 11.94 | No |
| | Others | 148,556 | 66.90 | - | Others | 148,915 | 62.01 | - |
| | Net purchase value | 222,065 | 100.00 | | Net purchase value | 240,147 | 100.00 | No |

Note 1: List the names of suppliers with purchase totaling 10% or more in the past two fiscal years, as well as their purchases amounts and percentages. However, if contractual agreements prohibit the disclosure of supplier names or if the supplier is an individual and not a related party, a code name may be used.

Note 2: As of the printing date of the annual report, if financial data of related companies listed or stocks traded at securities firms have been recently audited or reviewed by certified public accountants, such data should be disclosed.

2. Recent two-year data on main sales customers of the parent company and its subsidiaries

Main sales customers' proportions of the company's revenue have not changed much over the recent two years.

Unit: NT\$1,000

| Item | 2023 | | | | 2024 | | | |
|------|-----------------|-----------|---|------------------------------|-----------------|-----------|---|------------------------------|
| | Name | Value | Percentage of net sales for the entire year (%) | Relationship with the issuer | Name | Value | Percentage of net sales for the entire year (%) | Relationship with the issuer |
| 1 | Company C | 989,737 | 23.63% | No | Company C | 811,303 | 20.03% | No |
| | Others | 3,198,724 | 76.34% | | Others | 3,239,871 | 79.97% | |
| | Net sales value | 4,188,461 | 100.00% | | Net sales value | 4,051,174 | 100.00% | |

Note 1: List the names of customers with sales totaling 10% or more in the past two fiscal years, as well as their sales amounts and percentages. However, if contractual agreements prohibit the disclosure of customer names or if the customer is an individual and not a related party, a code name may be used.

Note 2: As of the printing date of the annual report, if financial data of related companies listed or stocks traded at securities houses have been recently audited or reviewed by certified public accountants, such information should be disclosed.

C. Employees

Unit: Person

| Year | | 2023 | 2024 | As of March 31, 2025 (Note) |
|---|--------------------------|-------|-------|-----------------------------|
| Employees People | Direct | 1,433 | 1,377 | 1,337 |
| | Indirect | 697 | 680 | 653 |
| | Total | 2,130 | 2,057 | 1,990 |
| Average age | | 38.97 | 41.40 | 41.82 |
| Average service tenure | | 5.75 | 6.61 | 6.86 |
| Educational attainment distribution ratio | Doctor | 0.05 | 0.1 | 0.1 |
| | Master | 1.6 | 1.56 | 1.61 |
| | College | 40.52 | 41.57 | 40.35 |
| | Senior high school | 48.22 | 47.64 | 48.44 |
| | Below senior high school | 9.62 | 9.14 | 9.5 |

Note: The data for the current year up to the date of printing of the annual report should be provided.

D. Information on environmental-protection outlay

- a. Losses incurred due to environmental pollution in the most recent fiscal year and up to the date of the publication of the annual report are disclosed, and the estimated amounts and response measures for current and potential future losses, as well as the corresponding response measures are also revealed. If the losses cannot be reasonably estimated, the factors preventing a reasonable estimate should be explained.

| Item | Date of penalty | No. of penalty document | Violation time | Regulation Violated | Violation content | Penalty content | Fine amount | Compensation amount |
|------|-----------------|-------------------------|----------------|---|--|---|-------------|---------------------|
| 1 | 2024.03.6 | 21-113-030131 | 2023.11.01 | Air Pollution Control Act, Article 44-1 | Overdue for the regular emission inspection for air pollutants in 2022 | Imposing penalty based on Article 80-1-1 of Air Pollution Control Act | 500 | 0 |
| 2 | 2024.03.06 | 21-113-030132 | 2023.11.01 | Air Pollution Control Act, Article 44-1 | Overdue for the regular emission inspection for air pollutants in 2022 | Imposing penalty based on Article 80-1-1 of Air Pollution Control Act | 500 | 0 |
| 3 | 2024.03.06 | 21-113-030168 | 2023.12.01 | Air Pollution Control Act, Article 44-1 | Overdue for the regular emission inspection for air pollutants in 2022 | Imposing penalty based on Article 80-1-1 of Air Pollution Control Act | 500 | 0 |

| Item | Date of penalty | No. of penalty document | Violation time | Regulation Violated | Violation content | Penalty content | Fine amount | Compensation amount |
|------|-----------------|-------------------------|----------------|---|--|---|-------------|---------------------|
| 4 | 2024.03.06 | 21-113-030169 | 2023.12.01 | Air Pollution Control Act, Article 44-1 | Overdue for the regular emission inspection for air pollutants in 2022 | Imposing penalty based on Article 80-1-1 of Air Pollution Control Act | 500 | 0 |
| 5 | 2024.03.08 | 41-113-030234 | 2023.12.25 | Waste Disposal Act, Article 27-1 | Discarding of cigarette butts arbitrarily | Imposing Penalty based on Article 50-3 of Waste Disposal Act | 3,600 | 0 |
| 6 | 2024.03.27 | 21-113-030177 | 2024.03.13 | Air Pollution Control Act, Article 36-1 | Exceeding the limit value specified in Article 5 of the Air Pollutant Emission Standards for Mobile Pollution Sources - the emission standard is 1.2m-1. | Imposing penalty based on Article 66-1-1 of Air Pollution Control Act | 12,000 | 0 |
| 7 | 2024.06.11 | 41-113-060599 | 2023.12.25 | Waste Disposal Act, Article 27-1 | Discarding of cigarette butts arbitrarily | Imposing Penalty based on Article 50-3 of Waste Disposal Act | 3,600 | 0 |
| 8 | 2024.06.17 | 21-113-062394 | 2024.03.12 | Air Pollution Control Act, Article 40-3 | Entering the air quality maintenance zone of this city without obtaining a valid premium or equivalent self - management emblem. | Imposing Penalty based on Article 76-2 of Air Pollution Control Act | 1,000 | 0 |
| 9 | 2024.12.10 | 21-113-120052 | 2024.09.14 | Air Pollution Control Act, Article 40-3 | Entering the air quality maintenance zone of this city without obtaining a valid premium or equivalent self - management emblem. | Imposing Penalty based on Article 76-2 of Air Pollution Control Act | 1,000 | 0 |
| 10 | 2025.01.04 | 41-114-010260 | 2024.11.12 | Waste Disposal Act, Article 27-1 | Discarding of cigarette butts arbitrarily | Imposing Penalty based on Article 50-3 of Waste Disposal Act | 1,200 | 0 |
| 11 | 2025.01.10 | 21-114-010159 | 2024.12.11 | Air Pollution Control Act, Article 36-1 | Exceeding the limit value specified in Article 5 of the Air Pollutant Emission Standards for Mobile Pollution Sources - the emission standard is 1.2m-1. | Imposing penalty based on Article 66-1-1 of Air Pollution Control Act | 3,000 | 0 |
| 12 | 2025.01.14 | 21-114-010006 | 2024.11.28 | Air Pollution Control Act, Article 40-3 | The vehicle had not undergone emission inspections certified by any county or city environmental protection bureau within the past year. | Imposing Penalty based on Article 76-2 of Air Pollution Control Act | 1,000 | 0 |

| Item | Date of penalty | No. of penalty document | Violation time | Regulation Violated | Violation content | Penalty content | Fine amount | Compensation amount |
|------|-----------------|-------------------------|----------------|---|--|---|-------------|---------------------|
| 13 | 2025.02.12 | 21-114-027196 | 2024.11.18 | Air Pollution Control Act, Article 40-3 | Entering the air quality maintenance zone of this city without obtaining a valid premium or equivalent self-management emblem. | Imposing Penalty based on Article 76-2 of Air Pollution Control Act | 1,000 | 0 |
| 14 | 2025.02.19 | 21-114-021519 | 2024.12.19 | Air Pollution Control Act, Article 40-3 | The vehicle had not undergone emission inspections certified by any county or city environmental protection bureau within the past year. | Imposing Penalty based on Article 76-2 of Air Pollution Control Act | 2,000 | 0 |

The company has been fined a total of NT\$31,400 for the above-mentioned violations of the Air Pollution Control Act and the Waste Disposal Act, and there are no other compensation amounts due to environmental issues.

Future countermeasures are as follows:

- 1.Implementing vehicle maintenance and repair operations and applying for the diesel vehicle self-management label from various county and city governments to maintain good vehicle conditions and reduce air pollution cases.
- 2.Gradually replacing third-phase environmentally friendly diesel engine trucks with those compliant with Phase VI environmental regulations, including diesel engine trucks, electric trucks, and electric motorcycles, to reduce air pollution cases and carbon emissions.

b. Major environmental capital expenditures for the next two years:

The company's services mainly involve route freight transportation and professional integrated logistics. Throughout its operations, there have been no incidents similar to other industries where large amounts of wastewater are discharged during production or high-decibel noise is generated, causing pollution to water quality, the environment, or noise. However, proactively committed to environmental protection and fulfilling corporate social responsibility, the company continues to implement the following initiatives:

- 1.Adhering to government environmental regulations and policies, the company will annually replace old vehicles with new ones, introducing electric trucks and electric motorcycles to achieve energy savings, carbon reduction, and air pollution reduction.
- 2.In line with energy-saving objectives, the company will introduce electric motorcycles and use products with energy-saving and environmentally friendly labels, as well as water-saving labels, to reduce energy consumption.
- 3.The company will use recycled paper to manufacture paper boxes and reusable logistics boxes, reduce the use of plastic bags, and minimize the environmental impact of plastic bags.

4. Each operating location will collaborate with legally permitted waste disposal facilities approved by local government agencies to prevent waste from being disposed of indiscriminately. The company will also enhance environmental awareness among personnel and will also mandate that all employees refrain from smoking, drinking alcohol, or chewing betel nuts during working hours to prevent violations of waste disposal laws.

E. Labor-Management Relations

- a. The company's various employee welfare measures, education, training, and retirement systems and their implementation, as well as the labor-management agreements and measures to safeguard the rights and interests of employees are listed below:

1. Employee welfare measures and implementation situations

In order to achieve sustainable operations and create a favorable working environment for colleagues, the company has established an Employee Welfare Committee since 2007 to implement various welfare measures. These measures aim to enable employees to benefit from the company's business profits. The implementation status of these welfare measures is as follows:

(a) Company welfare initiatives:

1. Employee marriage and funeral subsidies
2. Group uniforms
3. Employee health check-ups
4. Employee remuneration
5. Year-end bonuses
6. Employee retirement pensions
7. Meal allowances
8. Provisions for labor insurance, health insurance, group insurance and labor retirement payments
9. Price-discount offers for employees to buy products from affiliated companies
10. Spring wine party subsidy and summer beverages
11. Friendly Workplace Maternity Support Measures:
 - 11.1. Maternity Leave for Bed Rest: The first 2 days each year are provided with full salary.
 - 11.2. Paternity and Maternity Check-up Leave: Male employees are entitled to 8 days of full salary.
 - 11.3. Maternity Check-up Leave: Female employees are entitled to 8 days of full salary. Pregnant women over the age of 34 are entitled to 10 days of full salary.

(b) Employee welfare measures:

1. Birthday gifts
2. Marriage, funeral and other celebratory subsidies
3. Subsidies for staff group social gatherings/meals
4. Gifts for three major festivals

(c) In accordance with the Company Law amended in May 2015 and the revised Articles of Incorporation approved by the shareholders' meeting in May 2016, the company formulates and implements reasonable employee welfare measures to appropriately reflect business performance or achievements in employee compensation. The company allocates employee compensation payments at 0.5%~1.5% of the pre-tax earnings for the given year before deducting remunerations payable to employees, directors and supervisors, and reasonably distributes them to employees depending on their contributions and seniority in accordance with the "Regulations Governing the Distribution of Employee Compensation."

2. Staff education and training situations

In order to cultivate the virtues of employees and boost their qualities, professional capabilities and work efficiency, the company, apart from arranging pre-job training courses for new recruits upon their arrival and organizing various educational training programs for them, also conducts professional technical training based on different job functions and business requirements. This is aimed at enhancing their academic and technical skills in their respective roles to facilitate the accomplishment of missions.

3. Retirement system and its implementation

The company has established an employee retirement package in accordance with the regulations of the Labor Standards Act, allocating retirement pension reserve funds monthly based on the total salary of employees to the Bank of Taiwan's Labor Retirement Reserve Account. As the Labor Retirement Pension Act has been implemented since July 1, 2005, the company, in accordance with the new retirement pension regulations chosen by employees, also contributes 6% of each employee's monthly salary to his/her pension payment account at the Labor Insurance Bureau each month.

4. Labor-management agreements and various employee rights and interests protection measures

To maintain good labor-management relationships and safeguard the rights and interests of both sides, the company attaches great importance to labor-management harmony. Regarding various employee rights measures, the company first engages in bilateral communication and coordination with employees to reach consensus before implementation. Additionally, in May 2020, the company established an enterprise union to regularly hold labor-management meetings, aiming to enhance bilateral communication and promote a channel for constructive interaction between labor and management.

- b. Besides losses resulting from labor disputes in the most recent year and up to the date of publication of the annual report, the estimated current and future potential losses and measures to deal with them must also be disclosed. If the potential losses cannot be reasonably estimated, then facts must be presented to explain why they cannot be done so.

(1) Administrative penalties

| Penalty imposers | Date of penalty | Penalty document codes | Regulations violated | Violation content | Penalty content |
|-----------------------|-----------------|---|---------------------------------|--|-------------------|
| New Taipei City Gov't | 113/07/12 | 2024 New Taipei City Gov't Labor Inspection Document Code 11346525811 | Labor Standards Act, Article 39 | Holiday pay was not provided, or working on holidays was not appropriately compensated as per regulations. | Fined NT\$ 50,000 |
| New Taipei City Gov't | 113/07/12 | 2024 New Taipei City Gov't Labor Inspection Document Code 1134652581 | Labor Standards Act, Article 24 | Extended working hours were not compensated according to regulations. | Fined NT\$ 96,000 |

(2) Labor disputes

The Company has received a legal opinion issued by a law firm regarding labor disputes involving wage mediation and claims for overtime pay. These cases are currently under court mediation and trial. As the findings of fact and final legal judgments have not yet reached a conclusive stage, it is not possible to reasonably estimate the financial impact at this time. However, in the majority of cases that have been decided at the first instance, the court has ruled in favor of the Company, and the overall financial impact is assessed to be minimal. The Company continues to reduce the occurrence of occupational injuries through safety training and annual health check-ups, and it controls working hours and on-site management to minimize employee overtime.

F. Information Security Management

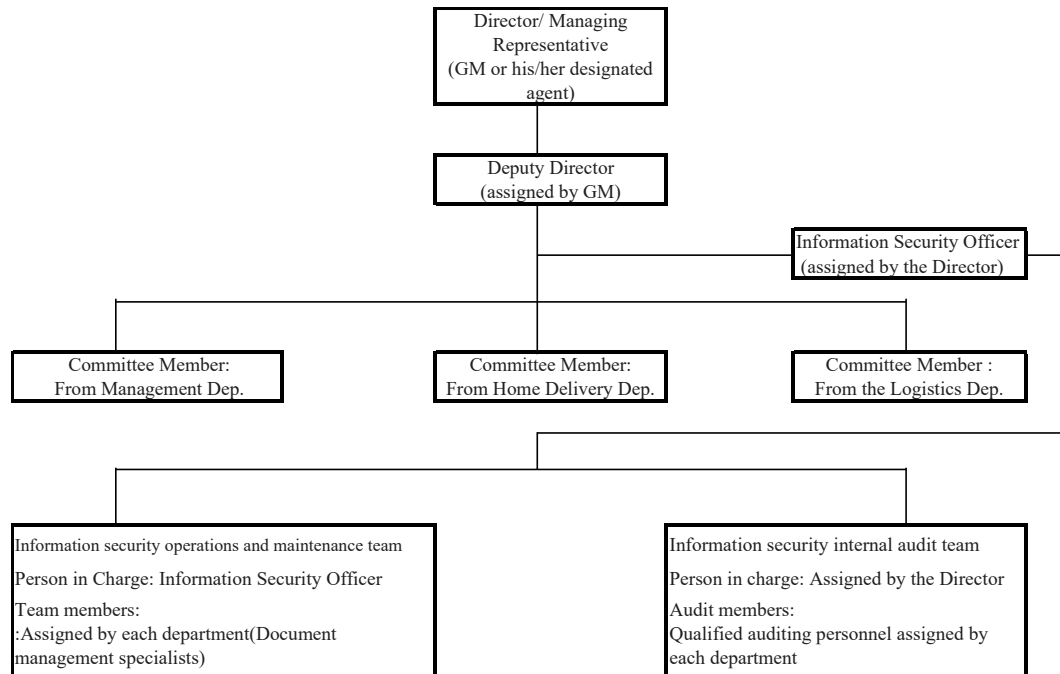
a. Framework for information and communication security risk management

1. Information security governance framework

Taiwan Pelican Express established an Information Security Committee in 2010, responsible for promoting information security operations. The company continues to follow the provisions of the ISO management system, regularly reviewing information security policies, promoting their implementation, and reporting annual execution results to the Information Security Committee.

2.Information security organizational structure

At the end of 2023, the position of Chief Information Security Officer (CISO) was established, and the company's General Manager appointed his agent to serve as the Director of the Information Security Committee.



b. Information and communication security policies

1.Information security policy

The company's information security organization is committed to effectively implementing information security management, establishing a comprehensive information security management system, and continuously obtaining international information security management system ISO certification. These efforts are aimed at reducing enterprise information security threats from system, technical, and procedural perspectives, safeguarding the confidentiality, integrity, and availability of the company's important information assets. In addition, annual supervision and audits are conducted to ensure the continuous effectiveness of security regulations and prevent information leakages.

2.Information security risk management and continuous framework improvement, specific management plans, and resources injection

The information security operations and maintenance team conducts annual risk assessments on information security and system assets, focusing on aspects such as confidentiality, integrity, likelihood, and regulatory compliance. For high-risk items, appropriate control mechanisms and response measures are established. Additionally, business exercise plans are formulated for core information systems and new equipment, with operational rehearsals scheduled annually to manage various business risks.

c. Concrete management initiatives

In order to fulfill the information security policy and objectives and establish a comprehensive information security protection, the following specific management items and concrete management initiatives will be promoted:

1. Cybersecurity: Implementing advanced technology to conduct computer scans and system updates, and strengthening network firewalls and network controls to prevent the spread of computer viruses.
2. Device security: Establishing company-wide antivirus mechanisms to prevent the entry of malicious software into the company. Implementing endpoint antivirus measures according to the types of computer, and strengthening detection of malicious software behaviors.
3. Application security: Formulating application security rules, evaluation criteria, and improvement goals for the development process. Continuously enhancing application security control mechanisms and integrating them into the development process and platform.
4. Information security: Establishing a self-assessment mechanism for information security protection and regularly conveying the latest information security regulations and precautions within the company.
5. Data security protection technology enhancement: Conducting information protection operations by classifying data to grade document confidentiality and protect data. Implementing document and data encryption controls and effective tracking, and monitoring incoming and outgoing emails.

d. Allocation of resources for information security management:

Information security has become a critical issue for company operations. The following are the corresponding information security management issues and resources allocation plans:

1. Dedicated organization: The "Information Security Committee" has been established to formulate information security and personal data protection policies, stabilize their operations, and maintain and continuously strengthen information security.
2. Security certification: Continuously passing the ISO27001:2013 Information Security Management Certification. The latest valid certification period is from August 18, 2022 to August 18, 2025, with no significant deficiencies found in related security audits.
3. Customer satisfaction: No significant security incidents have occurred, and there have been no complaints of customer data loss.
4. Education and training: All new employees have completed information security education and training courses. Information security education and training, as well as assessments, are conducted regularly every year.

e. Information security risks and countermeasures

To strengthen information security management and ensure the confidentiality, integrity, and availability of information, as well as the reliability of information equipment and network systems, the company has formulated information security policies within the corporate regulations as guidelines for information security risk management. At the same time, under the framework of information security risk management, the company also continuously implements measures such as intrusion prevention systems, email anti-spam systems, endpoint antivirus systems, data encryption protection, enhanced email detection, and social engineering exercises to gradually optimize information security protection. The company also regularly conducts drills for data backup systems and disaster recovery mechanisms to prevent various emerging risks and attacks from affecting business operations.

f. The losses incurred, potential impacts, and response measures associated with significant information security incidents up to the latest fiscal year and as of the printing date of the annual report are disclosed. If the losses cannot be reasonably estimated, facts should be provided to explain why estimation is not possible.

On July 8, 2024, some of the company's information systems were targeted by a hacker cyberattack. However, the attack had no significant impact on the company's operations. Upon detecting the network anomaly, the company immediately activated its cybersecurity defense mechanisms and backup operations. Additionally, the company strengthened its cybersecurity infrastructure, enhanced overall network protection levels, and ensured data security.

Apart from this incident, as of the end of 2024 and up to the printing date of the annual report, there were no significant losses in corporate operations or business reputation due to information security incidents. Regarding the reporting and handling of security incidents, the company has clearly formulated the "Information Security Incident Reporting Procedures and Regulations," including responsibilities, incident classification, reporting procedures, handling evaluation, and decision-making. Information units are required to eliminate and resolve information security incidents within the target processing time, conduct root cause analysis and take corrective measures after the incident is settled, and strengthen information technology security

G. Major contracts

| Nature of contracts | Parties involved | Contract commencement and expiration dates | Main content | Restrictions |
|---------------------|---|--|---------------------|--|
| Leasing | Tong-An Assets Management & Development Co., Ltd. | 2024.07.01~2025..06.30 | Plant leasing | Landlord approval is required for new improvements or decorations. |
| Leasing | Lun Chen Industrial Co., Ltd. | 2024.9.01~2025.8.31 | plant leasing | None |
| Leasing | Yong You Development Co., Ltd. | 2017.01.01~2036..12.31 | Plant leasing | Landlord approval is required for new improvements or decorations. |
| Leasing | Tzuoo Ann Development Co., Ltd. | 2022..03.01~2042.02.28 | Plant leasing | None |
| Leasing | SunShine Textile Enterprise Co., Ltd. | 2024.11.01~2025.10.31 | Plant leasing | None |
| Leasing | ID Logistics Taiwan Co., Ltd. | 2021..08.01~2030.5.31 | Plant leasing | None |
| Leasing | Tatung Asset Development Company | 2025..08.01~2030.1.31 | Plant leasing | None |
| Leasing | TE-CHUAN warehouse limited Company | 2024..03.01~2029.2.28 | Plant leasing | None |
| Trading | Formosa Petrochemical Corp | 2022.03.01~2025.02.28 | Oil trading | None |
| Trademark licensing | Nippon Express Company, Ltd. | 2023.04.12~2028.04.11 | Trademark licensing | Only for use in Taiwan |

V. Review and analysis of financial status and operating performance

A. Financial status

Table of comparison and analysis of financial status

Unit: NT\$1,000

| Item \ Year | 2024 | 2023 | Increased (decreased) value | Rate of change % | Explanation |
|---|-----------|-----------|-----------------------------|------------------|-------------|
| Liquid assets | 1,419,974 | 1,685,499 | (265,525) | (15.75) | |
| Financial assets measured at fair value through other comprehensive income non-liquid | 644,867 | 731,787 | (86,920) | (11.88) | |
| Property, plant, and equipment | 652,588 | 611,982 | 40,606 | 6.64 | |
| Usage-right assets | 1,412,287 | 1,200,933 | 211,354 | 17.60 | |
| Other assets | 140,866 | 117,334 | 23,532 | 20.06 | note |
| Total assets | 4,270,582 | 4,347,535 | (76,953) | (1.77) | |
| Liquid liabilities | 927,620 | 996,973 | (69,353) | (6.96) | |
| Lease liabilities non-liquid | 1,254,165 | 1,092,502 | 161,663 | 14.80 | |
| Other liabilities | 38,841 | 32,972 | 5,869 | 17.80 | |
| Total liabilities | 2,220,626 | 2,122,447 | 98,179 | 4.63 | |
| Share capital | 954,670 | 954,670 | 0 | - | |
| Capital reserve | 300,082 | 300,082 | 0 | - | |
| Retained earning | 424,365 | 512,667 | (88,302) | (17.22) | |
| Shareholders' equity and other adjustment items | 370,839 | 457,669 | (86,830) | (18.97) | |
| Total shareholders' equity | 2,049,956 | 2,255,088 | (175,132) | (7.87) | |

Main explanation for major change items for assets, liabilities, and shareholders' equity (change exceeding 20% or NT\$10 million in value)

Note: Other assets increased, mainly due to the increase in deposit for factory leasing.

Counter plan for major influences: not applicable

B. Financial performance

(a) Table of performance comparison and analysis

Unit: NT\$1,000

| Item \ Year | 2024 | 2023 | Increased (decreased) | Change rate (%) | Explanation |
|---|-------------|-------------|--------------------------|-----------------|-------------|
| Revenue | 4,051,174 | 4,188,461 | (137,287) | (3.28) | |
| Operating cost | (3,667,938) | (3,633,035) | (34,903) | 0.96 | |
| Operating gross profit | 383,236 | 555,426 | (172,190) | (31.00) | Note 1 |
| Operating expenses | (423,211) | (448,345) | 25,134 | (5.61) | |
| Net operating income (loss) | (39,975) | 107,081 | (147,056) | (137.33) | Note 1 |
| Non-operating income and expenses | 21,796 | 8,507 | 13,289 | 156.21 | Note 2 |
| Pretax net profit (loss) | (18,179) | 115,588 | (133,767) | (115.73) | Note 1 |
| Income tax benefit (expense) | 8,874 | (21,092) | 29,966 | 142.07 | Note 1 |
| Current net profit (loss) | (9,305) | 94,496 | (103,801) | (109.85) | Note 1 |
| Other comprehensive income (net) | (89,453) | 75,579 | (165,032) | (218.36) | Note 3 |
| Comprehensive income attributed to parent company | (98,758) | 170,075 | (268,833) | (158.07) | Note 4 |

Main explanation for major change items for operating revenue, net operating income, and pretax net income (change exceeding 20% or NT\$10 million in value)

Note 1: Operating gross profit , Net operating income, pretax net profit, income tax expenses, and current net profit dropped, mainly due to the decrease in revenue and the increase in operating costs for the current period..

Note 2: Non-operating income and expenses increased, mainly due to the decrease in the amount of compensation and fines paid for occupational accidents.

Note 3: Other comprehensive income (net) dropped, due to value, in terms of non-liquid market price, of financial assets assessed with fair value in comprehensive income decreased than the previous year, reducing unrealized evaluation benefits.

Note 4: Comprehensive income attributed to parent company decreased: due to decrease of net current profit and decrease of other comprehensive income.

(b) Expected sales volume and basis, possible effect on the company's finance and business in the future, and counter plan:

Given the industrial environment and supply and demand on the market, plus business development, status of orders reception, and recent operating status, revenues of various business items are expected to keep growing steady in the coming one year.

C. Cash flow:

Analytical explanation for cash flow in the recent year, improvement plan for insufficient liquidity, and analysis for cash liquidity in the coming one year

(a) Analytical explanation for change in cash flow in 2024

Unit: NT\$1,000

| Cash balances --beginning of period (1) | Whole-year net cash flows from operating activities (2) | Whole-year net cash flows from investment and financial activities (3) | Effect of exchange-rate Changes (4) | Cash balance- ending (shortfall) (1)+(2)+(3) +(4) | Remedy for cash shortfall | |
|---|--|--|---|--|---------------------------|--------------------------------|
| | | | | | Investment plan | Wealth- managem ent plan |
| 927,500 | 238,777 | (447,748) | 113 | 718,642 | - | - |
| 1. Analysis of change in cash flow in the recent year (2024) (1) NT\$238,777,000 net cash inflow for business activities, mainly generated from operation. (2) NT\$153,181,000 net cash outflow for investment activities, mainly for payment for property, plant, and equipment. (3) NT\$294,567,000 net cash outflow for fund-raising activities, mainly for cash-dividend payout and repayment of lease principal 2. Remedy for cash insufficiency: not applicable | | | | | | |

(b) Remedy for insufficient liquidity: not applicable

(c) Cash-liquidity analysis for the coming one year (2025)

Unit: NT\$1,000

| Cash balances --beginning of period (1) | Expected whole-year net cash flows from operating activities (2) | Expected whole-year net cash flows from investment and fund- raising activities (3) | Cash balance (shortfall) (1)+(2)+(3) | Remedy for expected cash shortfall | |
|--|---|--|--|---------------------------------------|----------------------------|
| | | | | Investment plan | Wealth- management plan |
| 718,642 | 296,328 | (253,189) | 761,781 | - | - |
| 1. Analysis of cash-flow change in the coming one year (2025) (1) Business activities: mainly cash inflow from operating income (2) Investment activities: mainly for purchase of warehousing equipment, income-generating equipment, and transportation equipment. (3) Fund-raising activities: mainly for payout of cash dividend and repayment of lease principal 2. Remedy for expected cash insufficiency: not applicable | | | | | |

D. Influence of major capital outlays on finance and business in the latest year

(a) Major capital outlays and utilization status

Unit: NT\$1,000

| Project item | Actual or expected fund source | Total fund in need (2024 and 2023) | Actual fund utilization status | |
|--------------------------|--------------------------------|------------------------------------|--------------------------------|-------|
| | | | 2024 | 2023 |
| Transportation equipment | Own fund | 25,224 | 21,102 | 4,122 |
| Total | | 25,224 | 21,102 | 4,122 |

(b) Expected benefits:

In the recent two years, the company has decommissioned 26 3.49-ton trucks and purchased 21 5-ton truck with stage-six environmental-protection stands, and five 1.95-ton electronic trucks, raising vehicle utilization rate and fuel efficiency, while lowering maintenance and repair expense, reducing air pollution, in line with the government's policy.

(c) Explanation for other benefits

With its operation centering on continuing revenue growth and raising service quality, the company will continue evaluating the engagement of various operating equipment, so as to enhance operating efficacy. Based on the experience of installing automated equipment at Taoyuan transshipment center, the company plans to set up automated merchandise sorting system at transshipment centers in Taipei, New Taipei, and southern Taiwan.

E. Transferred investment policy in the recent year, main reasons for profits or loss, improvement plan, and investment plan in the coming one year

(a) The company's transferred investment policy

The company targets its core operation for transferred investment, shying from unrelated fields. In addition to investment cycling regulation in the internal control system, the company has formulated "measures governing trading with related parties" and "measures governing supervision and management of subsidiaries," helping invested companies set up proper internal-control system, taking into account legal requirements of host countries and actual operating status.

- (b) Major reasons for profits or loss of transferred investments, improvement plan, and investment plan in the coming one year:

Unit: NT\$1,000

| Invested company | Investment value | Policy | Recognized investment profit or loss for invested company in the recent year | Reason for profit/loss | Improvement plan | Investment plan in the coming one year |
|------------------------------------|------------------|---------------------|--|--|------------------|--|
| Pelican Express (Vietnam) Co.,Ltd. | 5,750 | Warehousing service | 471 | Following preparation period in 2020, the company was inaugurated in May 2021. | - | Nil |

Data source: financial statements audited and certified by certified public accountants in recent two years

F. Risk items

- (a) Influence of interest rate, exchange rate, and inflation on the company's profit/loss and future countermeasures

1. Influence of interest rate on the company's profit/loss and future countermeasures

Up to now, interest-rate fluctuation has only minimal effect on the company, since vast majority of the company's operating fund comes from own fund, with low financial reliance.

2. Influence of exchange-rate fluctuation on the company's profit/loss and future countermeasures

Exchange-rate fluctuation has minimal influence on the company's business, as the company's business focuses on the domestic market.

3. Influence of inflation on the company's profit/loss and future countermeasures

According to the latest Consumer Price Index (CPI) for February 2025, released by the Directorate-General of Budget, Accounting, and Statistics (DGBAS) on March 7, 2025, the CPI is 108.96 (with 2021 = 100). This represents an increase of 0.43% compared to the previous month and a 1.58% increase compared to the same month last year. The average CPI for January and February 2025 has increased by 2.12% compared to the same period last year. Underscoring the pressure of risking purchase cost for enterprises in the future. In fact, given global price hike for related resources and materials in recent years, the overall economic environment has been clouded by the pressure of moderate inflation. Although inflation has only limited influence on the company's profit/loss in past years, due to the nature of its business, the company will monitor overall price situation closely and adjust home-delivery costs for contracted customers timely, so as to lower the influence of inflation.

- (b) Policy for engagement in high-risk, high-leverage investments, loaning funds to others, provision of endorsement/guarantee, and trading in derivatives, and profit/loss for such activities and reasons, future countermeasures:

Focusing on core operation, the company doesn't engage in high-risk, high-leverage investments. As of the date of the printing of the annual report, the company had not provided loans and endorsement/guarantee to others or engaged in derivatives trading. Should there be engagement in related operations in the future, the company will abide by its "procedure for acquisition or disposal of assets," "procedure for providing loans to others," "operating procedure for endorsement/guarantee."

- (c) Future R&D plan and expected input for R&D expense:

To meet the continuing expansion of the domestic home-delivery market, and the company has inaugurated merchandise sorting system at the Taoyuan transshipment center, significantly boosting its transshipment capacity and plan for installing similar automated system is underway for central and southern Taiwan transshipment centers, in order to boost transshipment efficiency and delivery quality. The company will continue appropriating 1-5% of operating revenue in upgrading various service information systems and R&D plans

- (d) Influence of major policy and legal changes in Taiwan and abroad on the company's business and finance and countermeasures:

In addition to conformance to domestic and overseas laws/regulations in daily operation, the company has been monitoring closely current in policy development and changes in law/regulations in Taiwan and abroad, so as to have a firm grip on changes in the market and adopt countermeasures timely, thereby minimizing the influence on the company's finance and business.

- (e) Influence of technological and industrial changes on the company's finance and business and countermeasure:

Belonging to the highway route freight transport industry, the company integrates the management and control of transport channels and commodities, for incorporation in a safe and stable tracking system. Meanwhile, to keep up the company's competitiveness and cope with changes in market environment and industrial trend, the company has endeavored to grasp latest innovative technology, including information technological development, for application in an integrated operating strategy, plus maintenance of stable and flexible financial management, so as to retain its competitive edge. As of the printing of the annual report, there had been no major incidents warranting the activation of crisis-management mechanism and report to the competent authority.

- (f) Influence of corporate-image change on corporate crisis management and countermeasures:

Since its inception, the company has been endeavoring to fulfill corporate social responsibilities, such as free delivery service for victims during 921 and 88 floods, and participation in campaigns of charities and public-service institutions, such as Welfare

League Foundation, ROC and Taiwan Fund for Children and Families. Taking advantage of its numerous stations islandwide, complete delivery system, and concept of considerate service and punctual delivery, the company will continue providing giveback to the society.

(g) Expected benefits from M&A, possible risks, and countermeasures:

The company had had no M&C plan for other companies as of the date of the printing of the annual report and will carefully evaluate the synergy effect, should there be any M&A plan in the future, so as to safeguard shareholders' interests.

(h) Expected benefits for plan expansion, possible risks, and countermeasure:

This year, the company will carefully evaluate the desirability of splitting existing stations and logistics centers or installing new ones, taking into account load for route transport capacities, extent of difficulties for business development, and overall profits/loss of stations and logistics centers, to uphold the company's profits.

(i) Risks related to concentration of purchase or sales and countermeasures:

1. Risks for purchase concentration and countermeasures:

Given the company's main business of home-to-home delivery service, the company only purchase materials related to merchandise-sale and purchase-agent services, accounting for a small share in total operating cost, with other purchase items being fuel cost and repair cost of vehicles and freight cost for outsourcing transport in remote areas, entailing minimal risk of purchase concentration.

Unit: NT\$1,000

| Item | Year | 2023 | 2024 |
|--|------|-----------|-----------|
| Cost of goods sold | | 225,094 | 238,446 |
| Operating cost | | 3,633,035 | 3,667,938 |
| Share of goods sold in oerating cost (%) | | 6.20 | 6.50 |

Data source: Financial statements audited and certified by CPAS in recent two years

2. Risks for sales concentration and countermeasures:

The company's largest customer in recent years accounting for 20.03% of consolidated revenue, thanks to demands for home-delivery service deriving from thriving e-commerce such as online and TV shopping, for which inventory management is a key issue. In addition to home-delivery service, the company has also helped momo.com in logistics service, such as merchandise display and sorting. To alleviate the risk of sales concentration, the company has been soliciting patronage of other EC platforms and cross-border and direct-sales customers, among others.

- (j) Influence and risk of massive share transfer by directors, supervisors, and major shareholders with over 10% shareholding, as well as change in such persons, and countermeasures:

There had been no such massive share transfer or change in such persons as of the date of the printing of the annual report.

- (k) Influence and risk of change in management right and countermeasures: There had been on change in management right as of the date of the printing of the annual report.
- (l) List major litigations and non-contentious cases, including those with settled ruling or still in progress, involving the company and the company's directors, supervisors, president, actual responsible person, major shareholders with over 10% shareholding, and subordinated companies, whose outcomes may have major influence on shareholders' equity or security prices. Disclose the facts of the contentions, values of targets, starting dates of litigations, major parties involved, and status of handling as of the date of the printing of the annual report.

Unit: NT\$1,000

| Cases | Starting date | Parties in major litigations | Expected loss | Current handling status |
|-------|---------------|------------------------------|---------------|-------------------------|
| Nil | | | | |

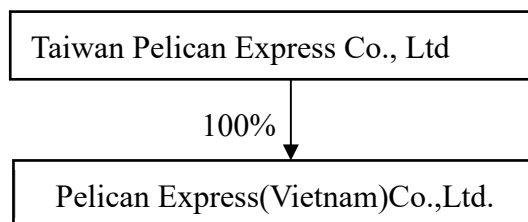
G. Other major risks and countermeasures: nil

VI. Items with special registrations

A. Information on affiliate

(a) Consolidated business report with affiliates

1. Organizational chart with affiliates



2. Basic data of various affiliates :

Unit: NT\$1,000

| Names of enterprises | Incorporation date | Address | Paid-in capital | Major operation or production items |
|----------------------------------|--------------------|---------------------------|-----------------|-------------------------------------|
| Pelican Express(Vietnam)Co.,Ltd. | 2020.11 | Ho Chi Minh City, Vietnam | 5,750 | Warehousing and logistics |

3. Businesses covered by the operations of affiliates

Incorporated in Vietnam, Pelican Express (Vietnam) Co., Ltd. is mainly engaged in warehousing management, transportation, and export packaging for local customers.

4. Common shareholders for two entities Inferred as having a control-subordination relationship: nil

5. Names of the directors, supervisors, and presidents of affiliates

March 31, 2025

| Corporate name | Title | Name or representative | Shareholding | |
|-------------------------------------|---------------------|--|------------------|------------------|
| | | | Number of shares | Number of shares |
| Pelican Express (Vietnam) Co., Ltd. | Chairman | Hsu Chin-yi (Taiwan Pelican Express) | Note 1 | 100% |
| | President, director | Chou Cheng-hsiung (Taiwan Pelican Express) | Note 1 | 100% |
| | Supervisor | Liao Hao-ting (Taiwan Pelican Express) | Note 1 | 100% |

Note 1: Company limited by share, with only investment value without shareholding

Note 2: Hsu Chin-yi was appointed as the Chairman of Pelican Express (Vietnam) Co., Ltd. on March 4th, 2024, while Peng Chi-tseng., the former chairman, was dismissed on March 4th, 2024.

Note 3: Liao Hao-ting was appointed as the supervisor of Pelican Express (Vietnam) Co., Ltd. on March 4th, 2024, while Wang Po-kang, the former supervisor, was dismissed on March 4th, 2024.

6. Operating status of various affiliates

Unit: NT\$1,000

| Corporate name | Capital | Total assets | Total liabilities | Net worth | Operating revenue | Operating income | Current profit/loss (after tax) | Earnings per share (NT\$) (after tax) |
|-------------------------------------|---------|--------------|-------------------|-----------|-------------------|------------------|---------------------------------|---------------------------------------|
| Pelican Express (Vietnam) Co., Ltd. | 5,750 | 11,234 | 3,698 | 7,536 | 27,853 | 529 | 471 | - |

(b) Consolidated financial statement with affiliates

Taiwan Pelican Express Co., Ltd.

Statement on consolidated financial statement with affiliates

According to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company should compile consolidated financial statements with affiliates in fiscal 2024 (Jan. 1 2024-Dec. 31, 2024), which is similar to the consolidated parent-subsidary financial statement required by International Accounting Standards (IAS) No. 10, with the latter containing information with mandatory disclosure in the former. Therefore, the company didn't compile a separate consolidated financial statements with affiliates.

Responsible person: Chiu Chwen-jy

Taiwan Pelican Express Co., Ltd.

Feb. 27, 2025

(c) Report of affiliates: It has been reported on the Market Observation Post System (MOPS). Please refer to the MOPS disclosure information.

B. Status of private placement of securities: nil

C. Other items needing extra explanation: nil

D. Occurrence of items with major influence on shareholders' equity or securities price, as stipulated in item 3-2, article 36, of the Securities and Exchange Act in the latest year and as of the date of the printing of the annual report: nil

Chairman Chiu, Chwen-jy
Taiwan Pelican Express Co., Ltd.



pelican
宅配通



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