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(Website : <http://mops.twse.com.tw>)

(Website : <http://twfirsthotel.com.tw>)

First Hotel Company Ltd.

2024 Annual Report



First Hotel

NO.63,Sec.2 Nan Jing E.Rd. Taipei,Taiwan (02)2541-8234

(Where any discrepancy arises between the English translation and the original Chinese version of this annual report, the Chinese version shall prevail.)

Printed on May 20th, 2025

I. The Company's spokesperson	Acting spokesperson
Name: An-Sheng Ku	Name: Hsiu-Mei Lin
Position: Chairperson	Position: Acting spokesperson
TEL: (02)2541-8234	TEL: Same as left.
E-mail:	E-mail:
firsthotel@firsthoteltaipei.com	lin510537@firsthoteltaipei.com

II. Address and telephone number of the head office:

Head office: No. 63, Section 2, Nanjing East Road, Taipei City

TEL: (02)2541-8234 (operator)

III. Stock transfer agency:

Name: Stock affairs division, FIRST HOTEL COMPANY LTD.

Address: 11F., No. 41, Sec. 1, Zhonghua Rd., Taipei City, Taiwan (R.O.C.)

TEL: (02)2381-3739(Dedicated line)

Website: firsthotel@firsthoteltaipei.com

IV. Attesting CPAs for the most recent year

CPA firm: Deloitte & Touche

CPA name: Charles Yang, Wei-Chun Ma

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)

TEL: (02)2725-9988

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

V. Name of overseas exchange where securities are listed, and the methods for inquiring about the foreign-listed securities: None.

VI. Company website: <http://twfirsthotel.com.tw>

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One. Letter to Shareholders

First, I would like to thank all shareholders for taking time out of their busy schedules to attend the 2025 Annual Shareholders' Meeting of the Company. The following is a report on the Company's business performance in 2024:

- I. The Company's 2024 operating revenue was NT\$355,880 thousand, up 3.67% from NT\$343,296 thousand in 2023. The pre-tax profit for the fiscal year 2024 is 343,380 thousand NTD, which is a decrease of 31,234 thousand NTD, or 8.34%, compare to the pre-tax profit of 374,614 thousand NTD for the fiscal year 2023. The net profit after tax for the year 2024 was 277,731 thousand NTD, which represents a 7.64% decrease compare to the net profit after tax of 300,695 thousand NTD in the year 2023.
- II. The Company's tourism service revenue for the year 2024 is 86,137 thousand NTD, a decrease of 9.83% compared to the tourism service revenue of 95,530 thousand NTD in 2023.
- III. Domestic and foreign investments of the Company:
 - A. Domestic investments
 1. WanHwa Enterprise Company distributed NT\$25,147 thousand in cash dividends for 2023.
 2. DAH CHUNG BILLS FINANCE CORP. has distributed a cash dividend of NT\$14,049 thousand, and a stock dividend of 1,672,507 shares for the year 2023.
 3. Mega Financial Holding Company Ltd. has distributed a cash dividend of NT\$79 thousand and a stock dividend of 1,576 shares for the year 2023.
 4. Chunghwa Telecom Co., Ltd. has distributed a cash dividend of NT\$63 thousand for the year 2023.
 - B. Foreign investments
 1. The Company's investment in "Today's Hotel Corporation" in the United States had net profits after tax of about US\$1,273 thousand for 2024, and the Company recognized a gain of NT\$19,715 thousand under the equity method.
 2. The Company's investment in "F&W Hotel Corporation" in the United States had net profits after tax of around US\$176 thousand for 2024, and the Company recognized a gain of NT\$1,757 thousand under the equity method.
- IV. Budget Implementation Status: In accordance with the "Regulations Governing the Publication of Financial Forecast Information by Public Companies," the Company is not required to disclose financial forecast information for 2024. Therefore, no budget implementation status for 2024 is provided.
- V. Research and Development Status: The Company primarily operates in the general hotel and tourism industry, with its core business focused on providing accommodation and related services. As such, it is not a technology- or product development-oriented enterprise and does not engage in traditional research and development activities. However, the Company continues to implement the following improvements and innovations to enhance service quality and operational efficiency, serving as a foundation for sustainable business development:
 1. Optimization of Customer Service Processes: Through regular customer satisfaction surveys and data analysis, the Company reviews and improves guest service procedures to enhance efficiency and customer satisfaction.
 2. Implementation of Digital Management Systems: Integration and enhancement of the online booking system to improve operational efficiency.
 3. Sustainable Hospitality Measures: Introduction of energy-saving equipment and promotion of plastic reduction initiatives in line with green and sustainable tourism trends.
- VI. 2025 Business Plan Overview and Future Development Strategy
Business Strategy:
Hotel Operations: According to official data, the top three source markets for visitors in 2024 were Japan, Hong Kong and Macao, and South Korea, the number of visitors to Taiwan reached 7.86 million in 2024, but there was still a gap compared with the number of visitors who came to Taiwan before the pandemic. Looking ahead to the coming year, the Company will not only cooperate with the government policy, expand the domestic and foreign travel market and improve service standards, but will continue to look for other diversified investments to increase the Company's revenue despite the bucking trend.
Commercial Property Leasing:
All leasing activities have been secured through signed rental agreements.
Expected Sales and Volume: In recent years, the tourism industry has been severely affected by the pandemic. As the market gradually recovers, the number of inbound tourists is increasing, and the government continues to promote in-depth domestic tourism, aiming to expand the domestic travel market. The Company will continue to provide high-quality services and align with government policies to drive revenue growth.
Key Sales and Operational Policies: The Company's core operations focus on hotel management and commercial property leasing, offering venues for accommodation, conferences, dining, and other hospitality services.
- VII. Impact of External Competition, Regulatory Environment, and Overall Business Climate: The global tourism industry is currently facing multiple challenges, including inflation, exchange rate fluctuations, extreme climate conditions, labor shortages, and rising operating costs — all of which have increased pressures on hotel operators. To navigate these challenges, the Company is committed to strong corporate governance and sustainable development. In addition to upgrading both software and hardware facilities, the Company is dedicated to continuously improving service quality to ensure that guests experience a true "home away from home." Looking ahead, the Company will closely monitor key domestic and international policy and regulatory developments to ensure compliance with business requirements.

Lastly,

We wish all shareholders, ladies and gentlemen, good health and all the best.

General Manager: Hsiao-Hua Hsu

Comparison of the Company's revenues and profits for 2024 and 2023

Unit: NT\$ Thousand

Item	2024	%	2023	%	Increase or Decrease amount	Increase or Decrease %
Operating revenue	355,880	100	343,296	100	12,584	3.67
Travel service revenues	86,137	24	95,530	28	(9,393)	(9.83)
Guest room revenues	49,389	14	57,355	17	(7,966)	(13.89)
Food service revenues	34,651	10	36,213	10	(1,562)	(4.31)
Post and telecommunication service revenues	5	-	9	-	(4)	(44.44)
Other	2,092	-	1,953	1	139	7.12
Rental incomes	269,743	76	247,766	72	21,977	8.87
Operating costs	(82,173)	(23)	(78,437)	(23)	3,736	4.76
Gross profit	273,707	77	264,859	77	8,848	3.34
Operating expenses	(31,885)	(9)	(29,212)	(8)	2,673	9.15
Operating profit	241,822	68	235,647	69	6,175	2.62
Non-operating income and expenses	101,558	28	138,967	40	(37,409)	(26.92)
Profit before tax	343,380	96	374,614	109	(31,234)	(8.34)
Net profit	277,731	78	300,695	88	(22,964)	(7.64)

Person in charge:
An-Sheng Ku

Managerial officer:
Hsiao-Hua Hsu

Accounting officer:
Hsiu-Mei Lin

Two. Corporate governance report

I. Information on directors, General Manager, Deputy General Managers, Assistant General Managers and officer of each department

1. Information of directors (I)

April 29th, 2025

Position	Nationality or place or registration	Name	Gender Age	Date elected	Term of Office	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and minor children now		Shareholding in the name of others		Major experience (education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the second-degree of kinship who are other officers, directors or supervisors			Remarks (Note1)
							Number of Shares	Share holding %	Number of Shares	Share holding %	Number of Shares	Share holding %	Number of Shares	Share holding %			Position	Name	Relationship	
Chairperson	ROC	Top-Five Engineering Co., Ltd. Representative An-Sheng Ku	Male 81-90	2022. 06.24	3 years	2010. 06.17	38,820	0.01%	38,820	0.01%	-	-	-	-	Taiwan Television Enterprise, Ltd. Deputy General Manager	None	None	None	None	None
							-	-	-	-	108,888	0.02%	-	-						
Directors	ROC	WanHwa Enterprise Company Ltd. Representative Yu-Wen Liang	Female 31-40	2022. 06.24	3 years	2010. 06.17 2021. 09.01	99,000,503	19.80%	99,000,503	19.80%	-	-	-	-	Deloitte & Touche Assistant manager at the Audit Department	None	None	None	None	None
							-	-	-	-	-	-	-	-						
Independent director	ROC	Hsieh-Hung Li	Male 71-80	2022. 06.24	3 years	2016. 06.23	-	-	-	-	-	-	-	-	SUN JUAN METAL CO., LTD. General Manager	None	None	None	None	None
Independent director	ROC	Hsiu-Chin Chou (Note 2)	Female 71-80	2022. 06.24	3 years	2019. 06.24	-	-	-	-	-	-	-	-	Tang Hsianglin Architects Chief accountant	None	None	None	None	None
Independent director	ROC	Miu-Feng Chen (Note 3)	Female 71-80	2024. 06.21	-	2024. 06.21	-	-	-	-	-	-	-	-	The Librarian from the University of Maryland, USA	None	None	None	None	None
Independent director	ROC	Jung-Yuan Lin (Note 3)	Male 61-70	2024. 06.21	-	2024. 06.21	-	-	-	-	-	-	-	-	GeneTouch Corporation Independent	None	None	None	None	None

Note 1: If the chairperson and the General Manager or equivalent (the top managerial officer) of the Company are the same person, each other's spouse or relative within the first degree of kinship, the reason, rationality, necessity, and corresponding measures should be stated.

Note 2: The resignation of Independent Director Hsiu-Chin Chou became effective on June 21, 2024.

Note 3: A by-election was held at the shareholders' meeting on June 21, 2024.

Table 1: Major Shareholders of the Corporate Shareholders

December 31st, 2024

Name(s) of Corporate Shareholders	Major shareholders of the Corporate Shareholders	
	Name(s) of shareholders	Shareholding Percentage %
Top-Five Engineering Co., Ltd.	Kuang-Hui Chiang	9.60%
	Kuang-Hsia Chiang	9.60%
Wan Hwa Enterprise Company	Today's Department Store Company Ltd.	19.96%
	First Hotel Company Ltd.	19.96%
	Zen Fong Investment Corporation	11.61%
	Lee Ming Investment Corporation	8.78%
	Mandarin Investment Corporation	4.82%
	Carnival Investment Corporation	4.40%
	Zenith Investment Corporation	2.76%
	Ding Shun Fa Investment Corporation	2.27%
	Wiseman Investment Corporation	1.47%
	Very Good Investment Corporation	0.88%

Table 2: Major Shareholders of the Corporate Shareholders Listed in Table 1

December 31st, 2024

Name(s) of Corporate Shareholders	Major shareholders of the Corporate Shareholders	
	Name(s) of shareholders	Shareholding Percentage %
Today's Department Store Company Ltd.	Wan Hwa Enterprise Company	19.80%
	First Hotel Company Ltd.	19.80%

If the major shareholder is a corporation, the major shareholder of the corporation is not listed in the above table because the information is not available.

Information on directors (II)

The Board of Directors shall collectively possess the knowledge, skills, and personal qualities necessary to effectively perform their duties. The Board as a whole should demonstrate competencies in business judgment, accounting and financial analysis, corporate management, crisis management, industry-specific expertise, education and cultural awareness, international market insight, leadership, and decision-making capabilities.

In forming the composition of the Board, diversity is a key consideration. The Company has established a Board diversity policy that reflects its operational requirements, business model, and future development strategies. This policy covers both fundamental attributes and values (including gender, age, nationality, and cultural background), as well as professional expertise and competencies (such as in law, accounting, industry, finance, marketing, or technology). The specific management objectives under this diversity policy and the status of their implementation are as follows:

(1) Disclosure of professional qualifications of directors and independence of independent directors:

Criteria Name	Professional qualifications and experience	Status of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairperson An-Sheng Ku	Deputy General Manager of Taiwan Television Enterprise, Ltd. There were none of the circumstances in Article 30 of the Company Act.	There were none of the circumstances in Note 2	0
Directors Yu-Wen Liang	Previously the Assistant Manager at the Audit Department of Deloitte There were none of the circumstances in Article 30 of the Company Act.	There were none of the circumstances in Note 2	0
Independent Director Hsieh-Hung Li	General Manager of Sun Juan Metal Co., Ltd. With work experience in commerce, law and finance. There were none of the circumstances in Article 30 of the Company Act.	In compliance with the independence requirement	0
Independent Director Hsiu-Chin Chou (Note 3)	Chief Accountant of Tang Hsianglin Architects There were none of the circumstances in Article 30 of the Company Act.	In compliance with the independence requirement	0
Independent Director Miu-Feng Chen (Note 4)	The Librarian from the University of Maryland, USA There were none of the circumstances in Article 30 of the Company Act.	In compliance with the independence requirement	0
Independent Director Jung-Yuan Lin (Note 4)	GeneTouch Corporation Independent Director Master of Accounting, Soochow University Adjunct Lecturer at Soochow University There were none of the circumstances in Article 30 of the Company Act.	In compliance with the independence requirement	1

Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, state their accounting or financial background and work experience, and whether there are no circumstances in Article 30 of the Company Act.

Note 2: For independent directors, state the conditions that meet the independence requirement, including but not limited to whether they, their spouses and second-degree relatives are directors, supervisors or employees of the Company or its affiliated enterprises; the number and proportion of shares held by them, their spouses and second-degree relatives (or in the names of others); whether they serve as directors, supervisors or employees of companies with a specific relationship with the Company (refer to subparagraphs 5–8, paragraph 1, Article 3 of the regulations on the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for providing commercial, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.

Note 3: The resignation of Independent Director Hsiu-Chin Chou became effective on June 21, 2024.

Note 4: A by-election was held at the shareholders' meeting on June 21, 2024.

(2) Diversity and independence of the board of directors:

(I) Diversity of the board of directors

Name	Core of diversification																
	Basic composition									Industry experience				Professional expertise			
	Nationality	Gender	Has the employee identity	Age				Independent Directors Term of office		Tourist hotel	Finance	Architecture and engineering	Education and culture	Business management	Accounting and finance	Leadership and decision making	Risk management
				31 40 years old	61 70 years old	71 80 years old	81 90 years old	Less than 3 years	4 to 6 years								
Chairperson An-Sheng Ku	ROC	Male	-				V			V	V		V	V	V	V	V
Directors Yu-Wen Liang	ROC	Female	-	V							V			V	V	V	V
Independent Directors Hsieh-Hung Li	ROC	Male	-			V			V	V	V	V		V	V	V	V
Independent Directors Hsiu-Chin Chou (Note 1)	ROC	Female	-			V			V	V	V	V		V	V	V	V
Independent Directors Miu-Feng Chen (Note 2)	ROC	Female	-			V		V			V		V	V	V	V	V
Independent Directors Jung-Yuan Lin (Note 2)	ROC	Male	-		V			V			V		V	V	V	V	V

Note 1: The resignation of Independent Director Hsiu-Chin Chou became effective on June 21, 2024.

Note 2: A by-election was held at the shareholders' meeting on June 21, 2024.

(II) Specific Management Objectives and Achievement Status of the Company's Board Diversity Policy

Management Objectives	Achievement Status
Appointment of at least three independent directors, including at least one female independent director	Achieved
At least one independent director shall hold a CPA license, a lawyer's license, or possess professional expertise in finance, financial management, or business administration	Achieved
The number of directors concurrently serving as company executives shall not exceed one-third of the total number of directors	Achieved

(III) Independence of the Board of Directors: The Company has three independent directors, representing 60% of the total number of board members. Among them, one has served a term of four to six years, while the remaining two have served for less than three years. The members of the board of directors of this Company do not have any of the circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including the directors' spouses and second-degree relatives.

2. Information on directors, General Manager, Deputy General Managers, Assistant General Managers and officer of each department and branch.

April 29th, 2025

Position	Nationality	Name	Gender	Date elected (assuming office)	Shareholding		Shareholding of spouse and minor children		Shareholding in the name of others		Major experience (education)	Concurrent positions in other companies now	Managerial officers with spouses or relatives with a second degree of kinship			Remarks
					Number of Shares	Share holding %	Number of Shares	Share holding %	Number of Shares	Share holding %			Position	Name	Relationship	
General Manager	ROC	Hsiao-Hua Hsu	Female	2006.06.19	-	-	2,693	-	-	-	Deputy General Manager, First Hotel Company Ltd.	None	None	None	None	None
Deputy General Manager	ROC	Hsiu-Mei Lin	Female	2010.01.01	3,278	-	-	-	-	-	Jinou Vocational High School of Commerce	None	None	None	None	None
Associate Director (Note)	ROC	Si-Wei Ni	Male	1997.04.01	6,939	-	-	-	-	-	School of Business, Tokyo Vocational College	None	None	None	None	None

Note: Associate Director Si-Wei Ni retired on April 30, 2024.

3. The Chairperson and the General Manager or equivalent position (top manager) are the same person, spouses or first degree of kinship: None.

II. Remuneration of directors, General Manager and Deputy General Manager

1. Remuneration for directors

Unit: NT\$ Thousand

Position	Name	Directors' remuneration								A, B, C and D -Total Amounts and % of net profits after tax			Remuneration for the concurrent position as an employee								A, B, C, D, E, F and G -Total Amounts and % of net profits after tax			Remuneration from invested enterprises other than subsidiaries or from parent company
		Remuneration (A)		Severance and pension (B)		Director's remuneration (C)		Business execution expenses (D)					Salary, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G)							
		The Com-pany	All companies in the financial statements	The Com-pany	All companies in the financial statements	The Com-pany	All companies in the financial statements	The Com-pany	All companies in the financial statements	The Com-pany	The Com-pany %	All companies in the financial statements	The Com-pany	All companies in the financial statements	The Com-pany	All companies in the financial statements	The Company		All companies in the financial statements		The Com-pany	The Com-pany %	All companies in the financial statements	
Chairperson	Top-Five Engineering Co., Ltd. Representative An-Sheng Ku	-	No consolidated statements	-	No consolidated statements	4,392	No consolidated statements	-	No consolidated statements	4,392	1.58	No consolidated statements	-	No consolidated statements	-	No consolidated statements	-	-	No consolidated statements	No consolidated statements	4,392	1.58	No consolidated statements	None
						-		845		845	0.30													
Directors	Wan Hwa Enterprise Company Ltd. Representative Yu-Wen Liang					1,000		180		1,180	0.42													
						-		4		4	-													
Independent Directors	Hsieh-Hung Li					240		33		273	0.10													
Independent Directors	Hsiu-Chin Chou (Note 1)					114		16		130	0.05													
Independent Directors	Miu-Feng Chen (Note 2)	127	17	144	0.05																			
Independent Directors	Jung-Yuan Lin (Note 2)	127	17	144	0.05																			

- The remuneration payment policy, system, standard and structure of independent directors, and describe the relationship with the amount of remuneration according to their responsibilities, risks, time invested and other factors: The board meeting is authorized in accordance with the provisions of the Articles of Association to pay remuneration of independent directors according to their participation in the operation of the Company and the value of their contribution, which shall not exceed the maximum salary level set by the Company's salary assessment regulations.
- Other than those disclosed in the table above, the remuneration received by the directors of the Company for providing services in the most recent year (such as serving as consultants as non-employees of the parent company/all companies in financial report/reinvested companies): None.

Note 1: The resignation of Independent Director Hsiu-Chin Chou became effective on June 21, 2024.

Note 2: A by-election was held at the shareholders' meeting on June 21, 2024.

2. Remuneration for General Manager and Deputy General Manager

Unit: NT\$ Thousand

Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance (C)		Employee profit sharing remuneration (D)				A, B, C and D -Total Amounts and % of net profits after tax (%)			Remuneration from invested enterprises other than subsidiaries or from parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	The Company %	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount				
General Manager	Hsiao-Hua Hsu	1,240	No consolidated statements	25	No consolidated statements	125	No consolidated statements	182	-	No consolidated statements	No consolidated statements	1,572	0.57	No consolidated statements	None
Deputy General Manager	Hsiu-Mei Lin	1,224		24		116		140	-			1,504	0.54		None

Note: The severance and pension is contributed with 2% of monthly salary and is deposited into an account at the Bank of Taiwan in the name of the “Supervisory Committee of Labor Retirement Reserve.”

Remuneration of the top five highest paid management of listed companies

Unit: NT\$ Thousand

Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance (C)		Employee profit sharing remuneration (D)				A, B, C and D -Total Amounts and % of net profits after tax (%)			Remuneration from invested enterprises other than subsidiaries or from parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	The Company %	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount				
General Manager	Hsiao-Hua Hsu	1,240	No consolidated statements	25	No consolidated statements	125	No consolidated statements	182	-	No consolidated statements	No consolidated statements	1,572	0.57	No consolidated statements	None
Deputy General Manager	Hsiu-Mei Lin	1,224		24		116		140	-			1,504	0.54		None
Associate Director	Si-Wei Ni (Note)	216		4		100		-	-			320	0.12		None

Note: Associate Director Si-Wei Ni retired on April 30, 2024.

The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution

December 31st, 2024

Unit: NT\$ Thousand

	Position	Name	Stock amount	Cash amount	Total	Total as a percentage of net profits after tax (%)
Managers	General Manager	Hsiao-Hua Hsu	-	322	322	0.12
	Deputy General Manager	Hsiu-Mei Lin				
	Associate Director	Si-Wei Ni (Note)				

Note: Associate Director Si-Wei Ni retired on April 30, 2024.

3. Compare and describe the total remuneration paid to directors, General Manager, and Deputy General Managers in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profit after tax. Also explain the policies, criteria, combination, procedures for determining remuneration and the correlation to operating performances and future risks.

Year Title	2024		2023	
	The Company %	All companies in the financial statements	The Company %	All companies in the financial statements
Directors	2.56	No consolidated statements	2.37	No consolidated statements
The reasons are explained as follows: NA				

Year Title	2024		2023	
	The Company %	All companies in the financial statements	The Company %	All companies in the financial statements
General Manager Deputy General Manager	1.11	No consolidated statements	0.93	No consolidated statements
The reasons are explained as follows: NA				

The policies, criteria, and combination of remuneration, the procedures for determining remuneration and the correlation to operating performances and future risks.

- (1) The remuneration of the Company's directors is determined based on the Company's Articles of Association, and the remuneration of the General Manager and Deputy General Manager is determined based on the salary scale for employees approved by the Remuneration Committee and with reference to the industry standards.
- (2) The remuneration structure consists of the salary, bonuses, allowances and employee profit-sharing remuneration, which are determined based on the duties and responsibilities of the employee, with reference to the usual standards of the industry.
- (3) The Company's salary adjustments, employee's remuneration and bonus allocations are planned based on the Company's operating performance and individual performance. They are implemented after approval of the appropriate authority level.

III. Corporate Governance

1. The operation of the Board of Directors

(1) The Board of Directors met 5 times in the most recent year (2024) and the attendance of the directors was as follows:

Position	Name	Number of attendance in person	Number of attendance by proxy	Percentage of attendance in person (%)	Remarks
Chairperson	Top-Five Engineering Co., Ltd. Representative An-Sheng Ku	5	0	100	
Director	WanHwa Enterprise Company Representative Yu-Wen Liang	4	1	80	
Independent Director	Hsieh-Hung Li	5	0	100	
Independent Director	Hsiu-Chin Chou	2	0	100	Resignation Effective Date of Resignation: June 21, 2024
Independent Director	Miu-Feng Chen	3	0	100	New Appointment By-election Date: June 21, 2024
Independent Director	Jung-Yuan Lin	3	0	100	New Appointment By-election Date: June 21, 2024

Other matters required to be recorded:

I. If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:

(I) Circumstances listed in Article 14-3 of the Securities and Exchange Act:

Board meeting on March 6th, 2024

- (1) All independent directors resolved to pass the "2023 Statement of Internal Control".
- (2) All independent directors resolved to pass the "change of attesting CPAs due to the internal rotation of Deloitte Taiwan".
- (3) All independent directors resolved to pass the "Independence of CPAs Charles Yang & Wei-Chun Ma from Deloitte Taiwan".
- (4) All independent directors resolved to pass the "amendments to certain provisions of the Company's Procedure for Board of Directors Meetings".
- (5) All independent directors resolved to pass the "amendments to certain provisions of the Company's Audit Committee Charter".
- (6) All Independent Directors resolved to pass the "amendments to certain provisions of the Company's Regulations Governing the Preparation and Filing of Sustainability Reports".

Board meeting on May 8th, 2024

All independent directors resolved to pass the "Internal Control System of the Stock Affairs Unit."

Board meeting on August 7th, 2024

All independent directors resolved to pass "the appointment of the Chief Internal Auditor."

Board meeting on September 9th, 2024

All independent directors resolved to authorize the Chairperson to handle "long-, medium-, and short-term bank credit lines and commercial paper financing limits."

Board meeting on November 6th, 2024

(1) All independent directors resolved to pass “the establishment of the Company's Sustainability Information Management Procedures. ”

(2) All independent directors resolved to pass the “annual audit plan for 2025”.

(II) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: None.

II. For a director’s avoidance of a proposal for being an interested party, the director’s name, proposal content, reason for avoidance and the participation in voting should be stated: None.

III. A listed or OTC company should disclose information on the evaluation cycle and period, scope, method and content of the self-evaluation (or peer evaluation): The Company established on November 4th, 2020 its “Measures for Evaluation of the Board of Directors’ Performance,” and the evaluation of the board of directors’ performance was reported to the Board of Directors on March 12th, 2025. Please refer to the table below.

IV. Evaluation of the current and most recent year's objectives for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation:

(1)The Board of Directors operates in accordance with the “Procedure for Board of Directors Meetings.”

(2)The Company arranges further study courses for directors based on directors’ availability.

(2) Evaluation of the performance of the Board of Directors:

Evaluation periodicity	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From: January 1st, 2024 To: December 31st, 2024	The entire Board of Directors	Internal self-evaluation of the Board of Directors	1. Participation in the operation of the Company. 2. Improvement of the quality of the Board of Directors’ decision making. 3. Composition and structure of the Board of Directors. 4. Election and continuing study of the directors. 5. Internal control.
Once a year	From: January 1st, 2024 To: December 31st, 2024	Individual directors	Self-evaluation of directors	1. Mastering of the goals and mission of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the Company. 4. Management of internal relationship and communication. 5. Expertise and continuing study of the director. 6. Internal control.
Once a year	From: January 1st, 2024 To: December 31st, 2024	Audit Committee	Internal self-evaluation of the Board of Directors	1. Participation in the operation of the Company. 2. Perception of functional committees’ responsibilities. 3. Improvement in the quality of the functional committee’s decision-making. 4. Composition and member appointment of functional committees. 5. Internal control.
Once a year	From: January 1st, 2024 To: December 31st, 2024	Remuneration Committee	Internal self-evaluation of the Board of Directors	1. Participation in the operation of the Company. 2. Perception of functional committees’ responsibilities. 3. Improvement in the quality of the functional committee’s decision-making. 4. Composition and member appointment of functional committees. 5. Internal control.

2. Operation of the Audit Committee

Information on the operation of the Audit Committee:

The Audit Committee held 4 meetings in the most recent year (2024), and the attendance of the independent directors was as follows:

Position	Name	Number of attendance in person	Number of attendance by proxy	Percentage of attendance in person (%)	Remarks
Independent Director	Hsieh-Hung Li	4	0	100	
Independent Director	Hsiu-Chin Chou	2	0	100	Resignation Effective Date of Resignation: June 21, 2024
Independent Director	Miu-Feng Chen	2	0	100	New Appointment By-election Date: June 21, 2024
Independent Director	Jung-Yuan Lin	2	0	100	New Appointment By-election Date: June 21, 2024

Other matters required to be recorded:

I. If the operation of the Audit Committee is under any of the following circumstances, state the date, period, proposal content, independent directors' objections, reservations, or significant suggestions, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee meeting on March 6th, 2024

- (1) Approved the final accounting reports for 2023 as submitted.
- (2) Approved the 2023 Statement of Internal Control as submitted.
- (3) Approved the earnings distribution for 2023 as submitted.
- (4) Approved the "change of attesting CPAs due to the internal rotation of Deloitte Taiwan" as submitted
- (5) Approved the "Independence of CPAs Charles Yang & Wei-Chun Ma from Deloitte Taiwan" as submitted.
- (6) Approved the "amendments to certain provisions of the Procedure for Board of Directors Meetings of the Company" as submitted.
- (7) Approved the "amendments to certain provisions of the Audit Committee Charter of the Company" as submitted.
- (8) Approved the "amendments to certain provisions of the Company's Regulations Governing the Preparation and Filing of Sustainability Reports" as submitted.

Audit Committee meeting on May 8th, 2024

- (1) Approved the financial statements for the first quarter of 2024 as submitted.
- (2) Approved the amendments to the Company's "internal control system of the stock affairs unit" as submitted.

Audit Committee meeting on August 7th, 2024

- (1) Approved the financial statements for the second quarter of 2024 as submitted.
- (2) Approved the appointment of the Chief Internal Auditor as submitted.

Audit Committee meeting on November 6th, 2024

(1) Approved the financial statements for the third quarter of 2024 as submitted.

(2) Approved the establishment of the Company's Sustainability Information Management Procedures as submitted.

(3) Approved the 2025 Annual Audit Plan as submitted.

(II) Other than the aforementioned matters, other matters that are not resolved by the Audit Committee but resolved with the consent of more than two-thirds of the Board of Directors: None.

II. For an independent director's avoidance of a proposal for being an interested party, the independent director's name, proposal content, reason for avoidance and the participation in voting should be stated: None.

III. Communication between the independent directors and the chief internal auditor and CPAs (this shall include the significant matters, method and results of communication regarding the financial and business status of the Company): The audit officer submits monthly audit reports to the independent directors; if the independent directors need to communicate with CPAs, the Company can set up the meeting on their behalf.

3. Operation of corporate governance, the difference from the “Corporate Governance Best-Practice Principles for TWSE or TPEX Listed Companies” and the reasons.

Evaluation item	The state of operation (Note 1)			The difference from the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons therefor.
	Yes	No	Summary description:	
I.Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?		V	The Company does not have corporate governance best practice principles, but the spirit and principles of governance of the Company cover the corporate governance best practice principles.	The Company does not have corporate governance best practice principles for TWSE/TPEX listed companies, but the spirit and principles of governance of the Company cover the corporate governance best practice principles.
II.Shareholding structure and shareholders' equity of the Company (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures? (II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders? (III) Has the Company established and implemented risk control and firewall mechanisms between related companies? (IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V V	V V	1. The Company has a spokesperson to handle shareholder proposals and other issues. 2. The Company receives a quarterly list of shareholders holding a 5% stake or more from the Taiwan Depository & Clearing Corporation. 3. The Company has no related company but has established regulations governing the management of transactions with related parties, endorsement and guarantee, and lending of funds, etc. In addition, in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” of the Financial Supervisory Commission, “Supervision and Management of Subsidiaries” has been established. However, the Company currently has no subsidiaries. 4. The Company has formulated the “Management of Prevention of Insider Trading” to prevent insiders from trading securities using undisclosed information on the market?	1. The Company has appointed a spokesperson and an acting spokesperson in accordance with the regulations to handle related matters, and will appoint lawyers to handle any litigation matters, if any. 2. In compliance. 3. The Company has no related company 4. In compliance.
III.The composition and responsibilities of the Board of Directors (I) Has the board of directors developed a diversity policy and specific management objectives, and firmly implemented them? (II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?	V V	 V	1. The board of directors of the Company have different expertise in various fields, which are helpful to the development and operation of the Company. 2. The Company has not set up other functional committees.	1. In compliance. 2. Their establishments can be made according to the Company's operation status, scale and future needs.

Evaluation item	The state of operation (Note 1)			The difference from the “Corporate Governance Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons therefor.
	Yes	No	Summary description:	
(III) Has the Company formulated board performance evaluation measures and methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the Board of Directors, and used them as a reference for individual directors’ remuneration and nomination for reappointment?	V		3. The Company has established the board of directors’ performance evaluation measures and the evaluation method, and conducts performance evaluation annually and regularly. The performance evaluation of the Board of Directors for 2024 was presented to the Board of Directors on March 12th, 2025. The remuneration of the Company's directors is based on the Company's Articles of Incorporation, which stipulate that the Company may set aside not more than 3% of the above-mentioned profits as profit sharing remuneration for directors.	3. In compliance.
(IV) Does the Company regularly evaluate the independence of attesting CPAs?	V		4. The Company regularly follows up on the rotation and the independence of CPAs as required by law.	4. In compliance.
IV.Has the listed/OTC Company appointed a suitable and appropriate number of corporate governance personnel, and appointed a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholders’ meeting related matters in accordance with law, and preparing minutes of board meetings and shareholders’ meetings)?	V		Corporate governance-related matters have been jointly undertaken by the Administration Department and the Finance Department. On March 24, 2021, the Board of Directors resolved to designate the finance officer, Hsiu-Mei Lin, as the Corporate Governance Officer, assist the Directors in legal compliance, etc.	In compliance
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and a special section for stakeholders on the Company’s website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		The Company has a spokesperson and a proxy spokesperson, and relevant contact information is posted on the Market Observation Post System in accordance with the regulations to provide good communication.	In compliance
VI.Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?		V	The Company's stock affairs are handled by the Company itself.	Stock affairs are handled by the Company itself.
VII.Public disclosure of information (I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		1. The Company's website, http://twfirsthotel.com.tw , and the Market Observation Post System (MOPS) disclose information on finance and business matters and corporate governance.	1. In compliance.

Evaluation item	The state of operation (Note 1)			The difference from the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies," and the reasons therefor.
	Yes	No	Summary description:	
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?		V	2. In accordance with the regulations of the competent authorities, the Company shall regularly disclose relevant information, collect relevant reports and information, and implement the spokesperson system according to the regulations. In accordance with the regulations, earning calls or corporate briefings will be held. A description of the content and process in English and Chinese will be disclosed on the Company's website and the Market Observation Post System.	2. In compliance.
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	3. The Company's 2024 financial statements, the first, second, and third-quarter financial statements, and monthly operations were all filed before the statutory deadline in accordance with the law.	3. The filing can be made according to the Company's operation status, scale and future needs.
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors, etc.)?	V		1. Employee rights and benefits: The Company always treats its employees with honesty and trust and protects their rights and benefits in accordance with the Labor Standards Act. 2. Employee care: Establish a good relationship with employees. 3. Investor relations: Good 4. Supplier relations: Good 5. Rights of stakeholders: No impact. 6. The continuing education of directors: The Company arranges education programs for directors according to their schedules. 7. Implementation of risk management policies and risk measurement standards: Good. 8. Implementation of customer policy: Good. 9. The Company's purchases of liability insurance for directors. Insurance company: Union Insurance Company. Insured period: June 25th, 2024 – June 25th, 2025 Insured amount: NT\$30,750,000	In compliance.
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: Total score of corporate governance evaluation: 39.09 Ranking among listed companies: 81%-100% Improvement will be made according to future needs and law.				

4. Composition, responsibilities and operation of the Remuneration Committee

(1) Information of the members of the Remuneration Committee

April 29th, 2025

Position	Name	Criteria			Number of other public companies in which the individual is concurrently serving as a remuneration committee member
		Professional qualifications and experience	Status of independence		
Independent director convener	Hsieh-Hung Li	Refer to page 5 of the annual report.	Refer to page 5 of the annual report.		0
Independent Directors	Hsiu-Chin Chou (Note 1)	Refer to page 5 of the annual report.	Refer to page 5 of the annual report.		0
Independent Directors	Miu-Feng Chen (Note 2)	Refer to page 5 of the annual report.	Refer to page 5 of the annual report.		0
Independent Directors	Jung-Yuan Lin (Note 2)	Refer to page 5 of the annual report.	Refer to page 5 of the annual report.		1

Note 1: The resignation of Independent Director Hsiu-Chin Chou became effective on June 21, 2024.

Note 2: A by-election was held at the shareholders' meeting on June 21, 2024.

(2) Information on the operation of the Remuneration Committee

(I) The Company's Remuneration Committee has three members

(II) The term of office of the current members: August 10th, 2022 to June 23rd, 2025. The Remuneration Committee met 2 times in the most recent year (2024) and the qualifications and attendance of the members are as follows:

Position	Name	Number of attendance in person	Number of attendance by proxy	Percentage of attendance in person (%)	Remarks
Convener	Hsieh-Hung Li	2	-	100	
Member	Hsiu-Chin Chou	1	-	100	Resignation Effective Date of Resignation: June 21, 2024
Member	Miu-Feng Chen	1	-	100	New Appointment By-election Date: June 21, 2024
Member	Jung-Yuan Lin	1	-	100	New Appointment By-election Date: June 21, 2024

Other matters required to be recorded.

I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, state the date, period, proposal content, resolution of the board meeting, and the Company's handling of the committee's opinions (if the remuneration approved by the board meeting is better than the recommendation proposed by the Remuneration Committee, state the difference and reasons): None.

II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: None.

5.(I) Implementation of sustainable development, the differences from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reasons

Promotion item	Implementation status (Note 1)			The difference from the “Sustainable Development Best-Practice Principles for TWSE or TPEX Listed Companies” and the reasons.																		
	Yes	No	Summary description:																			
1.Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management authorized by the board meeting and supervised by the board meeting?	V		<p>On March 24th, 2021, the board meeting of the Company decided to appoint Hsiu-Mei Lin as the Corporate Governance Officer, managing the related affairs of corporate governance, and jointly reviewing the impact on the Company’s operation, the management strategy, and the practical situation with department heads. Based on the results, the sustainable development goals and strategies of the First Hotel are adjusted, the effectiveness of external communication strengthened, and reporting made to the board meeting.</p> <p>The Company reported to the Board of Directors on August 7th, 2024 about the preparation of the 2023 Sustainability Report.</p> <p>The Company’s Board of Directors resolved to pass the "Sustainable Development Best Practice Principles" on November 8th, 2023.</p> <p>Supervision by the board of directors: Listen to the report on the sustainable development of the management team, and the management level will submit the company strategy.</p> <p>The board of directors will evaluate the feasibility of the strategy, review the progress of the strategy, and urge the management team to make necessary adjustments.</p>	In compliance.																		
2.Has the Company conducted environmental, social and corporate governance risk assessment related to the Company’s operation in accordance with the principle of materiality, and formulated relevant risk management policies or strategies?		V	<p>The reporting period of this disclosure is from January 1st, 2024 to December 31st, 2024. The risk assessment boundary is the First Hotel in Zhongshan District, Taipei City.</p> <p>1. The Company has always been upholding corporate social responsibility; in addition to the installation of indoor surveillance systems, outdoor video surveillance cameras are also set up around the community to participate in the community watch.</p> <p>2. The Company holds general safety and health education and disaster prevention and other social responsibility training regularly.</p> <p>3. The Company has identified the following ESG risk categories and corresponding mitigation strategies:</p> <table><tr><th>Risk Category</th><th>Description of Risk Factors</th><th>Mitigation Strategies and Actions</th></tr><tr><td>Strategic and Operational Risks</td><td><ul style="list-style-type: none">Significant environmental changes leading to business contraction or rising raw material costsNeed to revise strategies due to inflation or economic downturn</td><td><ul style="list-style-type: none">Source raw materials locally or from lower-cost regionsConduct regular visits to key clients and utilize the official website and social media to perform market research and stay updated on customer demand trends</td></tr><tr><td>Market Risks</td><td><ul style="list-style-type: none">Product sales decline due to competitors launching new offeringsDecline in service quality leading to customer attrition</td><td><ul style="list-style-type: none">Develop highly recognizable products and services aligned with market demandContinuously improve service quality to enhance customer satisfaction and loyalty</td></tr><tr><td>Financial Risks</td><td><ul style="list-style-type: none">Market risksCredit risksLiquidity risks</td><td><ul style="list-style-type: none">Management is responsible for identifying, assessing, and mitigating financial risks related to operations to ensure timely and effective responsesEstablish credit review mechanisms and accounts receivable management systemsMaintain adequate cash reserves and backup credit lines</td></tr><tr><td>Regulatory Risks</td><td><ul style="list-style-type: none">Risks arising from non-compliance with legal and regulatory requirements</td><td><ul style="list-style-type: none">Continuously monitor laws, regulations, and government policies relevant to the Company’s financial and business operationsDepartment heads assist in implementing compliance measures, while the internal audit department ensures that internal control procedures are in place and that operations comply with applicable laws and regulations</td></tr><tr><td>Food Safety Risks</td><td><ul style="list-style-type: none">Raw material defects causing food poisoning incidents, potentially damaging the company’s reputationRegulatory and reputational risks from government-imposed carbon emission restrictions and international environmental initiatives</td><td><ul style="list-style-type: none">Strengthen food safety management by implementing protective measures and strictly enforcing inspection protocolsRequire suppliers to provide compliance certificates and prioritize vendors with verified food safety certificationStay updated on regulatory trends and adopt proactive measures to reduce compliance risks</td></tr></table>	Risk Category	Description of Risk Factors	Mitigation Strategies and Actions	Strategic and Operational Risks	<ul style="list-style-type: none">Significant environmental changes leading to business contraction or rising raw material costsNeed to revise strategies due to inflation or economic downturn	<ul style="list-style-type: none">Source raw materials locally or from lower-cost regionsConduct regular visits to key clients and utilize the official website and social media to perform market research and stay updated on customer demand trends	Market Risks	<ul style="list-style-type: none">Product sales decline due to competitors launching new offeringsDecline in service quality leading to customer attrition	<ul style="list-style-type: none">Develop highly recognizable products and services aligned with market demandContinuously improve service quality to enhance customer satisfaction and loyalty	Financial Risks	<ul style="list-style-type: none">Market risksCredit risksLiquidity risks	<ul style="list-style-type: none">Management is responsible for identifying, assessing, and mitigating financial risks related to operations to ensure timely and effective responsesEstablish credit review mechanisms and accounts receivable management systemsMaintain adequate cash reserves and backup credit lines	Regulatory Risks	<ul style="list-style-type: none">Risks arising from non-compliance with legal and regulatory requirements	<ul style="list-style-type: none">Continuously monitor laws, regulations, and government policies relevant to the Company’s financial and business operationsDepartment heads assist in implementing compliance measures, while the internal audit department ensures that internal control procedures are in place and that operations comply with applicable laws and regulations	Food Safety Risks	<ul style="list-style-type: none">Raw material defects causing food poisoning incidents, potentially damaging the company’s reputationRegulatory and reputational risks from government-imposed carbon emission restrictions and international environmental initiatives	<ul style="list-style-type: none">Strengthen food safety management by implementing protective measures and strictly enforcing inspection protocolsRequire suppliers to provide compliance certificates and prioritize vendors with verified food safety certificationStay updated on regulatory trends and adopt proactive measures to reduce compliance risks	If there are legal or practical considerations, the relevant laws and regulations will be followed.
Risk Category	Description of Risk Factors	Mitigation Strategies and Actions																				
Strategic and Operational Risks	<ul style="list-style-type: none">Significant environmental changes leading to business contraction or rising raw material costsNeed to revise strategies due to inflation or economic downturn	<ul style="list-style-type: none">Source raw materials locally or from lower-cost regionsConduct regular visits to key clients and utilize the official website and social media to perform market research and stay updated on customer demand trends																				
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Food Safety Risks	<ul style="list-style-type: none">Raw material defects causing food poisoning incidents, potentially damaging the company’s reputationRegulatory and reputational risks from government-imposed carbon emission restrictions and international environmental initiatives	<ul style="list-style-type: none">Strengthen food safety management by implementing protective measures and strictly enforcing inspection protocolsRequire suppliers to provide compliance certificates and prioritize vendors with verified food safety certificationStay updated on regulatory trends and adopt proactive measures to reduce compliance risks																				

Promotion item	Implementation status (Note 1)			The difference from the “Sustainable Development Best-Practice Principles for TWSE or TPEX Listed Companies” and the reasons.												
	Yes	No	Summary description:													
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3.Environmental issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		1. The industry in which the company operates is currently not subject to ISO 14001 or similar environmental management system certification requirements. However, the company has established an appropriate environmental management framework tailored to industry characteristics to ensure compliance with relevant domestic environmental protection and safety regulations.	1. In compliance.												
(II) Is the Company committed to improving resource utilization efficiency and using recycled materials with low impact on the environment?	V		2. In order to protect the environment, we will ask our customers who are staying over at our hotel whether we can save water resources by not washing the bed covers and sheets every day if they are not stained, and then send them for washing when they leave the hotel.	2. In compliance.												
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		3. In line with international trends and efforts to reduce plastic waste, our company will no longer provide single-use amenities (such as combs, toothbrushes, toothpaste, razors, shower caps, etc.) effective January 1, 2025.	3. In compliance.												
(IV) Has the Company prepared statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years, and formulated policies for greenhouse gas reduction, water consumption reduction or other waste management?	V		4. Paper recycling; restaurants not using disposable chopsticks. 5. The Company implements energy saving and carbon reduction, with a display microcomputer temperature controller to regulate the temperature at a constant level, and set the air-conditioning host start specification, as well as the use of energy-saving light bulbs. The on and off time periods of signboard lights are adjusted according to seasonality. 6. Garbage is divided into general garbage, recyclable garbage, and non-recyclable garbage. ①Recyclable garbage is entrusted to professional vendors for recycling. ②General garbage and non-recyclable garbage are entrusted to professional vendors for removal and disposal. 7. The company has analyzed potential pathways that could impact its financial performance and has developed corresponding response measures. For more detailed information, please refer to the section titled ‘Implementation Status of Climate-Related Disclosures’ below. 8.Waste cooking oil and food waste will be recycled by qualified recyclers approved by the Environmental Protection Administration. 9. The Company regularly monitors and manages Scope 1 and Scope 2 greenhouse gas emissions, water consumption, and total waste generation. These efforts aim to develop and implement energy-saving strategies and actions, as well as to support global initiatives addressing greenhouse gas emissions and climate change.	4. In compliance.												
IV. Social issues (I) Has the company formulated relevant management policies and procedures according to	V		The Company follows the Labor Standards Act to handle employees’ labor and health insurance, and contributes to labor pensions to ensure labor rights and interests.	In compliance.												

Promotion item	Implementation status (Note 1)			The difference from the “Sustainable Development Best-Practice Principles for TWSE or TPEX Listed Companies” and the reasons.
	Yes	No	Summary description:	
relevant laws and regulations and the International Bill of Human Rights?				
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		The Company has established personnel management rules and regulations for employee performance evaluation, salaries, leaves, benefits, rewards and punishments.	In compliance.
(III) Does the Company provide employees with a safe and healthy working environment and related education?	V		The Company regularly holds annual employee health checkups, regularly arranges for employees to participate in general safety and health on-the-job education and disaster prevention training, and implements a safe and healthy working environment for employees. Number of employee occupational injury cases in 2024: 0 Number of fire incidents in 2024: 0	In compliance.
(IV) Has the Company established an effective career development training program for employees?	V		The Company arranges employee functional training courses from time to time according to their availability.	In compliance.
(V) For products and services such as customer health and safety, customer privacy, marketing and labeling, has the Company complied with relevant laws and regulations and international standards, and formulated relevant policies and complaint procedures to protect the rights and interests of consumers or customers?	V		①The Company has a “Customer Service Center” to handle customer service-related issues. ②In order to provide high quality service to our customers, we place customer opinion survey forms in our guest rooms and maintain two-way communication with our customers. ③The Company operates in accordance with the relevant laws and regulations for external marketing.	In compliance.
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		Supplier/Contractor Evaluation The First Hotel places great importance on corporate social responsibility and carefully selects its cooperative suppliers and contractors. It requires that primary raw material suppliers provide product qualification reports to ensure product quality, and evaluates whether partners are complying with legal and regulatory requirements, as well as whether they are effectively executing these obligations. Suppliers who are unable to meet these standards will be given a deadline for improvement; otherwise, future cooperation will be discontinued. Supplier/Contractor Audit To ensure that all business partners meet the company's requirements regarding labor rights, occupational safety, environmental protection, and other relevant standards, an audit will be conducted based on the company's risk management mechanism. In 2024, a written audit was performed on contractor partners, with a total of 0 non-conformities identified and an audit completion rate of 100%.	In compliance.
V. Does the Company make reference to international reporting standards or guidelines to prepare the sustainability report or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?	V		The 2023 Sustainability Report was prepared in accordance with the latest version of the GRI Guidelines, reported to the Board of Directors on August 7 th , 2024 and announced on August 7 th , 2024. The above 2023 Sustainability Report has not been verified and assured by a third party.	In compliance. The Company will handle it in accordance with the future needs.
VI. If the Company has established its own sustainable development best practice principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe their implementation and differences from the principles: None				
VII. Other important information that is helpful to understand the implementation of sustainable development: The Company regularly arranges its employees to attend safety and protection training, and insures consumers with third-party liability accident insurance from insurance companies. In addition, for the convenience of customers with mobility problems, we have invested in the renovation of barrier-free rooms, bathrooms, toilets, elevators, and nursing rooms, etc. We have also installed surveillance systems inside and outside the hotel to regularly detect and prevent pinhole photography, providing an additional layer of protection for nearby residents and visitors, and contributing to society.				

(II) Implementation of disclosure of climate-related information

Item	Implementation status
<p>1. Describe the supervision and governance for climate related risks and opportunities by the Board of Directors and management.</p> <p>2. Describe how the identified climate risks and opportunities will affect the business, strategy and finance (short, medium and long term) of the Company.</p> <p>3. Describe the financial impact of extreme climate events and transition actions.</p> <p>4. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described.</p> <p>6. If there is a transition plan to manage climate related risks, describe the contents of the plan, and the metrics and targets used to identify and manage physical and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be described.</p> <p>8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, the annual progress of achievement, etc. should be described; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits to be offset or the quantity of renewable energy certificates (RECs) should be described.</p> <p>9. Greenhouse gas inventory, assurance status and reduction targets, strategies, and specific action plans</p>	<p>1. The ESG report preparation team reports annually to the Board of Directors on the ESG performance for the entire year, and the Board of Directors selects future goals, including climate change-related issues, to fulfill social responsibility through practical actions.</p> <p>2. For details of the Company's implementation, please refer to Schedule 1 on page 25.</p> <p>3. For details of the Company's implementation, please refer to Schedule 1 on page 25.</p> <p>4. In order to identify and assess material impacts or risks related to the Company's operations, the risk assessment mechanism proposed by the TCFD was introduced, whereby the ESG report preparation team regularly assesses climate change risks in order to understand the specific potential financial impacts, which serves as the basis for policy formulation and goals, and continuously monitors the effectiveness of actual implementation.</p> <p>5. Based on the “Taiwan Climate Change Projection Information and Adaptation Knowledge Platform” and the “3D Disaster Potential Map” and other climate models, the Company simulated the climate scenarios of RCP2.6, RCP4.5, RCP6.0 and RCP8.5 and estimated that the increase in the average rainfall and maximum daily rainfall in 2100 did not exceed the disaster criteria of the “3D Disaster Potential Map” : potential area of 350mm rainfall in 6 hours, potential area of 400mm rainfall in 12 hours, potential area of 650mm rainfall in 24 hours. Although the Company has no acute risk of flooding, there is still a possibility that typhoons and other natural disasters may cause flooding in the vicinity of 500 meters, which may have a certain degree of impact on the safety of the Company's personnel and the operation of its equipment.</p> <p>6. For details of the Company's implementation, please refer to Schedule 1 page 25.</p> <p>7. The Company does not use internal carbon pricing as a planning tool, and will evaluate it when required by law.</p> <p>8. The Company expects to complete the greenhouse gas inventory in 2026. Promote “energy saving and carbon reduction measures” to enhance energy efficiency, and gradually reduce the amount of energy and resource usage consumed by the enterprise for each unit of revenue generated.</p> <p>9. Greenhouse Gas Inventory Standards: The Company follows ISO 14064-1, issued by the International Organization for Standardization (ISO), and adopts the operational control approach to define organizational boundaries. The materiality of emission sources is assessed based on their frequency of occurrence, level of impact, quantification methods, and degree of risk. For implementation details, please refer to page 26.</p>

Schedule 1:

Type	Climate-related risks	Impact period	Risk description	Potential financial impact	Adaptation and corresponding actions
Transition risk	Policies and regulations				
	Renewable energy and carbon reduction related regulations	Long-term	<ul style="list-style-type: none"> Adjust energy tariffs in light of future government policies on energy conservation Ever stricter regulations on energy and carbon reduction 	<ul style="list-style-type: none"> Increase in energy cost Increase in carbon reduction cost Possible fines 	<ul style="list-style-type: none"> Replace energy-consuming equipment and prioritize energy-saving equipment Implement energy saving and carbon reduction strategies and work with customers and employees to reduce energy consumption Pay close attention to relevant regulations
	Market				
	Changes in market demand	Short-term	<ul style="list-style-type: none"> Rise in sustainable tourism increases demand for environmental protection actions at hotels 	<ul style="list-style-type: none"> Potential decline in hotel occupancy if no action is taken 	<ul style="list-style-type: none"> Single-use amenities are not provided.
Physical risks	Acute				
	Extreme weather events such as typhoons and floods	Short-term	<ul style="list-style-type: none"> Waterlogged roads, damage to equipment Employees unable to come to work Customers unable to check in 	<ul style="list-style-type: none"> Investments in equipment to prevent damage, e.g. waterproof gates, sandbags Compromise on productivity, increase in occupational safety and health cost Loss of revenue due to decrease in occupancy 	<ul style="list-style-type: none"> Increase in risk tolerance by taking out related property insurances. Keep abreast of weather conditions and establish comprehensive disaster prevention measures to protect against hardware and software losses as well as the risk of injuries to personnel. Provide compensatory leaves for personnel working during typhoons.
	Chronic				
	Changes in rainfall (water) patterns	Medium-term	<ul style="list-style-type: none"> Result in flooding or water rationing 	<ul style="list-style-type: none"> Increase in construction and maintenance costs (with waterproof gates and water storage) 	<ul style="list-style-type: none"> Promote water conservation actions to reduce water demand Gradually convert sanitary equipment to water-saving models Regularly maintain water storage facilities to prepare for water rationing
	Rise in annual average temperature	Long-term	<ul style="list-style-type: none"> Decrease in service life of equipment Air conditioning consumes more energy to keep people comfortable. Reduced production of raw materials due to temperature changes 	<ul style="list-style-type: none"> Increase in equipment purchase expenditures Increase in electricity tariff Increase in raw material costs and consequential increase in food prices 	<ul style="list-style-type: none"> Plan to introduce intelligent air-conditioning system to reduce unnecessary energy waste. Choose local food ingredients, promote low-carbon diets, and increase the diversity of food ingredients.

(III) Greenhouse gas inventory and assurance of the Company for the most recent two years

(1) Information on greenhouse gas inventory

Describe greenhouse gas emissions (metric tons of CO ₂ e), intensity (metric tons of CO ₂ e/NT\$ million), and data coverage for the most recent two years.		Unit: Metric tons of CO ₂ e	
		2024	2023
Scope I	Diesel (Boiler)	113.62	104.59
Scope II	Purchased electricity	672.40	817.73
Total greenhouse gas emissions		786.02	922.32
Revenue (NT\$ million)		355.880	343.296
Greenhouse gas emissions intensity		2.21	2.69

- Note: 1. The source of the conversion factor is the EPA Green House Gas Emission Factor Management Table Version 6.0.4.
2. The method used to compile the amount of greenhouse gas emissions is the operational control approach.
3. The carbon emission factor for electricity: 0.474 kg CO₂e/kWh in 2024 and 0.494 kg CO₂e/kWh in 2023.
4. Calculation formula for carbon emissions intensity: Total greenhouse gas emissions (metric tons of CO₂e)/revenue (NT\$ million)

(2) Information on greenhouse gas assurance: The Company's capital is less than NT\$5 billion, so it is not applicable.

(IV) Greenhouse gas reduction targets, strategies, and specific action plans

Describe the base year of greenhouse gas reduction and the data, reduction targets, strategies and specific action plans, and the achievement of reduction targets.
<p>① The year 2020 was the first year the Company conducted greenhouse gas inventory, so it was selected as the base year.</p> <p>② The greenhouse gas emissions in 2020 were: 76.34 metric tons of CO₂e in Scope I and 561.5 metric tons of CO₂e in Scope II, totaling 637.84 metric tons, with a revenue of NT\$264.866 million, and a greenhouse gas emissions intensity of 2.41.</p> <p>③ In 2024, the greenhouse gas emission intensity was 2.21, down by 8.30% compared with 2020.</p>

6. Implementation of ethical corporate management and the differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons

Evaluation item	The state of operation (Note)			The difference from the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Companies,” and the reasons therefor.
	Yes	No	Summary description:	
<p>I. Formulate ethical corporate management policy and plan</p> <p>(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company’s regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?</p> <p>(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?</p>	V	V	<p>1. The Company has not established ethical corporate management best practice principles.</p> <p>2.3. The Company's personnel management regulations stipulate that employees shall strictly observe the confidentiality of their duties, protect the interests and reputation of the Company, and shall not act for personal gains under the guise of work and engage in corruption or fraudulent acts, and shall not use the Company's name to solicit trouble or accept gifts outside the Company. The personnel management regulations have set up rules about rewards and punishments. The cases of rewards and punishments are signed up and presented by the competent unit to the personnel unit, which will apply for approval and announcement by the General Manager.</p>	<p>1. The principles can be established according to the Company's operation status, scale and future needs.</p> <p>2. There are no significant differences from the Company's personnel management rules.</p>
<p>II. The implementation of ethical corporate management</p> <p>(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?</p> <p>(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and</p>		<p>V</p> <p>V</p>	<p>1. The Company conducts all business activities with fairness and transparency. In its commercial dealings, the Company evaluates the legality of its counterparties and checks for any history of dishonest conduct, aiming to avoid transactions with those who have such records.</p> <p>2. Each department of the Company shall endeavor to fulfill its corporate social responsibility in accordance with its duties.</p>	<p>1.2. The principles can be established according to the Company's operation status, scale and future needs.</p>

Evaluation item	The state of operation (Note)			The difference from the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies," and the reasons therefor.
	Yes	No	Summary description:	
regularly report (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?				
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		3. The chairperson holds regular business meetings and any events that may endanger or benefit the Company shall be presented at the meetings. In addition, the Rules of Procedure for the Company's Board Meetings include a mechanism for director recusal in the event of a conflict of interest.	3. In compliance.
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		4. The Company has established an effective accounting system and an internal control system, and the internal auditors regularly examine the operations of the systems to ensure ethical corporate management.	4. In compliance.
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		5. The Company promotes the concept and standards of ethical corporate management in regular meetings.	5. In compliance.
III. The operation of the Company's whistleblower reporting system				
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		1. To guide employees in adhering to ethical standards, the Company has established a Code of Ethical Conduct. It encourages the Company's directors and employees to report to the Audit Committee, managerial personnel, internal audit officers, or other appropriate individuals when they suspect or discover any violations of laws, regulations, or the Code of Ethical Conduct.	No significant difference.
(II) The Company shall keep the identity of the whistleblower and the content of the whistleblower confidential in a written statement by the relevant personnel handling the whistleblower case, and the Company undertakes to protect the whistleblower from improper disposal as a result of the whistleblower case.	V		2. Whistleblowers are required to provide clear information and evidence when reporting to the Audit Committee, managerial personnel, internal audit officers, or other appropriate individuals. In cases involving violations of laws, regulations, or the Code of Ethical Conduct, such matters will be handled in accordance with the Company's Employee Reward and Disciplinary Policies.	

Evaluation item	The state of operation (Note)			The difference from the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies,” and the reasons therefor.
	Yes	No	Summary description:	
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		3.The Company shall properly handle the reported information in a confidential and responsible manner. It shall make every effort to protect the safety of those who make reports in good faith from any form of threat. The Company shall provide guidance to those who make malicious and untrue reports.	
IV. Enhance Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company discloses the implementation of the ethical corporate management and the measures taken on the Company's website: http://twfirsthotel.com.tw and the Market Observation Post System.	In compliance.
V. If the Company has related practice principles of its own in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please state the differences between the two and the state of implementation: The Company has not established the ethical corporate management best practice principles.				
VI. Other important information that is helpful to understand the implementation of ethical corporate management: (e.g., if the Company is reviewing or amending its ethical corporate management best practice principles): None.				

Note: The state of operations, no matter if “Yes” or “No” are checked, should be stated in the summary description

7.Other important information that is helpful to understand the Company’s operation of corporate governance: None.

8. Implementation of the internal control system:

(1) Statement of internal control system

First Hotel Company Ltd. Statement of internal control system

Date: March 12th, 2025

The Company states the following for its 2024 internal control system based on the results of self-evaluation:

- I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of the internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.
- IV. The Company has adopted the aforementioned criteria of the internal control system to evaluate the effectiveness of the design and implementation of its internal control system.
- V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system were effective as of December 31st, 2024, with an understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.
- VI. This statement will become the main content of the Company's annual report and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This statement was approved by the Company's Board of Directors on March 12th, 2025. All the 5 directors present agreed with the content of this statement and declare so here. °

First Hotel Company Ltd.

Chairperson: An-sheng Ku

Affixed with seal

General Manager: Hsiao-Hua Hsu

Affixed with seal

(2) Whether a CPA was entrusted with reviewing the internal control system:
None.

9. Important resolutions of the shareholders' meeting and board meeting in the most recent year or the current year up to the date of publication of the annual report:

Excerpts of important resolutions of the shareholders' meeting held on June 21st, 2024

(1) Adopted the Company's "final accounting reports for 2023" as submitted.

(2) Adopted the Company's "earnings distribution for 2023" as submitted.

Cash dividends of NT\$0.35 per share were distributed on October 23rd, 2024.

By-election of two independent directors and the election results:

Elected Independent Directors: Ms. Miu-Feng Chen

Mr. Jung-Yuan Lin

The resolutions of the shareholders' meeting have all been implemented.

Excerpts of important resolutions of the Board of Directors

Board meeting on August 7th, 2024

(1) Reported the financial statements for the Second quarter of 2024.

(2) Approved September 25th, 2024 as the base date for dividends distribution as submitted.

(3) Reported the "implementation of promotion of sustainable development - preparation of the sustainability report."

(4) Approved the Appointment of two members to the Remuneration Committee as submitted.

(5) Approved the Appointment of the Chief Internal Auditor as submitted.

Board meeting on September 9th, 2024

(1) Approved the Chairperson to handle "long-, medium-, and short-term bank credit lines and commercial paper financing limits as submitted.

Board meeting on November 6th, 2024

(1) Reported the financial statements for the Third quarter of 2024 as submitted.

(2) Approved the adjustment of the Employee Salary Grading Table as submitted.

(3) Approved the establishment of the Company's Sustainability Information Management Procedures as submitted.

(4) Approved the "annual audit plan for 2025" as submitted.

Board meeting on March 12th, 2025

(1) Adopted the "final accounting reports for 2024" as submitted.

(2) Approved the "2024 Statement of Internal Control" as submitted.

(3) Approved the "earnings distribution for 2024" as submitted.

(4) Approved the "Independence of CPAs Charles Yang & Wei-Chun Ma from Deloitte Taiwan" as submitted.

(5) Approved the "Adjustment of the Chairperson's remuneration" as submitted.

(6) Approved the "Adjustment of the remuneration for independent directors and board meeting attendance fees" as submitted.

- (7) Approved the “Amendments to certain provisions of Election Rules for the company’s Directors and Independent Directors” as submitted.
- (8) Approved the Amendments to the company's “ articles 25 and 28 of the Articles of Incorporation” as submitted.
- (9) Approved the “Election of five directors(including three independent directors)” as submitted.
- (10) Approved the “Proposed List of Candidates for Directors” as submitted.
- (11) Approved the “Removal of Non-Compete Restrictions on Directors” as submitted.
- (12) Determined the date and place of the 2025 shareholders’ meeting, and the content of the motions, as well as the period for accepting shareholders’ proposals and nominations of candidates for directors.

Board meeting on May 9th, 2025

- (1) Reported the financial statements for the First quarter of 2025 as submitted.
 - (2) Approved the “amendment of the Company's Internal Control System for the Stock Affairs Department” as submitted.
 - (3) Approved the “Candidate list for the election of five directors (including three independent directors)” as submitted.
10. In the most recent year or the current year up to the date of publication of the annual report, the directors’ different opinions on important resolutions approved by the Board of Directors with records or written statements: None.

IV. Information on the professional fees of CPAs:

1. Professional fees of attesting CPAs:

Amount unit: NT\$Thousand

CPA firm	CPA name		CPA audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Charles Yang	Wei-Chun Ma	20240101~20241231	2,089	140	2,229	Note

Note: The nature of the non-audit fee is the fee for the checklist, etc.

2. Where the audit fees paid in the year of the change of CPA firm is less than the audit fees in the year before the change, the amount of the audit fees before and after the change and the reasons therefor should be disclosed: Not applicable.
3. Where the audit fees have decreased by 10% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: Not applicable

V.Information on change of CPAs: None.

VI. Anyone among the Company's chairperson, General Manager, or any managerial officers in charge of finance or accounting affairs who have in the most recent year held a position at the accounting firm of the certifying CPA or an affiliate of the accounting firm: None.

VII. Equity transfers or changes in equity pledge by directors, managerial officers, and shareholders holding 10% or more of the company's shares during the most recent fiscal year and up to the date of publication of the annual report:

Position	Name	2024		The current year as of April 29 th	
		Increase/ decrease in number of shares held	Increase/ decrease in number of shares pledged	Increase/ decrease in number of shares held	Increase/ decrease in number of shares pledged
Chairperson	Top-Five Engineering Co., Ltd. Representative An-Sheng Ku	-	-	-	-
		-	-	-	-
Directors	Wan Hwa Enterprise Company Representative Yu-Wen Liang	-	-	-	-
		-	-	-	-
Independent Directors	Hsieh-Hung Li (Note 1)	-	-	-	-
Independent Directors	Hsiu-Chin Chou (Note 2)	-	-	-	-
Independent Directors	Miu-Feng Chen (Note 2)	-	-	-	-
Independent Directors	Jung-Yuan Lin	-	-	-	-
General Manager	Hsiao-Hua Hsu	-	-	-	-
Deputy General Manager	Hsiu-Mei Lin	-	-	-	-
Associate Director	Si-Wei Ni (Note 3)	-	-	-	-
Major Shareholders	Kubo Investment Corporation	-	-	-	-
Major Shareholders	Mandarin Investment Corporation	-	-	-	-

Note 1: The resignation of Independent Director Hsiu-Chin Chou became effective on June 21, 2024.

Note 2: A by-election was held at the shareholders' meeting on June 21, 2024.

Note 3: Associate Director Si-Wei Ni retired on April 30, 2024.

VIII. Information on the relationship among the top ten shareholders

Name	Shareholding by the individual		Shareholding of spouse and minor children		Total shareholding in the name of others		The title/name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within the second-degree of kinship		Remarks
	Number of Shares	Share holding %	Number of Shares	Share holding %	Number of Shares	Share holding %	Name	Relationship	
Kubo Investment Corporation Chairperson: Wen-Chung Liao	99,000,503 -	19.80 -	None None	None None	None None	None None	None None	None None	
WanHwa Enterprise Company Ltd. Chairperson: Mao-Chang Tsai	99,000,503 -	19.80 -	None None	None None	None None	None None	None None	None None	
Mandarin Investment Corporation Chairperson: Chien-Chung Cheng	73,605,668 -	14.72 -	None None	None None	None None	None None	None None	None None	
Zen Fong Investment Corporation Chairperson: Mei-Chen Chen	40,761,943 -	8.15 -	None None	None None	None None	None None	None None	None None	
Overseas Investment Corporation Chairperson: Yu-Hsia Wang	17,782,919 -	3.56 -	None None	None None	None None	None None	None None	None None	
Today's Department Store Company Ltd. Chairperson: Kuang-Hsia Chiang	15,162,906 69,874	3.03 0.01	None None	None None	None None	None None	None None	None None	
Huan Xi Investment Co. Ltd. Chairperson: Tzu-Ying Sun	9,251,697 -	1.85 -	None None	None None	None None	None None	None None	None None	
Standard Chartered Custodian Royal Bank of Liberia Singapore Co., Ltd.	8,213,184 -	1.64 -	None None	None None	None None	None None	None None	None None	
Sheng Wei Investment Co. Ltd. Chairperson: Mao-Lung Chu	6,426,967 -	1.29 -	None 5,370,898	None 1.07	None None	None None	None None	None None	
Yu-Ping Li	5,370,898	1.07	None	None	None	None	None	None	

IX. Total shareholding percentage

December 31st, 2024

Unit: shares: %

Invested enterprise	Investment by the Company		Investment by directors, managerial officers and business under direct or indirect control		Total investment	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %
Today's Hotel Corporation of USA	16,200,000	48.21	—	—	16,200,000	48.21
F&W hotel Corporation of USA	3,875,000	31.00	—	—	3,875,000	31.00

Three. Capital raising

I. The Company's capital and issuance of shares:

1. Source of capital

Year and month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of capital	Using property other than cash as payment of shares	Other
2010.9	10	350,000,000	3,500,000,000	308,820,449	3,088,204,490	Capital increase of NT\$254,989,360 from earnings	None	
2011.9	10	350,000,000	3,500,000,000	333,526,084	3,335,260,840	Capital increase of NT\$247,056,350 from earnings	None	
2012.9	10	450,000,000	4,500,000,000	350,202,388	3,502,023,880	Capital increase of NT\$166,763,040 from earnings	None	
2013.9	10	450,000,000	4,500,000,000	369,813,721	3,698,137,210	Capital increase of NT\$196,113,330 from earnings	None	
2014.9	10	450,000,000	4,500,000,000	392,002,544	3,920,025,440	Capital increase of NT\$221,888,230 from earnings	None	
2015.9	10	450,000,000	4,500,000,000	420,226,727	4,202,267,270	Capital increase of NT\$282,241,830 from earnings	None	
2016.8	10	600,000,000	6,000,000,000	450,483,051	4,504,830,510	Capital increase of NT\$302,563,240 from earnings	None	
2017.8	10	600,000,000	6,000,000,000	486,521,695	4,865,216,950	Capital increase of NT\$360,386,440 from earnings	None	
2018.9	10	600,000,000	6,000,000,000	499,998,346	4,999,983,460	Capital increase of NT\$134,766,510 from earnings	None	

Note: The above information is from January 1, 2010 to December 31, 2018.

Type of stock	Authorized capital			Remarks
	Shares in circulation (Note)	Unissued shares	Total	
Ordinary share	499,998,346	100,001,654	600,000,000	TWSE-listed stock

Note: The stock is a TWSE-listed company stock.

2. List of major shareholders:

Shares Names of major shareholders	Number of Shares Held	Shareholding %
Kubo Investment Corporation	99,000,503	19.80
WanHwa Enterprise Company Ltd.	99,000,503	19.80
Mandarin Investment Corporation	73,605,668	14.72
Zen Fong Investment Corporation	40,761,943	8.15
Overseas Investment Corporation	17,782,919	3.56
Today's Department Store Company Ltd.	15,162,906	3.03
Huan Xi Investment Co. Ltd.	9,251,697	1.85
Standard Chartered Custodian Royal Bank of Liechtenstein Singapore Co., Ltd.	8,213,184	1.64
Sheng Wei Investment Co. Ltd.	6,426,967	1.29
Yu-Ping Li	5,370,898	1.07

3. The Company's dividend policy and implementation

(I) Dividend policy:

The dividend policy approved at the Company's shareholders' meeting on June 22, 2018 is as follows:

When the Company makes a profit as indicated in the annual final accounting reports, the Company shall pay tax in accordance with the law, make up for accumulated losses and then set aside 10% as legal reserve except when the legal reserve has reached the Company's paid-in capital. In addition, if the Company complies with the regulations of the competent authorities, the remaining balance after setting aside or reversing the special reserve in accordance with the law, together with the accumulated unappropriated earnings, shall be retained at the discretion of the Board of Directors for business needs. The Board of Directors shall prepare a proposal for the distribution of earnings and submit it to the shareholders for a resolution to distribute dividends to shareholders.

The Company is a stable and growing company. In order to meet the operational development plan and achieve the goal of diversified operations. In case a shareholder dividend is distributed, the cash dividend portion shall be no less than 10% of the shareholder dividend distributed that year.

(II) Proposed dividend distribution at this shareholders' meeting

The Company shall propose at the 2025 shareholders' meeting to distribute cash dividends of NT\$174,999,421 at NT\$0.35 per share.

4. Effect of the stock dividends proposed at the shareholders' meeting on the Company's operating results and earnings per share: Not applicable as there is no stock dividend distributed this time.

5. Remuneration of employees and directors:

(I) The percentage or range of remuneration for employees and directors as set forth in the Articles of Association:

If the Company has annual earnings, it shall set aside NT\$2 million as employees' remuneration; the Company may set aside not more than 3% of the above-mentioned earnings as directors' remuneration. The aforementioned remuneration of employees and directors shall be resolved by the Board of Directors and reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount in losses make-up should be retained in advance, and the remuneration to employees and directors should be based on the aforementioned percentage.

(II) The basis for estimating the amount of profit-sharing remuneration to employees and directors is calculating the number of shares for employee remuneration distributed in stock and the accounting treatment; if the actual amount distributed differs from the estimated amount:

The profit sharing remuneration to employees and directors for the current period is estimated in accordance with Article 25 of the Company's Articles of Incorporation and is paid in cash. If there is a change in the amount as of the resolution date of the shareholders' meeting, the change will be accounted for as a change in the accounting estimate. It will be recorded as an adjustment in the year of the shareholders' meeting.

(III) Remuneration approved by the Board of Directors:

1. The amount of profit-sharing remuneration for employees is NT\$2,000,000 in cash. The amount for directors is NT\$6,000,000.

The amount of profit-sharing remuneration for employees and directors approved by the Board of Directors for 2024 is not different from the estimated amount.

2. The number of shares of employees' remuneration is 0 shares, representing 0% of the total net profits after tax and total employees' remuneration in the individual financial statements for the period.

(IV) Actual distribution of employee bonuses and directors' remuneration for the previous year:

The shareholders' meeting June 21st, 2024 resolved to distribute employee bonus NT\$2,000 thousand and NT\$6,000 thousand, respectively as 2023 employee bonus and director's remuneration, which did not differ from the above estimates.

6. Repurchase of the Company's shares: None.

- II. Issuance of corporate bonds and preferred stock: None.
- III. Handling of overseas depository receipts: None.
- IV. Handling of employee stock options: None.
- V. Handling of new share issuance for merger or acquisition or transfer of other companies' shares: None.
- VI. Implementation of capital utilization plan:
The Company's cash capital increase in the past has been fully implemented, and there has been no cash capital increase in the past three years (2022, 2023 and 2024).

Four. Operation overview

I. Business content

1. Business scope

(I) The business content of the Company is tourist hotel business and commercial building rental business.

Each revenue type as a percentage of operating revenue for the last two years

Unit: NT\$ Thousand

Year	2024		2023	
Revenue type	Amount	%	Amount	%
Rental incomes	269,743	76	247,766	72
Guest room revenues	49,389	14	57,355	17
Post and telecommunication service revenues	5	-	9	-
Food service revenues	34,651	10	36,213	10
Other incomes	2,092	-	1,953	1
Total	355,880	100	343,296	100

(II) Key performance indicator of the Company: room occupancy rate of 41.58% in 2024.

(III) The Company's current service offerings

- (1) Tourism hotel operation – providing accommodation, dining, socializing and meeting places for customers.
- (2) Commercial building leasing – offering commercial spaces for rent.

2. Industry overview:

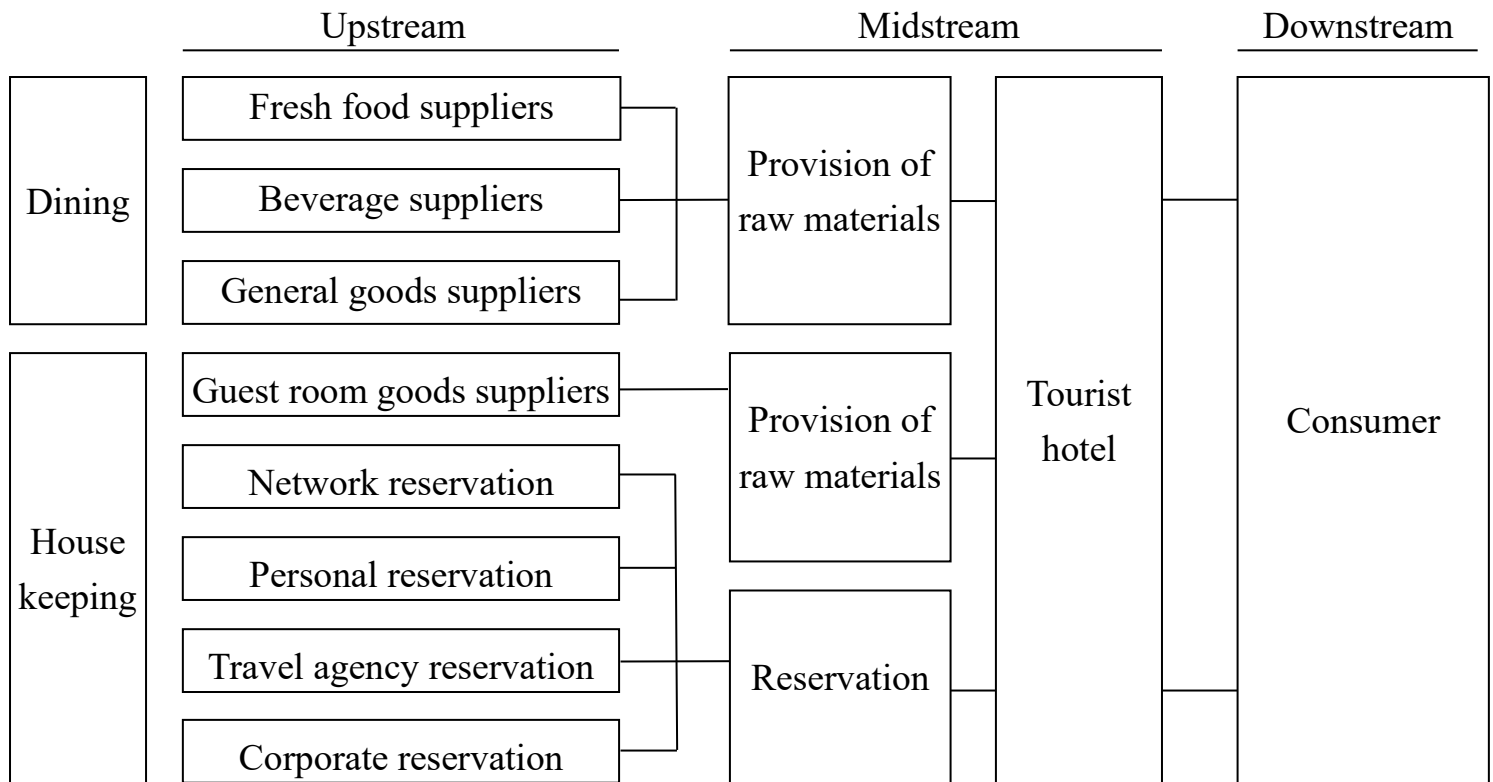
(I) Industry's overview, development and competition landscape

In 2024, the number of inbound tourists to Taiwan reached approximately 7.857 million. However, the depreciation of the Japanese yen led to a significant decline in visitors from Japan. Looking ahead, the company will continue to align with government policies, expand both domestic and international tourism markets, and enhance service quality. At the same time, we continue to explore diversified investment opportunities in order to increase revenue amid challenging market conditions.

(II) Correlation between upstream, midstream and downstream industries

The Company is a tourist hotel that provides lodging and dining services and is in the middle of the industry in terms of industry affiliation.

Correlation between upstream, midstream and downstream



3. Technology and R&D overview:

In addition to regular maintenance of our facilities and equipment, the Company also takes suggestions from our customers and staff to improve the quality of our services in the hope that our customers will be comfortable and satisfied when staying at our hotel.

4. Long- and short-term business development plans:

(I) Short-term development plan:

- (1) In cooperation with the Tourism Bureau of the Ministry of Transportation and Communications' policy of opening up visa-free entry, we plan to gradually develop visitor sources by targeting countries that are granted visa-free entry.
- (2) Stabilize and secure the source of guests from neighboring regions in Asia, especially Japan, Korea, and Mainland China. °
- (3) Actively seek foreign visitors to Taiwan for large-scale trade shows, international conferences, art groups, and sports events.
- (4) Actively participate in travel trade shows to expand our visitor base and enhance our hotel's reputation.
- (5) Strengthen human resource management and add internal software and hardware.
- (6) In line with the government's policy to promote the "Tourism Doubling Plan," the hotel has installed wireless Internet facilities to attract business travelers with "barrier-free internet access."
- (7) In order to enhance our services to our visitors, we have been renovating our guest rooms to improve the quality and comfort of our accommodation.
- (8) In order to ensure smooth internet access for customers, the hotel's network equipment has been upgraded to ensure the bandwidth is smooth at all times to comply with "barrier-free internet accessibility."
- (9) With the rapid growth of the global Internet population and the continuous improvement of smartphones, consumers' payment methods have gradually shifted from "plastic money" (credit cards) to "mobile money" (e.g. TaiwanPay, Apple Pay, Samsung Pay, LINE Pay, Alipay, etc.), foreseeing a greater integration of consumer behavior with the Internet in the future. For this reason, the Company has upgraded our hotel's software and hardware to boost the occupancy rate.

(II) Long term development plan:

- (1) Join international booking organizations to attract business customers and to gain more business.
- (2) We are a member contract store of the "Taiwan Traveler Card" for public officials promoted by the Tourism Bureau of the Ministry of Transportation and Communications.
- (3) The Company will introduce Maxin's Teppanyaki, Dante Coffee, G-Yen Hutong (Yakiniku and Eel rice), Yamachan International (Japanese Izakaya), Peng's Gourmet & Banquet (Hunan cuisine), Shiang Garden Taipei (Jiangsu and Zhejiang cuisine), Wowprime and other restaurants to attract consumers with a wide range of dishes and affordable prices.
- (4) In order to meet the changing trend of room booking, we have developed more room booking platforms.
- (5) Tap into the new wealthy customers from Southeast Asia.
- (6) Keep abreast of the trends of the electronic channel tools, enhance the performance of the payment flow operation platform, improve the effectiveness of electronic marketing, and strengthen the integration of the Internet marketing system.
- (7) In order to support the promotion of electronic invoicing by the competent authorities, the Company invested in a comprehensive upgrade of computer equipment in 2019 to meet the market demand.
- (8) Strengthen staff training, build employee cohesion, and establish a good reputation in order to achieve the vision of sustainable operation.

II. Market, production and sales overview

1. Market analysis

- (I) The main business sales area: The Company mainly operates tourist hotels and commercial buildings for rental, providing tourists with accommodation, meeting and dining venues, etc. Based on the nationality of the housing tourists in the past two years, the hotel's tourists are mostly from Southeast Asia and Northeast Asia

Unit : %

<div>Year</div> <div>Nationality of tourists</div>	2024	2023
Northeast Asia (Japan. Korea)	45.74	32.74
Southeast Asia (Mainland China, Hong Kong and domestic customers)	43.99	58.90
North America	5.75	4.46
Europe	2.06	2.41
Central Asia (India. Arabia)	1.04	0.50
Australia (New Zealand)	0.60	0.31
Africa	0.26	0.45
Other	0.56	0.23
Total	100.00	100.00

- (II)Market share of tourist hotels in the Taipei City

Unit : %

<div>Year</div> <div>Nationality of tourists</div>	2024	2023
Our country	0.71	0.91
Mainland China	0.23	1.24
Japan	2.42	3.02
Other areas in Asia	0.50	0.93
Other	1.03	1.86

(III) Future supply and demand in the market:

According to the United Nations World Tourism Organization (UNWTO), the future focus of global tourism development is in Asia. Taiwan is located at the center of the Asia-Pacific region and has potential for tourism development. The Tourism Bureau promotes the “Tourism2020-Taiwan Sustainable Tourism Development Program” with the goals of “innovation and sustainability to build a happy local industry,” “diversification and creation of added value in tourism,” and “safety and security to fulfill tourism social responsibility,” and through five major development strategies, including “developing diversified markets, promoting national tourism, guiding industrial transformation, developing smart tourism, and promoting experiential tourism” to actively build Taiwan's tourism brand and bring the world to Taiwan and Taiwan to the world.

(IV) Competitive niches and development prospects, favorable and unfavorable factors

(1) Competitive niches:

The hotel has a long history, is located in the center of the city with convenient transportation, and has a high reputation, allowing customers to enjoy the essence of local culture and interest. The room rate is in the middle of the range, which gives us a competitive edge in the market. °

(2) Favorable factors:

- a. The Tourism Bureau of the Ministry of Transportation and Communications has adopted a visa-free entry policy, which is conducive to increasing the willingness of foreign visitors to come to Taiwan.
- b. The hotel is located less than 200 meters from the MRT Songjiang-Nanjing Station Exit 1 and 8, and the Luzhou, Xinzhuang and Songshan lines all stop at the Songjiang-Nanjing Station. The operation of the airport MRT and the rise of low-cost airlines have boosted the willingness of the young generations from Japan, Korea, Hong Kong, Singapore and Malaysia to travel. It is believed that the international airlines and the domestic transportation network will be more closely integrated, and it will be more convenient for foreign tourists to arrive at the hotel via the well-connected MRT network, which is beneficial to the business opportunities of the hotel.

(III) Unfavorable factors:

- a. In order to promote the Tourism Doubling Plan, the government adopts BOT to encourage private operators to build several hotels and requires them to attract tourists to Taiwan by limiting the price, which made it difficult to raise the room rate in the market.
- b. The number of Mainland Chinese traveling to Taiwan has dropped dramatically, which has affected Taiwan's tourism industry.
- c. The implementation of the system of one fixed and one flexible day off per week has led to an increase in a number of costs, making operations more difficult.
- d. In the post-pandemic era, the increase in operating costs due to rising prices and a shortage of manpower have all affected the tourism industry.

(IV) Countermeasures:

Actively develop new customer sources and markets and diversify business and risks.

2. Important applications and production process of the major products:

The Company is mainly engaged in tourist hotels and commercial buildings rental, providing visitors with the necessary venues for accommodation, meetings, and dining.

3. Supply of major raw materials:

The Company is mainly engaged in tourist hotels and commercial buildings rental and the provision of rooms for accommodation, meetings and dining services. The major raw materials are room supplies and food, etc. The supply is stable.

4. The names of suppliers/customers who accounted for more than 10% of the total purchases (sales) in any of the most recent two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease. However, if the contract stipulates that the customer's name cannot be disclosed or if the counterparty is an individual and not a related party, the name of the customer may be substituted with a code:

(I) Major purchase suppliers: There are no suppliers who account for more than 10% of the Company's purchases, so it is not applicable.

(II) Major sales customers:

Information on the major customers in the most recent 2 years

Unit: NT\$ Thousand

2024				2023				Q1 2025			
Name	Amount	As a percentage of net sales for the whole year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales for the whole year (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales for the whole year (%)	Relationship with the issuer
Company A	249,278	70.05	None	Company A	228,552	66.58	None	Company A	61,744	69.50	None
Operating revenue	355,880	100.00	-	Operating revenue	343,296	100.00	-	Operating revenue	88,836	100.00	-

Note: The increase was due to the Central Epidemic Command Center's announcement that, effective May 1, 2023, COVID-19 (Severe Pneumonia with Novel Pathogens) would be reclassified as a Category IV communicable disease, following the downgrade of epidemic prevention measures.

III. Number of employees, average years of service, average age and education distribution percentage for the most recent 2 years

Information on employees for the most recent 2 years and the current year up to March 31st, 2025

Year		2024	2023	The current year as of March 31st, 2025
Number of employees	Management	25	25	24
	Technical staff	4	3	4
	Service staff	9	8	9
	Total	38	36	37
Average age		56.76	58.36	57.08
Average years of service		14.83	15.54	15.44
Education distribution percentage	Doctorate	-	-	-
	Master	-	1	-
	Above college	14	12	13
	Senior high school	21	19	20
	Below senior high school	3	4	4

IV. Information on environment protection expenditures: (None)

V. Labor relations

1. Employee benefits measures:

- (I) All of the employees of the Company are covered by labor and national health insurance.
- (II) In order to improve work efficiency and motivate employees, we provide monthly performance bonuses and appropriate profit-sharing remuneration for employees in accordance with the Company's Articles of Incorporation.
- (III) We provide lunch or dinner every day and have dormitories for our employees from other counties or cities to stay in so that they can save money on food and lodging.

2. Employee education and training:

(I) Employee training:

- (1) In 2024, the Company's safety and health consultant, Dongjun Industrial Co., Ltd., dispatched professionals to conduct internal training sessions for employees. These sessions cover general occupational safety and health education, disaster prevention training, and hands-on emergency drills. In addition, employees were arranged to participate in external safety and health training programs. In total, there were 119 instances of employee participation across both internal and external training activities.
- (2) The Company arranged for one internal auditor to attend two professional training courses hosted by the Institute of Internal Auditors, R.O.C., namely "Practical Audit Techniques" and "Key Issues in Legal Compliance and Internal Control," held on December 19 and December 24, 2024. The total training duration was 12 hours.
- (3) The Company arranged for its audit officer to attend the courses "Practical Approaches to Self-Assessment" and "Information Security and Cloud Security Audit Practices" held by the Institute of Internal Auditors, R.O.C. on September 20 and September 26, 2024, for a total of 12 training hours.
- (4) The Company arranged for the corporate governance officer to attend the following professional training sessions: on July 11 and July 30, 2024 the seminars organized by the Taipei City Government Department of Labor on "Labor Law and Practice" and "Guidelines for Legally Establishing and Holding Labor-Management Meetings," on May 16 and September 19, 2024 sessions titled "Building Knowledge for the New Carbon Era" as part of a sustainability advocacy campaign, on October 8 and November 7, 2024 professional training course titled "Corporate Governance Competencies and Financial Risk Assessment for Internal Auditors" and "Latest Regulatory Updates on Annual Reports, Sustainability Disclosures, and Financial Reporting with Internal Control Practices" held by the Accounting Research and Development Foundation and Securities and Futures Institute for a total of 24 hours.

(II) Managerial officers' training in corporate Governance-Related Courses:

The Company's accounting officer attended the "Continuing Education Program for Accounting Supervisors of Issuers and Securities Firms" organized by the Accounting Research and Development Foundation (ARDF) of the Republic of China from December 19 to 20, 2024, completing a total of 12 hours of training.

3. Retirement system:

In order to take care of our employees in their old age and to ensure that they can work in a stable environment, we have established the "Employee Retirement Plan." Also, the "Labor Pension Act" is applicable to all new employees after July 1, 2005.

4. Other important agreements:

In order to ensure the personal safety of our employees, the following protection measures are in place:

- (1) Regular employee health checkups once a year.
 - (2) The Company reports to the competent authorities twice a year for fire safety equipment inspection and once a year for safety inspection of fire prevention and refuge facilities and equipment in buildings.
5. Losses suffered from labor disputes in the most recent 2 years: (None).
6. Have the Company's personnel relating to the transparency of financial information obtained licenses specified by the competent authorities: None.
7. The Company has established operating procedures for handling internal material information under the "Management of Insider Transaction Prevention" and has communicated it to all employees in writing, and has every employee sign the "Non-Disclosure Agreement."

VI. Infocomm security management

1. Describe the Infocomm security risk management framework, infocomm security policy, specific management plan and resources invested in infocomm security management.

(I) Infocomm security risk management framework:

The Company's computer room is responsible for handling matters related to information system risk prevention and crisis handling to prevent computer network crimes and crises, and maintain information system security, and regularly implements infocomm security inspections and control and reports to the chairperson and independent directors every year.

In 2023, the Company appointed one Chief Information Security Officer and one information security staff member.

(II) Infocomm security policy:

Establish a security control mechanism for the computer network system to ensure the security of network data transmission, protect networking operations, and prevent unauthorized system access and leakage of confidential information.

(III) Specific management plan and resources invested in infocomm security management:

- (1) The Company purchased the AS400 host system from IBM. The AS400 is a closed system and is accessible only to internal personnel.
- (2) System and file data are backed up regularly, and database backups are performed daily.
- (3) A computer identification password is required for system access.
- (4) The Company has signed maintenance contracts with software and hardware vendors. Under these contracts, the vendors perform monthly maintenance to ensure the confidentiality, integrity, and availability of the Company's critical assets.
- (5) Computers with external connections are equipped with antivirus software.
- (6) In 2024, the Company conducted two information security awareness and training sessions to help employees understand relevant personal data protection laws, their responsibilities, and the mechanisms, procedures, and measures in place for protecting personal data.

Through the operation of information security and the implementation of information security policies, a safe and secure information security environment is provided to protect the information security of the Company's various services, so no information security insurance is purchased at the moment.

2. List the losses, possible impacts and countermeasures caused by major infocomm security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: None.

VII. Important contracts

May 1st, 2025

Nature of contract	Counterparty	Contract start and end date	Major content	Restrictive clauses
Lease contract	The Eslite spectrum Corporation	2018.06.01 2030.05.31	Rent out the second basement and ground 1-5 floors of No. 14 Nanjing West Road, Taipei City used for department stores, etc.	—
Lease contract	Kuang Zhen Co., Ltd.	2025.07.01 2027.06.30	Rent out the entire second floor of No. 63, Section 2, Nanjing East Road, Taipei City for PENG'S GOURMET & BANQUET	—
Lease contract	Shiang Garden Taipei	2025.02.21 2027.02.20	Rent out the entire third floor of No. 63, Section 2, Nanjing East Road, Taipei City for Shiang Garden Taipei.	—
Lease contract	Wowprime Corp.	2023.05.26 2028.05.25	Rent out the 2 nd and 3 rd floors and the entrance stairwell on the 1 st floor of No. 65 and 67, Section 2, Nanjing East Road, Taipei, and No. 63 to Ikki Japanese cuisine.	—
Lease contract	Macine's Western Restaurant Co., Ltd.	2025.01.01 2025.12.31	Rent out the basement floor of No. 63, Section 2, Nanjing East Road, Taipei City, for teppanyaki.	—

Five. Review and analysis of the financial status, financial performance, and risks

I. Financial status:

Unit: NT\$ Thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	2,968,940	2,914,150	54,790	1.88
Non-current assets	8,772,619	8,510,834	261,785	3.08
Total Assets	11,741,559	11,424,984	316,575	2.77
Current liabilities	136,731	168,276	(31,545)	(18.75)
Non-current liabilities	1,423,869	1,355,805	68,064	5.02
Total liabilities	1,560,600	1,524,081	36,519	2.40
Capital stock	4,999,984	4,999,984	-	-
Capital surplus	76,031	76,031	-	-
Retained earnings	3,650,380	3,546,118	104,262	2.94
Other equity interests	1,454,564	1,278,770	175,794	13.75
Total equity	10,180,959	9,900,903	280,056	2.83
Explanation: Not applicable, as the variance is less than 20%.				

II. Financial performance

1. Comparative analysis of operating results

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increase or Decrease amount	Change percentage (%)
Operating revenue	355,880	343,296	12,584	3.67
Operating costs	82,173	78,437	3,736	4.76
Gross profit	273,707	264,859	8,848	3.34
Operating expenses	31,885	29,212	2,673	9.15
Operating profit	241,822	235,647	6,175	2.62
Non-operating income and expenses	101,558	138,967	(37,409)	(26.92)
Profits before tax	343,380	374,614	(31,234)	(8.34)
Income tax expenses	65,649	73,919	(8,270)	(11.19)
Net profits after tax	277,731	300,695	(22,964)	(7.64)
Analysis of changes in the percentage of increase or decrease: Non-operating income and expenses in 2024 decreased by more than 20% compared to 2023, mainly due to a decline in the share of gain or loss of affiliated enterprise recognized under the equity method.				

2. Analysis of changes in gross operating profit: Not applicable as the change is less than 20%.

3. Expected sales volume and its basis, potential impact on the Company's future financial and business operations, and corresponding response plans: Please refer to page 1.

III. Review and analysis of cash flow

1. Analysis of liquidity for the most recent 2 years

Item \ Year	2024	2023	Increase or decrease percentage (%)
Cash flow ratio	110.5	112.0	(1.34)
Cash flow adequacy ratio	106.9	102.5	4.3
Cash reinvestment ratio	(0.2)	0.2	(200.00)
Analysis of changes in the percentage of increase or decrease: The cash reinvestment ratio in 2024 decreased by more than 20% compared to 2023, mainly due to an increase in income tax payments.			

2. Analysis of cash liquidity for the coming year

Unit: NT\$ Thousand

Cash at the beginning of the period (1)	Estimated net cash flow from operating activities for the whole year (2)	Estimated cash outflow for the year (3)	Estimated cash balance (1)+(2)-(3)	Remedies for estimated cash shortage	
				Investing plan	Financing plan
224,214	396,182	304,215	316,182	-	-

IV. Effect of major capital expenditures on finance and business matters in the most recent year. None.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year.

The Company has invested in domestic and foreign companies to expand and diversify operations. After tax of these invested enterprises, the net profits have been growing steadily over the years, which is beneficial to the Company's investment income. However, due to the impact of the COVID-19 epidemic, the world adopted a closed-door management policy, which resulted in a severe economic recession and contraction, and the tourism industries were also affected by the epidemic. The Company will continue to pay attention to the subsequent development and prudently respond to reduce the possible adverse impact.

VI. Risk management assessment:

1. The impact of changes in interest rates, exchange rates, and inflation on the Company's profit and loss in recent years and future countermeasures:

(I) Changes in interest rates

The Company has no short-term or long-term loans as of the date of publication of the annual report. Therefore, the interest rate has no significant impact on the Company.

(II) Changes in exchange rates:

The depreciation of the NTD can encourage more foreign tourists to visit Taiwan. Conversely, when the NTD appreciates, the cost of traveling abroad for local residents decreases, which may lead to a decline in domestic tourism demand. At the same time, a stronger NTD increases the expense for foreign visitors, potentially reduce their willingness to travel to Taiwan. This could place pressure on the domestic tourism industry. To address this, the company will proactively develop both domestic and international markets, adopt a diversified business strategy, and mitigate risks in response to exchange rates fluctuations.

(III) Inflation

The Company interacts well with suppliers, keeps an eye on the changes in market prices, reduces purchase costs by controlling prices with volume. We also have alternative suppliers available to counter the impact of inflation on the Company's profit and loss.

2. Policies on high-risk and high-leverage investments, loan extensions to others, endorsements and guarantees, and derivative transactions, the main reasons for the gain or loss, and future countermeasures: Not applicable.

3. Future R&D plans and estimated R&D expenses: Not applicable.

4. The impact of significant domestic and foreign policies and legal changes on the Company's finance and business, and countermeasures:

The Company pays attention to important domestic and international policy and legal changes that affect its operations. As of the publication date of the annual report, the changes in relevant laws and regulations did not have a significant impact on the Company.

5. Impact of technological changes (including information and communication security risks) and industry shifts on the Company's financial and business operations, and corresponding countermeasures: In recent years, the government has implemented various tourism policies, prompting many enterprises to enter the tourism industry. This trend has not only driven the robust development and competitiveness of the tourism sector, but also revitalized the overall market environment. In response to this increasingly competitive landscape, the Company has been actively cultivating reserve management talent and enhancing service quality, aiming to better adapt to uncertainties arising from intense market competition.
 6. Impact of recent corporate image change on corporate crisis management and countermeasures: Not applicable.
 7. Expected benefits and possible risks of mergers and acquisitions and countermeasures: Not applicable.
 8. Expected benefits of plant expansion and possible risks and countermeasures: Not applicable
 9. Risks associated with the concentration of purchases and sales and countermeasures: The company's business operations include the hospitality and tourism industry as well as commercial property leasing. Currently, the situation with suppliers is stable.
 10. The impact on the Company, risk and countermeasures of a substantial shift or change in the shareholdings of directors, or major shareholders holding more than 10 percent of the shares: None.
 11. The impact of the change in management rights on the Company, the risks and countermeasures: Not applicable.
 12. For litigation or non-litigation events, if the Company, its directors, supervisors, General Manager, de facto person in charge, major shareholders with more than 10% stake, or subordinate companies have been convicted by final and binding judgments or are still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the annual report shall be disclosed: None.
 13. Other important risks and countermeasures: None.
- VII. Other important matters: None.

Six. Special matters

- I. Information on affiliated company: Not applicable
- II. Private placement of securities in the most recent year and the current year up to the date of publication of this Annual Report: None.
- III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent year and the current year up to the date of publication of the annual report: Not applicable.

Seven. Any of the situations listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act which may materially affect shareholders' equity or the price of the Company's securities during the most recent year or the current year up to the date of publication of the annual report: None

FIRST HOTEL COMPANY LTD.

Person in charge: An-Sheng Ku