

Stock Code 3056



Fu Hua Innovation CO., LTD.

Original Name. Zongtai Real Estate Development CO., LTD.

【 Annual Report 2024 】

「Annual Report Website」

a. Market Observation Post System : <https://mops.twse.com.tw>

b. Company Website : <https://fuhua-inno.com.tw>

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Notice to Readers

This English version annual report is a summary translation of the Chinese version.

And is not an official document of the shareholders' meeting.

If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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- 5 Name of Overseas Exchange Where Securities Are Listed and Method of Inquiry : No

- 6 Website : <https://www.fuhua-inno.com.tw/>

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I. Letter to Shareholders

1 2024 annual operation report

According to statistics of Ministry of the Interior, registration number of building transaction for the year ended December 31, 2024, was 350,509, although it was 43,538 (14.2%) more than 2023. The house transaction volume has been exceeding 300,000 for 6 years. More than 40,000 buildings have increased compared to last year, indicating that the domestic real trading market is supported by abundant funds, preferential housing loans for the youth, rigid demand, and the overall demand is better than expected.

Observing the monthly performance, it can be found that the number of buildings bought and sold in the Q1 to Q3 of 2024 has been extremely hot. It is speculated that benefiting from the strong demand for global AI technology industry, the performance of foreign trade and exports has been better than expected, and the stock and foreign exchange markets have performed well, with abundant market funds and the impact of the " preferential housing loans for the youth " policy, which has boosted the overall prosperity of the housing market. By late September, the central bank issued the seventh wave of credit control to regulate the overheated market, and the housing market entered a consolidation period and tended to adopt a rational wait-and-see approach. However, due to the large number of new housing deliveries in the fourth quarter of 2024, the performance for the whole year was also good.

In recent years, in order to improve the housing market, the government has successively offered measures such as selective credit control of real estate, regulations on equal land ownership, and 2.0 tax on real estate. Last year, it used measures such as a loan restriction order and the seventh wave of credit control to curb the overheating of the housing market. Observing the international situation, after Trump returned to the White House, the interests of the United States were given priority, and it was predicted that the manufacturing industry would return to the United States, attach importance to the development of AI technology industry and semiconductor industry, and adjust the energy resources policy, which would affect the development and layout of global industries. As soon as he took office, he announced a series of policies, which heated up the China-US trade war, raised tariffs on Canada and Mexico, planned taxes on steel,

aluminum and chips, withdrew from the Paris climate agreement, whether the Russian-Ukrainian war ended peacefully, and whether geopolitical conflicts could be alleviated, all of which may affect the fluctuation of raw material prices. The subsequent competition and cooperation between Trump's New Deal and other countries will also affect the global financial market and economic changes, and then affect the real estate cost and confidence in investment and property purchase.

Looking at the overall housing market prices and volumes in 2024, the housing market showed a shift from expansion to convergence in late September due to the impact of the seventh wave of credit controls. However, many completed new projects were delivered before the Lunar New Year; The housing loan queue since the third quarter of 2024 has been gradually digested in the fourth quarter, resulting in an increase in the number of cases where loan disbursement is completed and housing registration is completed by the end of the year; Due to factors such as reduced purchasing power and increased opportunities for pre year transactions, some existing home sellers have released more bargaining space, resulting in a new high in performance for the whole year.

The number of buildings registered for the first time in various counties and cities across the country in 2024 was 163,006. An increase of 9.2% from 2023, and they were also concentrated in the six capitals. Among them, Taichung City has the highest proportion of 26,978 buildings, accounting for 16.6% of the country. Followed by Taoyuan City with 24,780 buildings accounting for 15.2% of the country. However, New Taipei City with 23,146 buildings accounting for 14.2% of the country and ranking third. Taichung City, Taoyuan City, and New Taipei City were among the six capitals with more than 20,000 buildings registered for the first time in 2024. Among them, Taichung City increased by 11.3% compared to 2023. Observing the population changes in the six major cities in recent years, Taichung has jumped to the second largest city, with a population of 2.86 million in 2024, an increase of nearly 15,000 compared to 2023. This has driven strong demand for self occupation in the pre-sale housing market in Taichung City. Due to frequent earthquakes, the demand for old houses to be replaced by new houses has not decreased, and with the assistance of the “preferential housing loans for the youth”, the overall performance ranks first.

The project “The Way Home” is handing over in 2024 Q4, and will be handed over completed in the first half of 2025. In the future, the domestic real estate industry will inevitably maintain high unit price products due to the rise in land and construction costs. In addition, the overall market consolidation period will be extended due to the impact of domestic policies to curb the overheating of the housing market, and the market will return to a basic market dominated by rigid demand. In the future, our company will focus on construction, develop diversified operations, create diverse sources of profit, and promote the sustainable and stable development of the enterprise. The promotion plan will carefully evaluate the dynamic demand for market products, aiming to create maximum benefits for the company and all shareholders, and continue the brand concept to deepen differentiation value.

1.1 Operating plan outcome

Revenue in 2024 was NT\$12,753,660 thousand, increased by 737.82% compared to NT\$ 1,522,239 thousand in 2023. Operating cost increase by 41.12%, other income (losses) increased by 17.16%, profit before tax was NT\$ 2,718,023 thousand, increased by 558.92% compared to NT\$ 412,497 thousand in 2023, net profit was NT\$ 2,188,849 thousand, increased by 613.27% compared to NT\$ 306,874 thousand in 2023.

1.2 Budget execution : Not applicable.

1.3 Financial income(losses) and profitability

1.3.1 Financial income(losses)

In thousand NT\$			
Item	2024	2023	Percentage (%)
Operating revenue	12,753,660	1,522,239	737.82
Gross profit from operations	3,055,754	641,277	376.51
Operating net profit	2,645,242	350,377	654.97
Interest income	37,970	34,709	9.40
Interest expense	21,022	19,766	6.35
Profit before tax	2,718,023	412,497	558.92

1.3.2 Profitability

Analysis Item of the Year		2024	2023
Rate of Return on Assets (%)		10.99	1.49
Rate of Return on Equity (%)		27.63	4.23
Account for Capital (%)	Operating profit	74.31	10.23
	Profit before tax	76.35	12.05
Net profit rate (%)		17.16	20.15
Earnings per share (NT\$)		6.15	0.90

Note : 1. Rate of return on assets = $[\text{Profit} + \text{Interest expense} \times (1 - \text{Tax rate})] / \text{Average assets}$

2. Rate of return on equity = $\text{Profit} / \text{Average total Equity}$

1.4 Research and Development

1.4.1 Production Policy :

- 1) Develop aggressively, invest prudently.
Deepen construction proficiency and analyze market trend;
Expand development channel and enhance diversity.
- 2) Plan on a local basis and fulfill an idea.
Hold original intention and implement ideality; return to human nature and construct steadily.
Do further study in architecture and share blessedness by building up communities.
- 3) Manage in project and divide into individual cases.
Clear right and responsibility to stabilize finance, compliance, and general and avoid rigidity.
- 4) Announce for the brand and fulfill it.
Establish a brand declaration from the perspective of consumers, review and supervise, and actively implement it.

1.4.2 Sales strategy :

- 1) Construction of humanity, brand of philosophy.
Construction philosophy is based on humanity, brand idea is based on empathy.
- 2) Public platform with honesty.
Operate openly and transparently as a listed company, also recognized as an honest company with credibility.

- 3) Reflect policy and improve the real estate market.
Keep track of changes in policy to shorten fluctuation, and firmly operate the business.
- 4) Sensational Marketing, Cross-industry Alliances.
Create recognition and trust for sensational marketing and explore cross-industry alliance opportunities.
- 5) Define Taichung, Track with the world.
Macro structure mind, building sustainable cities and a culture of shared happiness.

2 2025 operation plan outline

2.1 Operating plan

Construction business development targets are separated into short- term, mid-term, long-term :

2.1.1 Short-term target :

- 1) Develop a dual brand strategy, with its subsidiary "Fuhua Construction" planning total priced homes, and its subsidiary "Shenglin Construction" planning high-end homes and healthy homes.
- 2) Smooth sales of individual cases

2.1.2 Mid-term target :

- 1) Deepen the company's brand value.
- 2) Expand the field of business investment.
- 3) Develop land with good prospect.
- 4) Enhance residential brand recognition.

2.1.3 Long-term target

- 1) Operating firmly, openly and clearly
With a stable financial status and a public transparent platform, create a sustainable development business model.
- 2) Focus on the main business, operate a diversity.
The Company has been actively engaging in other industries based on its core business to broaden its revenue channels and increase its brand value.
- 3) Company culture, brand asset

Combine entrepreneurship with business culture, and deepen the brand with humanism, also combine with the ESG sustainability spirit so that we make our brand one of a kind.

- 4) Diversified career development, creating diverse sources of profit
Counseling the subsidiary "Zongtai Construction" to expand its business and develop towards IPO on the listed market

2.2 Anticipated sales volume and bases

Projects under selling :

2.2.1 “The Way Home” is located next to Xin Tao Hua Yuan Bridge, Huantai E. Rd., Beitun Dist., Taichung City. It’s a rare large-scale base development project in the urban area. With a complete settlement lifestyle, there are 1,856 houses and 1,940 parking spaces. The total sales are approximately NT\$15.9 billion and handed over in 2024 Q4.

2.2.2 The “Unveiling” base is located at the intersection of Section 2 Dunhua Rd. and Jingmao East Rd. in Taichung City. It’s a rare place in the city center with a complete street outline surrounded by roads. It’s proximity to the green belt of the Shuinan Trade and Economic Park and it’s the high-end living area where international elites gather. It’s planned to have 190 households (including 4 stores) and 466 parking spaces, with a total sale of approximately NT\$8.5 billion. It’s expected to be completed and handed over in 2027.

2.3 Production and sales policy

2.3.1 Build a digital database of land, and delegate the project manager to evaluate and improve development performance.

2.3.2 Individual project uses a profit center system for expanding performance.

2.3.3 Project folder digital platform could accumulate projects and be used for education purposes.

2.3.4 Engage in construction material fair, furniture fair, and visit characteristic building to gain new knowledge and strengthen product planning ability.

2.3.5 Establish a 3D digital architecture graphic design department to enhance the control on engineering management.

- 2.3.6 Originate establish third-party notary house inspecting system to deepen the trust in the brand.
- 2.3.7 Arrange friendly food areas in construction sites to build relationships with neighbors and improve construction culture.
- 2.3.8 Keep entering credible architecture competitions for sharing honor and making self-improvement.
- 2.3.9 Insist on constructing legally, use legal material, and finish the public facility during the handover of house.
- 2.3.10 Deepen brand announcement with ESG, extend from employees to consumers for creating brand value.

3 Future development strategy

3.1 Digitalization

3.1.1 Marketing digitalization

The purpose of digitalization is to expand the range of information transportation and take environmental protection as motivation for digitalization. We set our brand target on building a friendly environment and keep learning new knowledge and techniques of digital marketing.

3.1.2 Data digitalization

In response to each project's location and employee's needs, we digitalize all information and data, optimize the EIP system, and build a database. We continuously accumulate information on land and the market. We also introduce a cloud database, and build a self-owned market database, which combines mobile devices to improve working efficiency.

3.1.3 Information digitalization

We combine the official website and app, placing handover information on the cloud for customers to log in and download information. The system can avoid use too much non-environmentally friendly consumption. We expand the system to paper works, such as payment reminders to enhance the efficiency and preservability of information transportation.

3.2 Diversity

3.2.1 Construction and development

Keep cultivating in industry, operate flexibly, following market trends for developing sustainably.

3.2.2 Business operation

Development plan to extend cooperation with multiple industries.

4 Impacts of external competition, regulatory, and overall operating environment

4.1 External competition

Land development capability will directly affect development efficiency. And it's also the reason why construction companies should improve the accuracy and speed of pre-evaluation operations in the current situation where information is becoming more open and transparent. Use the platform of listed enterprises to show the operation intensity can maintain information advantages, and with market research information and sensitivity. Use a prudent attitude to determine the land purchase strategy and meet the goal of sustainable operation. Moreover, consumers nowadays attach great importance to the brand value, which is reflected in the display of after-sales service capabilities. Besides the completeness and difference of the products, the Company also keeps working on after-sales service to enhance the connections between people and communities. Through interacting with consumers, the Company can stand out from the highly competitive market.

4.2 Regulation

Domestic real estate regulations and policies have become more stringent since the Actual Selling Price Registration of Pre-sale Houses and House and Land Transaction Income Tax were implemented in 2021, the Equalization of Land Rights Act had been officially launched in 2023, loan restrictions in 2024 and 7th credit control of the real estate, etc., which had made huge effects on the willingness of consumers to purchase houses. Nonetheless, the Company will continue to study the regulations to ensure stable operations and shareholders' interests.

4.3 Overall operating environment

According to the predictions of major international organizations, the global

economic growth will be between 2.7% and 3.3% in 2025. According to the forecast of the Chinese Academy of Economics, Taiwan Province's economic growth rate is about 3.1%, benefiting from the continued strong export demand of high-tech industries and abundant domestic investment funds, showing a steady recovery pattern as a whole, but it is necessary to evaluate the impact, risks and effects of the subsequent Trump New Deal. After a series of regulation, the domestic housing market will slow down, supported by rigid demand. It is expected that the real estate market will show a trend of " volume reduction and price stabilization" this year.

Taichung is a vibrant and thriving city, with blue MRT line is expected to be completed by 2034, green MRT line extension plan has been approved by the Executive Yuan and is expected to be completed in 9 years. Large shopping malls and medical park development program are gradually taking shapes. Taichung Dome has signed the contract and is expected to be completed in 2030. Moreover, the Shuinan Trade and Economic Park has started to become popular, with one of its central parks, having 67 hectares and 200,000 pings larger than the Daan Park, become a popular spot for Taichung residents to relax and take photos. Taichung Green Museumbrary expected completed in 2025, Virtuosi Hall designed by Kuma Kengo expected used in 2025; Also the construction of Central Taiwan Cinema Center, Taichung International Convention and Exhibition Center, and Shuinan Transit Center could enforce the functions of the area. It shows that the strong development of Taichung is foreseeable.

5 Annual outlook

Looking back, the central bank started the seventh wave of credit control last year, which caused the housing slumping demand of whole Taiwan in the second half of last year. However, in the first half of last year, the housing market brought by “preferential housing loans for the youth” an was hot. Although the central bank continued to offer control policies in the second half of last year, the number of trading transfer buildings in Taiwan in 2024 still hit a new high in recent years.

Taichung City has the highest number of buildings in the country in terms of the first registration of building ownership. It's increased by 16.6% from 2023. In

addition to the increase in population entering Taichung and the boost in market demand, Taichung City has seen results in various development plans in recent years, and will become a new area that is in line with international standards and most concerned by the public. With the multiple efforts of the industry and government, Taichung City is undergoing a transformation and a magnificent transformation.

Fu Hua Innovation upholds the concept of sustainable enterprise management. Reflecting in the international trend of net zero carbon emissions in 2050 to incorporate ESG sustainability into the brand development. Creating an innovative, intelligent, modern, elegant, and warm corporate brand image with the humanistic spirit and life aesthetics. Hoping to shape product differentiation through long-term cultivation.

Because of the rapid change in the market caused by housing market policies in recent years, Fu Hua Innovation has transformed into diversified operations since June 2023. The focus of the construction industry has shifted to the Shuinsn Trade and Economic Park area. To demonstrate the Company's long-term development determination of the enterprise, the headquarters will also move to Shuinan and launch a new project "Fu Hua Innovation-Unveiling", which covers an area of 2,775 pings and is sold exceeded 50% . There is also a new project, covering an area of 644.7 pings, located at the intersection of Taiyuan Road Section 3 and Xiangshun East Road Section 1. It is expected to be launched in the third quarter of this year. There are also planned land numbers for Wenshang 15 and Wenshang 53.

Zongtai Construction, is 100% held by of Fu Hua Innovation, not only undertakes the construction of the companies but begins to develop external business. It's also involving construction, factory offices, and other related projects. It has obtained 5 projects in 2 years. Including the "Dongguang Housing", "Songzhu Housing" and the "Buzi Junior High School" in 2023. "Chun She An Ju B" and "Yongfu Housing" in 2024.

Fu Hua Innovation also extends the spirit of ESG sustainability to cooperation with industry, government, academia and other parties, hoping to create more sparks in architecture. It also deepens into community, and continues to create good interaction and communication channels with the community and

residents, bringing the human touch of Taiwan's early society back to the community, forming a mutual aid network that is benevolent and beautiful, and achieving the goal of a sustainable and harmonious community. Pay more attention to green base development and provide residents with modern livable buildings that integrate the green environment and nature to achieve balance and harmony.

Except to add ESG sustainability spirit, features and trust, promoting product differentiation and comprehensive services can transfer into performance. All the employees of the Company will execute aggressively, operate stably, construct quality buildings with Fu-Hua's honesty image and create profit.

Best regards to all Shareholders

Liu, Wei-Ju Chairman of the Board

II. Governance

1 Information of Directors, President, Vice President, Vice Managers, heads of departments and branch offices.

1.1 Information of directors

April 19, 2025

Title	Nationality or registration site	Name	Sex Age	Date elected	Term Expires	Date first elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Under Others' Name		Selected Education, Past Positions & Current Positions	Selected Current Positions at the Company and Other Companies	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Ratio of Shares held	Shares held	Ratio of Shares held	Shares held	Ratio of Shares held	Shares held	Ratio of Shares held			Title	Name	Relation	
Chairman of the Board	R.O.C	Tso Jung Investment Co., Ltd.	-	June 12, 2024	3 years	May. 20, 2014	35,395,403	10.34%	36,811,219	10.34%	-	-	0	0.00%	-	-	-	-	-	
	R.O.C	Representative : Wei-Ju, Liu	F 51~60	June 12, 2024	3 years	April 20, 2023	81,330	0.02%	136,583	0.04%	0	0.00%	0	0.00%	Bachelor of Department of Business Administration of Overseas Chinese University Chairman of Yongfu Real Estate Development Co., Ltd. Chief Financial Officer of Zongtai Real Estate Development Co., Ltd.	Director of Fu Hua Foundation Chairman of Ritai Asset Management Co., Ltd.	None	None	None	
Director	R.O.C	Chia-Chi, Kuo	F 51~60	June 12, 2024	3 years	June 24, 2015	141,764	0.04%	147,434	0.04%	0	0.00%	0	0.00%	Bachelor of National Taiwan University Accounting CPA of Kuo, Chia-Chi Accounting Firm	CPA of Kuo, Chia-Chi Accounting Firm Chairman of Tsunghung Investment Co., Ltd Independent Director of Fumou Taffeta Co., Ltd Independent Director of Fine Blanking & Tool Co., Ltd Supervisor of Huipao Management Consulting Co., Ltd	None	None	None	
Director	R.O.C	Cheng Yung, Lin	M 51~60	June 12, 2024	3 years	July. 30, 2021	149,640	0.04%	155,625	0.04%	0	0.00%	0	0.00%	Chiao Tai High School Department of Electronics Proprietor Special Assistant of China Times General Manager of Sheng Hua Manpower Resource Co., Ltd Director of Kaison Green Energy	Chairman of Sheng Hua Manpower Resource Co., Ltd Chairman of Sheng Hua Manpower Consulting Co., Ltd Chairman of Chinyucheng Investment Co., Ltd Chairman of Huangyueh Industrial Co., Ltd Director of Sun Team Construction Co., Ltd Vice chairman of Kaison Green Energy Technology Co., Ltd Director of Hwa Fong Rubber (Thailand) Public Co., Ltd Director of Fuente International Co., Ltd Director of Hwan Tai Solar Co., Ltd Director of Everbrite Technology Co., Ltd Director of C-LiFe Technology Co., Ltd Chairman of Ean Lu Co., Ltd Director of Hwan Tai Real Estate Co., Ltd Director of Energy Composite Technology Co., Ltd Director of Jiangao Green Material Aluminum Co., Ltd Supervisor of Full Best Service Co., Ltd Supervisor of Cheng Fang Development Co., Ltd Supervisor of Jin Tai Management	None	None	None	

Title	Nationality or registration site	Name	Sex Age	Date elected	Term Expires	Date first elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Under Others’ Name		Selected Education, Past Positions & Current Positions	Selected Current Positions at the Company and Other Companies	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Ratio of Shares held	Shares held	Ratio of Shares held	Shares held	Ratio of Shares held	Shares held	Ratio of Shares held			Title	Name	Relation	
Director	R.O.C	Chih-Cheng, Hong	M 51~60	June 12, 2024	3 years	June 12, 2024	200,000	0.06%	130,000	0.04%	0	0.00%	0	0.00%	Master of National Yunlin University of Science and Technology Department of Finance Assistant manager of branch of Land Bank of Taiwan Chairman of Qiaoyuan Investment Co., Ltd	Director of Fu Hua Foundation Chairman of Qiaoyuan Investment Co., Ltd	None	None	None	Note 1
Director	R.O.C	Wu-Kuo, Chou	M 51~60	June 12, 2024	3 years	June 12, 2024	182,000	0.05%	189,280	0.05%	0	0.00%	0	0.00%	Bachelor of School of Dentistry of Taipei Medical University Master of Business an administration of Feng Chia University	Dean of CH Dental	None	None	None	
Director	R.O.C	Chao-Shu, Chen	F 51~60	June 12, 2024	3 years	June 12, 2024	233,941	0.07%	243,298	0.07%	0	0.00%	0	0.00%	Feng Chia University Masster of Department of Land Management Land administration agents of Jhao-Shu Land Administration Agents Office	Land administration agents of Jhao-Shu Land Administration Agents Office Chairman of Yinshun Industry Co., Ltd. Municipal Consultant of Taichung City Government Chairman of Soroptimist International of Taichung City Chairman of Taichung Municipal Taihcung Girl’s Senior High School Cultural Foundation Vice chairman of Education Foundation of the Affiliated Senior High School of National Chung Hsing University Managing Director of Education Foundation of Nantou High School Director of National Alliance of Parents Organization	None	None	None	
Independent Director	R.O.C	Yao-Jia, Wen	M 61~70	June 12, 2024	3 years	July 30, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	National Chung Hsing University Master of Business Administration Chairman of ShinSyin Management Consulting Co., Ltd	Chairman of ShinSyin Management Consulting Co., Ltd General Manager of ShinShin Consulting Co., Ltd Chief Executive Officer of Mingchi Hsingyuan Culture & Art Co., Ltd President of Taiwan Formosa Association of Construction and Development Professional Specialist speaker of National Chung Hsing University CEO of Jia Ren Tang Traditional Chinese Medicine Clinic Director of Quteng Information Co., Ltd	None	None	None	

Title	Nationality or registration site	Name	Sex Age	Date elected	Term Expires	Date first elected	Shares Held When Elected		Shares Currently Held		Shares Currently Held by Spouse & Minors		Shares Held Under Others' Name		Selected Education, Past Positions & Current Positions	Selected Current Positions at the Company and Other Companies	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Ratio of Shares held	Shares held	Ratio of Shares held	Shares held	Ratio of Shares held	Shares held	Ratio of Shares held			Title	Name	Relation	
Independent Director	R.O.C	Yong-Jen, Tsao	M 61~70	June 12, 2024	3 years	June. 24, 2015	0	0.00%	0	0.00%	1,477	0.00%	0	0.00%	Soochow University Master of Accounting Director of EnWise CPAs & Co. Director of CPA Associations R.O.C. (Taiwan)	Partner of EnWise CPAs& Co. Independent director of Ability opto-Electronics Technology Co., Ltd. Director of Paiho Shih Holdings Co., Ltd Independent director of ALFOT Technologies Co., Ltd. Supervisor of Yung Fa Steel & Iron Ind. Co., Ltd Chairman of Waton Consultant Co., Ltd. Supervisor of Sinwell Tech Co., Ltd Reorganizer of Sheng Hua Technology Co., Ltd	None	None	None	
Independent Director	R.O.C	Ming-Hai, Lee	M 51~60	June 12, 2024	3 years	June. 8, 2018	0	0.00%	0	0.00%	0	0.00%	0	0.00%	FCU Master of Law Vice-Chairperson of Ethics Committee of Taiwan Bar Association Advanced Member of Chartered Institute of Arbitrators Commissary of Alternative Dispute Resolution of Taiwan Bar Association Arbitrator of Chinese Arbitration Association Counsel of Taichung Architect Association Honorary Director of Leagel Risk Management Society of Taiwan	Lawyer of Harvard Law Firm Professional Specialist, Assistant Professor Level of FCU Counsel of Taichung Association of Interior Design and Decoration Counsel of Nantou County Police Bureau and Fire Bureau Counsel of Taiwan B&B Association	None	None	None	

Note 1: Chih-Cheng, Hong was appointed as the new general manager on May 10, 2024, and resigned on February 28, 2025.

1.2 Top 10 Shareholders of Major Corporate Shareholders :

April 19, 2025

Name of Corporate Shareholders	Major Shareholders of Corporate Shareholders
Tso Jung Investment Co., Ltd	His-Kun, Wu(47.2%), Su-Ru, Liu(34.8%), Tso-Jung, Wu (9.0%), Shun-Wen, Wu (9.0%)

1.3 Names of major shareholders of major owners listed in following Table :
None.

1.4 Disclosure of Professional Qualifications of Directors and Independence of Independent Directors :

Condition Name	Professional Qualification Requirements & Work Experience	Criteria	Number of public companies also serving as independent directors
Wei-Ju, Liu	Capabilities related to business, finance, operations, and construction industry. Experience : Chairman of Yongfu Real Estate Development Co., Ltd. Chairman of Chungshanchien Co., Ltd Director of Zong Tai Construction Development Co., Ltd Director of Blueprint Construction Co., Ltd. Supervisor of Shenglin Real Estate Co., Ltd. Director of Yun-Fu Foundation Current position: Chairman of the Company, also serve as Ritai Asset Management Co., Ltd, 100% subsidiary	Not applicable	0
Chia-Chi, Kuo	Capabilities related to business management, accounting information and financial analysis and obtained an accountant license. Current position: CPA of Kuo, Chia-Chi Accounting Firm Chairman of Tsunghung Investment Co., Ltd Independent Director of Fumou Taffeta Co., Ltd Independent Director of Fine Blanking & Tool Co., Ltd Supervisor of Huipao Management Consulting Co., Ltd	Not applicable	2

Condition Name	Professional Qualification Requirements & Work Experience	Criteria	Number of public companies also serving as independent directors
Cheng-Yong, Lin	Capabilities related to finance, marketing, business and management. Current position: Chairman of Chinyucheng Investment Co., Ltd Chairman of Sheng Hua Manpower Resource Co., Ltd Chairman of Sheng Hua Manpower Consulting Co., Ltd Chairman of Huangyueh Industrial Co., Ltd Vice chairman of Kaison Green Energy Technology Co., Ltd Director of Sun Team Construction Co., Ltd Chairman of Ean Lu Co., Ltd Director of Hwan Tai Solar Co., Ltd. Director of Everbrite Technology Co., Ltd. Director of C-LiFe Technologies, Inc. Director of Hwan Tai Real Estate Co., Ltd Director of Energy Composite Technology Co., Ltd Director of Jiangao Green Material Aluminum Co., Ltd	Not applicable	0
Chi-Cheng, Hong	Capabilities related to business, finance, operations, and construction industry. Experience : Branch Assistant Manager of Land Bank of Taiwan, General Manager of Ciao- Yuan Investment Co., Ltd Current position: General Manager of Ciao-Yuan Investment Co., Ltd	Not applicable	0
Wu-Kuo, Chou	Capabilities related to finance, operations, and management. Current position: Director of CH Dental	Not applicable	0

Condition Name	Professional Qualification Requirements & Work Experience	Criteria	Number of public companies also serving as independent directors
Chao-Shu, Chen	<p>Capabilities related to asset development, operations, and construction industry.</p> <p>Experience : Director of Joy Spring</p> <p>Current position: Land administration agent at Chao-Shu Land Administration Agents Office, Chairman of Insun Industrial Co., Ltd Municipal Consultant at Taichung City Government Chairman of Soroptimist International of Taiwan Region Chairman of Taichung Girls' Senior High School Cultural and Educational Foundation Chairman of Affiliated Senior High School of National Chung Hsing University Cultural and Educational Foundation Director of Nantou High School Cultural and Educational Foundation Director of National Alliance of Presidents of Parents Associations</p>	Not applicable	0
Yong-Jen, Tsao	<p>Serve as the convener of Audit Committee and the members of Remuneration Committee.</p> <p>Capabilities related to business management, accounting information and financial analysis and obtained an accountant license.</p> <p>Current position: Partner of EnWise CPAs& Co. Chairman of Waton Consultant Co., Ltd. Independent director of Ability opto-Electronics Technology Co., Ltd. Director of Paiho Shih Holdings Co., Ltd Supervisor of Yung Fa Metal Co., Ltd Supervisor of Sinwell Technology Co., Ltd</p>	<p>These three independent directors on the left have met the criteria listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters" issued by the Financial Supervisory Commission and the Article 14-2 of the Securities and Exchange Act.</p>	1
Ming-Hai, Lee	<p>The convener of the Remuneration Committee and the members of Audit Committee.</p> <p>Capabilities related to legal, marketing, management and have an attorney license.</p> <p>Current position: Lawyer of Harvard Law Firm Counsel of Taichung Association of Interior Design and Decoration Counsel of Nantou County Police Bureau and Fire Bureau Counsel of Taiwan B&B Association Professional Specialist, Assistant Professor Level of FCU</p>	<p>The independent directors have been given the authority to fully participate in decision-making and express opinions in accordance with the Article 14-3 of the Securities and Exchange Act, in order to perform their duties independently.</p>	0

Condition Name	Professional Qualification Requirements & Work Experience	Criteria	Number of public companies also serving as independent directors
Yao-Jia, Wen	Members of Audit and Remuneration Committee. Capabilities related to marketing, operational and management. Current position: Chairman of ShinSyin Management Consulting Co., Ltd General Manager of ShinShin Consulting Co., Ltd Chief Executive Officer of Mingchi Hsingyuan Culture & Art Co., Ltd Professional Specialist speaker of National Chung Hsing University President of Taiwan Formosa Association of Construction and Development CEO of Jia Ren Tang Traditional Chinese Medicine Clinic Director of Quteng Information Co., Ltd		0

Note: Currently, all company directors are not being a person of any conditions defined in Article 30 of the Company Law.

1.5 Diversity and Independence of Board of Director :

1.5.1 Board of Director Diversity Policy :

According to Chapter 3, "Strengthening the Functions of the Board of Directors", in the Corporate Governance Best Practice, the Company has set forth a diversity approach, which requires that the Board of Directors possesses all the required competencies. The composition of the Board of Directors is based on the company's operation model and needs, and the Board of Directors recruit's talents with professional knowledge, skills, and experience in various industries.

- 1) The 13th Board of Directors consists of 9 directors (including 3 independent directors), all of whom are local nationals with professional backgrounds in business management, finance and accounting, human resources, and law. The composition of the Board is 33.3%, it has reached more than one-third of the directors' seats and half of them are not more than three terms, and no directors are also managers of the company. There are three females among the directors and 33.3% female directors. The Company will continue to strive to increase the percentage of

female directors to 50%. In the future, the Company will continue to enhance the competency and relevant industry experience of the board members in a timely manner depending on the implementation, operating mode, and development needs of the Board.

- 2) The orientation, complementarity, and implementation of diversity among directors include and are superior to the standards set forth in Article 20 of the Corporate Governance Best Practice Principles. In the future, the Company will continue to revise our diversity policy in a timely manner, depending on the implementation, operating mode, and development needs of the Board, including but not limited to the criteria of basic requirements and values, professional knowledge, and skills, etc., to ensure that Board members generally possess the necessary knowledge, skills, and education to perform their duties.

13th Board of direct diversification status :

Item of diversification Information			Basic ability									Proficiency				Industrial experience				
Title	Name	Nationality	Sex	Concurrent employee of the Company	Age				Period of Independent Director			Law	Finance and Accounting	Information Technology	Operating Management	Marketing	Assets Development	Industrial Knowledge	International Market view	Leadership
					Under 40	41~50	51~60	61~70	3 to 6 years	6 to 9 years	Above 9 years									
Chairman	Wei-Ju, Liu	R.O.C	F				✓						✓		✓		✓	✓		✓
Director	Chia-Chi, Kuo	R.O.C	F				✓						✓		✓			✓	✓	✓
Director	Cheng- Yung, Lin	R.O.C	M				✓								✓	✓	✓	✓	✓	✓
Director	Chi- Cheng, Hong	R.O.C	M				✓						✓		✓		✓	✓		✓
Director	Wu-Kuo, Chou	R.O.C	M				✓								✓			✓	✓	✓
Director	Chao-Shu, Chen	R.O.C	F				✓								✓			✓		✓
Independent Director	Yong-Jen, Tsao	R.O.C	M					✓			✓		✓		✓	✓	✓	✓	✓	✓
Independent Director	Ming-Hai, Lee	R.O.C	M				✓			✓		✓		✓	✓	✓	✓	✓	✓	✓
Independent Director	Yao-Jia, Wen	R.O.C	M					✓	✓						✓	✓		✓		✓

1.5.2 Independence of the Board of Director :

The Company adopts candidate nomination system for the election of directors. The election procedures are publicly announced and in a fair manner; these procedures are also in compliance with the Company's Articles of Incorporation, Rules for the Election of Directors, Corporate Governance Best Practice Principles, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and Article 14-2 of the Securities and Exchange Act. The current composition of the Board of Directors consists of three independent directors (33.3%), six non-independent directors (66.7%). All directors are not related by consanguinity, such as spouses or second-degree relatives, in accordance with Article 26-3, Paragraph 3 of the Securities and Exchange Act. The overall board of directors is independent.(Please see the Disclosure of Professional Qualifications of Directors and Independence of Independent Directors on page 15 to 18.

1.6 Background information of the General Manager, Vice General Manager, Senior Manager, and heads of departments and branch offices.

April 19, 2025

Title	Nationality	Name	Sex	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Experience (Education)	Other companies	Managers who are Spouses or Within Two Degrees of Kinship			Remarks
					Shares	Ratio of shareholding	Shares	Ratio of shareholding	Shares	Ratio of shareholding			Title	Name	Relation	
General Manager	R.O.C	Chin-Jung, Tsai	M	June 1,2023	-	-	-	-	-	-	Feng Chia University, Department of Architecture Architect of Chin-Jung, Tsai Architecture	-	None	None	None	Note 1
General Manager	R.O.C	Chi-Cheng, Hong	M	May 10, 2024	-	-	-	-	-	-	Master of National Yunlin University of Science and Technology, Department of Finance Land Bank of Taiwan, Branch Assistant Manager	-	None	None	None	Note 2
Customer Service Vice General Manager	R.O.C	Feng-Chiu, Lin	F	May 9, 2023	0	0.00%	0	0.00%	0	0.00%	National Taichung Institute of Technology of National Trade General Manager of Yongfu Real Estate	None	None	None	None	Note 3
Sales Vice General Manager	R.O.C	Han-Hsin, Lin	M	May 9, 2023	-	-	-	-	-	-	Tamkang University of International Trade Project manager of Hiyes Advertisting	-	None	None	None	Note 4
Vice General Manager and Finance Officer	R.O.C	Yu-Chu, Chen	F	Nov. 7, 2024	-	-	-	-	-	-	Master of National Taiwan University, Department of Agricultural Economics CFO of Lung Hwa Electronics Co., Ltd.	-	None	None	None	Note 5
Senior Manager	R.O.C	Cing-Cyuan, Chen	M	Dec. 1, 2017	80,540	0.02%	0	0.00%	0	0.00%	Shin Min Commercial & Industrial Vocational Senior High School Director of ChungFu Construction Co., Ltd.	None	None	None		
Corporate Governance Officer	R.O.C	Hui-Wen, Ko	F	March 25,2021	119,913	0.03%	0	0.00%	0	0.00%	Business Management Master of Feng Chia University Financial Manager of Zongtai Real Estate Development Co., Ltd.	Supervisor of Zongtai Construction Co., Ltd.	None	None	None	Note 6
Finance Officer	R.O.C	Chih-Hsin, Lai	M	July 1, 2023	-	-	-	-	-	-	Ling Tung University of Department of Accounting and Information Technology Acting Accounting Manager of Zongtai Real Estate Development Co., Ltd	-	None	None	None	Note 7
Accounting Manager and Finance Officer	R.O.C	Yi-Jing, Fu	F	Jul. 28, 2015	-	-	-	-	-	-	National Taichung University of science and Technology, Department of Accounting Accounting of Zongtai Real Estate Development Co., Ltd.	-	None	None	None	Note 8
Accounting Manager and Finance Officer	R.O.C	Ren-Feng, Wu	M	Nov. 7, 2024	1,040	0.00%	0	0.00%	0	0.00%	National Taichung University of science and Technology, Department of Public Finance and Taxation Proxy Accounting Manager of Fu Hua Innovation Co., Ltd.	Supervisor of Shenglin Construction Co., Ltd.	None	None	None	Note 9
Manager	R.O.C	Chia-Hong, Kang	M	Oct. 1, 2024	47,253	0.01%	3,000	0.00%	0	0.00%	Cheng Shiu University, Department of Architecture Engineering Purchasing Manager of Fu Hua Innovation Co., Ltd.	None	None	None		

Note 1 : Resign due to position adjustment on May 9, 2024.

Note 2 : New appointment on May 10, 2024 and resign on Feb 28, 2025.

Note 3 : Acting General Manager on March 1,2025.

Note 4 : Resign on March 31, 2024

Note 5 : New appointment on Nov 7, 2024 and resign on Dec 24, 2024.

Note 6 : Proxy CFO from Aug 8, 2024 to Nov 6, 2024.

Note 7 : Resign due to position adjustment on March 14, 2024.

Note 8 : Concurrently CFO on Mar 15, 2024. Resign CFO & accounting financial due to position adjustment on Aug 7,2024.

Note 9 : Proxy accounting manager on Aug 8, 2024. New appointment on Nov 7, 2024. Concurrently CFO on Mar 12, 2025.

2 Remuneration paid to directors, supervisors, General Manager and Vice General Manager in the last year.

2.1 Remuneration to General Directors and Independent Directors

In NT\$ thousand

Title	Name	Directors' remuneration								The sum of A, B, C and D as a percentage of after-tax profit		Compensation as concurrent company employee								The sum of A, B, C, D, E, F, and G as a percentage of after-tax profit		Remuneration from investees other than subsidiaries, or parent company
		Remuneration (A)		Pension (B)		Remuneration to Directors (C) (Note 4)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Pension (F)		Employee compensation (G) (Note 5)						
		The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies Included in the financial statements	
Amount paid in cash	Amount paid in shares															Amount paid in cash	Amount paid in shares					
Director	Tso Jung Investment Co., Ltd.	0	0	0	0	21,031	21,031	258	258	0.97%	0.97%	5,050	5,829	36	36	0	0	0	0	1.21%	1.24%	None
Chairman	Wei-Ju, Liu																					
Director	Shun-Wen, Wu (Note 1)																					
Director	Tso-Jung, Wu (Note 1)																					
Director	Zongtai Construction Development Co., Ltd. (Note 1)																					
Director	Cheng Yung, Lin (Note 2)																					
Director	Chia-Chi, Kuo (Note 2)																					
Director	Chi-Cheng, Hong (Note 3)																					
Director	Chao-Shu, Chen (Note 3)																					
Director	Wu-Kuo, Chou (Note 3)																					
Independent Director	Yong-Jen, Tsao	0	0	0	0	6,439	6,439	384	384	0.31%	0.31%	0	0	0	0	0	0	0	0.31%	0.31%	None	
Independent Director	Ming-Hai, Lee																					
Independent Director	Yao-Jia, Wen																					
1) Please state the policies, systems, standard and structure of remuneration to independent directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the independent directors : The remuneration to the Company's directors was paid in accordance with the Articles of incorporation, which consists of the fees for services rendered, including reward, compensation and transportation and reference of average level of the industry. 2) Remuneration received for services rendered by the directors of the Company in the most recent year (e.g., as consultants rather than employees of the parent company/all companies in the financial statements/re-investment businesses, except those disclosed in the above table : None.																						

Note 1 : Resigned at director re-election on June 12, 2024.

Note 2 : Corporate representative of Zongtai Construction Development Co., Ltd. Serve as a director as a natural person at re-election on June 12, 2024.

Note 3 : New appointment at director re-election on June 12, 2024.

Note 4 : 2024 remuneration amount for directors approved by board of directors before shareholder’s meeting of earning distribution is an estimation based on actual distribution percentage last year.

Note 5 : 2024 remuneration amount for employees approved by board of directors before shareholder’s meeting of earning distribution is an estimation based on actual distribution percentage last year.

Directors' Remuneration Brackets Table

Ranges of remuneration paid to the Company's directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Wei-Ju, Liu	Wei-Ju, Liu		
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (not inclusive)	Shun-Wen, Wu, Tso-Jung, Wu, Cheng-Yong, Lin, Chia-Chi, Kuo, Chi-Cheng, Hong, Wu-Kuo, Chou, Chao-Shu, Chen	Shun-Wen, Wu, Tso-Jung, Wu, Cheng-Yong, Lin, Chia-Chi, Kuo, Chi-Cheng, Hong, Wu-Kuo, Chou, Chao-Shu, Chen	Shun-Wen, Wu, Tso-Jung, Wu, Cheng-Yong, Lin, Chia-Chi, Kuo, Wu-Kuo, Chou, Chao-Shu, Chen	Shun-Wen, Wu, Tso-Jung, Wu, Cheng-Yong, Lin, Chia-Chi, Kuo, Wu-Kuo, Chou, Chao-Shu, Chen
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (not inclusive)	Yong-Jen, Tsao, Ming-Hai, Lee, Yao-Jia, Wen, Zong Tai Construction Development Co., Ltd	Yong-Jen, Tsao, Ming-Hai, Lee, Yao-Jia, Wen, Zong Tai Construction Development Co., Ltd	Yong-Jen, Tsao, Ming-Hai, Lee, Yao-Jia, Wen, Chi-Cheng, Hong, Zong Tai Construction Development Co., Ltd	Yong-Jen, Tsao, Ming-Hai, Lee, Yao-Jia, Wen, Chi-Cheng, Hong, Zong Tai Construction Development Co., Ltd
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (not inclusive)			Wei-Ju, Liu	Wei-Ju, Liu
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (not inclusive)				
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (not inclusive)	Tso Jung Investment Co., Ltd	Tso Jung Investment Co., Ltd	Tso Jung Investment Co., Ltd	Tso Jung Investment Co., Ltd
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (not inclusive)				
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (not inclusive)				
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (not inclusive)				
NT\$100,000,000 and above				
Total	13	13	13	13

2.2 Remuneration to General Manager and Vice General Manager

In NT\$ thousand														
Title	Name	Salary (A)		Pension (B)		Bonus and Special Allowances, etc. (C)		Employee Compensation (D) (Note 1)				The sum of A, B, C and D as a percentage of after tax profit (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
General Manager	Chin-Jung, Tsai (Note 2)	600	600	36	36	145	145	0	0	0	0	0.04%	0.04%	None
General Manager	Chi-Cheng, Hong (Note 3)	1,160	1,260	42	42	0	0	0	0	0	0	0.05%	0.06%	
Vice General Manager	Feng-Chiu, Lin	1,440	1,440	87	87	300	300	1,019	36	0	36	0.13%	0.13%	
Vice General Manager	Han-Hsin, Lin (Note 4)	165	165	10	10	67	67	0	0	0	0	0.01%	0.01%	
Vice General Manager & CFO	Ju-Chu, Chen (Note 5)	396	396	24	24	0	0	0	0	0	0	0.02%	0.02%	

Note 1 : The amount of remuneration for General Manager and Vice General Manager was approved by board of directors before shareholder’s meeting of 2024 earning distribution is a estimation on the basis of actual distribution percentage 2025 Q1.

Note 2 : Resigned on May 9, 2024 due to position adjustment.

Note 3 : New appointment on May 10, 2024.

Note 4 : Resigned on March 31, 2024.

Note 5 : New appointment as Vice General Manager concurrently financial officer on November 7, 2024. Resigned on December 24, 2024.

Remuneration brackets table for Managers

Range of remunerations to General Manager and Vice General Manager	Names of General Manager and Vice General Manager	
	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Chin-Jung, Tsai, Han-Hsin, Lin, Yu-Chu, Chen	Chin-Jung, Tsai, Han-Hsin, Lin, Yu-Chu, Chen
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (not inclusive)	Chi-Cheng, Hong	Chi-Cheng, Hong
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (not inclusive)	Feng-Chiu, Lin	Feng-Chiu, Lin
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (not inclusive)		
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (not inclusive)		
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (not inclusive)		
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (not inclusive)		
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (not inclusive)		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000(not inclusive)		
NT\$100,000,000 and above		
Total	5	5

2.3 Names of managers distributed to employee compensation and amount distributed.

December 31, 2024

	Title	Name	Amount paid in shares	Amount paid in cash (Note 1)	Total	Total as a percentage to after-tax profit(%)
Managers	General Manager	Chin-Jung, Tsai (Note 2)	0	3,317	3,317	0.15%
	General Manager	Chi-Cheng, Hong (Note 3)				
	Customer Service Vice General Manager	Feng-Chiu, Lin				
	Business Vice General Manager	Han-Hsin, Lin (Note 4)				
	Vice General Manager & CFO	Yu-Chu, Chen (Note 5)				
	Senior Manager	Ching-Chuan, Chen				
	Manager	Jia-Hong, Kang (Note 6)				
	Corporate Governance Officer	Hui-Wen, Ko				
	Financial Manager	Chih-Hsin, Lai (Note 7)				
	Financial Manager and Accounting Manager	Yi-Jing, Fu (Note 8)				
	Accounting Manager	Ren-Feng, Wu (Note 9)				

Note 1 : Calculation of distribution amount approved by board of directors in accordance with percentage of actual distribution amount 2025 Q1.

Note 2 : Resigned on May 9, 2024 due to position adjustments.

Note 3 : New appointment on May 10, 2024 and resigned on February 28, 2025.

Note 4 : Resigned on March 31, 2024.

Note 5 : New appointment as Vice General Manager concurrently financial officer on November 7, 2024. Resigned on December 24, 2024.

Note 6: New appointment on October 1, 2024.

Note 7: Resigned on March 14, 2024 due to position adjustment.

Note 8: Concurrently financial officer on March 15, 2024. Resigned accounting and finance officer on August 7, 2024 due to position adjustment.

Note 9: Proxy accounting officer on August 8, 2024. New appointment on November 7, 2024. Concurrently financial officer on March 12, 2025.

2.4 Directors', General Manager's and Vice General Manager's remuneration paid in the last two years as a percentage to after-tax profit of parent company only financial statements, and explanation of remuneration policy, standard and combination, procedure of remuneration establishment, and association with business performance :

Item	2023		2024	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	5.54%	5.87%	1.52%	1.55%
General Manager and Vice General Manager	1.22%	1.22%	0.25%	0.26%

Description for analysis : The decrease in directors' remuneration in 2024 compared to 2023 was due to increase in net income after tax in 2024 and caused the low proportion of fixed remuneration.

2.4.1 Policies, standards and combination of remuneration :

The compensation of directors consists mainly of the remuneration of directors, travel expenses and the remuneration for working currently as employees. In accordance with Article 18 of the Company's Articles, the remuneration of directors shall be limited to 2% of the Company's profit for the year, and reasonable compensation shall be paid to directors with reference to their contribution to the Company's performance. Directors' travel expenses are paid based on their attendance at board meetings with reference to industry standards. The remuneration policy for Directors,

General Managers and Vice General Managers is based on the level of responsibility for the scope of authority and responsibility of the position within the Company and the level of contribution to the Company's operational objectives. In addition, the Company shall contribute 0.1% to 5% of the annual profit as employee compensation in accordance with Article 18 of the Company's Articles.

The Company has also established the "Regulations Governing the Board of Directors' Performance Evaluation" to regularly evaluate the operational efficiency of the directors, which includes internal self-evaluation by the board of directors and self-evaluation by the board members. The managerial officers will be evaluated for their target achievement rate on a quarterly basis, including project development, product planning, sales progress, revenue management and other key performance targets, which will be used as the basis for salary adjustment and compensation payment.

The compensation package is determined by the Compensation Committee Chapter, which includes cash remuneration, stock options, stock dividends, retirement benefits or severance pay, allowances and other tangible incentives.

2.4.2 Procedure for establishing remuneration :

The Company's procedures for establishing compensation are based on the "Compensation Plan for Directors, Functional Committee Members and Managerial Officers", which includes the ability to manage operations (participation in sustainable management and implementation of brand values), financial performance indicators (revenue and profit, achievement of budget targets, growth and market share), and compliance with laws and regulations, etc., and then calculates the percentage of their compensation and gives them reasonable compensation after comprehensive consideration. The reasonableness of the remuneration is reviewed by the Compensation Committee and the Board of Directors, and the remuneration system is reviewed from time to time in accordance with the actual operating conditions and relevant laws and regulations, to strike a balance between sustainable management and risk control of the Company.

2.4.3 Relation of operating performance and future risks :

The Company's compensation policy is based on the overall consideration of the Company's operation, and the payment standards are approved according to the performance achievement rate and contribution, in order to enhance the overall operational efficiency of the Board of Directors and the Management Department. In addition, the Company makes reference to the compensation standards of the industry to ensure that our management's compensation is competitive in the industry in order to retain outstanding management personnel. The compensation paid to the managerial officers of the Company and its subsidiaries includes stock options, which are not fully paid in the year of earnings, and their actual value is related to the future stock price, i.e., they share the future operating risks with the Company.

3 Corporate governance Report

3.1 Functionality of Board of Directors

3.1.1 A total of 8 meetings (before re-elected 3 times, after re-elected 5 times)(A) were held in the last year; below are the attendance records :

Title	Name	Attendance in Person (B)	Attendance by proxy	Rate of attendance in person (%) 【B/A】	Remarks
Chairman	Tso Jung Investment Co., Ltd. Representative : Wei-Ju, Liu	8	0	100.00%	Continue in office, re-elected on June 12, 2024.
Director	Tso-Jung, Wu	3	0	100.00%	Originally appointment, re-elected on June 12, 2024.
Director	Shun-Wen, Wu	3	0	100.00%	Originally appointment, re-elected on June 12, 2024.
Director	Chi-Cheng, Hong	4	0	80%	Newly appointment, re-elected on June 12, 2024.

Title	Name	Attendance in Person (B)	Attendance by proxy	Rate of attendance in person (%) 【B/A】	Remarks
Director	Wu-Kuo, Chou	5	0	100.00%	Newly appointment, re-elected on June 12, 2024.
Director	Chao-Shu, Chen	4	0	80.00%	Newly appointment, re-elected on June 12, 2024.
Director	Zong Tai Construction Development Co., Ltd. Representative : Chia-Chi, Kuo	8	0	100.00%	Continue in office as natural person, re-elected on June 12, 2024.
Director	Zong Tai Construction Development Co., Ltd. Representative : Cheng Yung, Lin	8	0	100.00%	Continue in office as natural person, re-elected on June 12, 2024.
Independent Director	Yong-Jen, Tsao	8	0	100.00%	Continue in office, re-elected on June 12, 2024.
Independent Director	Ming-Hai, Lee	8	0	100.00%	Continue in office, re-elected on June 12, 2024.
Independent Director	Yao-Jia, Wen	8	0	100.00%	Continue in office, re-elected on June 12, 2024.

Independent directors attended at directors' meeting in 2024.

◎ : Attendance by proxy ✓ : Attendance in person X : Leave

Title	Name	No.1 3/14	No.2 4/30	No.3 5/9	No.4 6/12	No.5 7/30	No.6 8/7	No.7 11/6	No.8 12/23
Independent Director	Yong-Jen, Tsao	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Ming-Hai, Lee	✓	✓	✓	✓	✓	✓	✓	✓
Independent Director	Yao-Jia, Wen	✓	✓	✓	✓	✓	✓	✓	✓

3.1.2 For Board of Directors' meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the Company has responded to such opinions :

1) Conditions described in Article 14-3 of the Securities and Exchange Act :

Board of directors meeting session	Subject Matter	All independent directors' opinion	Measurement on independent directors' opinion
17 th meeting of 12 th Board of Directors 2024/03/14	<ul style="list-style-type: none"> ●Issue new shares through capital increase from earnings. ●Accountant fee and evaluation of accountant independency and competency. ●Donate “Yun-Fu Education Foundation” ●Amendment to “Articles of incorporation” ●Amendment to regulations for shareholders' meetings ●Amendment to regulations for Board of Directors meetings ●Amendment to “Audit Committee Charter” ●Amendment to “Directions for the Implementation of Continuing Education for Directors” ●Amendment to Rules Governing the Preparation and Filing of ESG Reports ●Amendment to Rules Governing Financial and Business Matters Between this Corporation and its Related Parties ●Addition to “Human Rights Policy” ●Amendment to “Compensation Plan for Directors, Functional Committee Members and Managerial Officers” ●Issuance of employee stock option in 2023 ●Transference of financial officer of the Company 	No objection and qualified opinion	No, all attended directors pass with no objection
18 th meeting of 12 th Board of Directors 2024/04/30	<ul style="list-style-type: none"> ●Lifting the non-competition clause for the Company's newly elected directors and its representatives 	No objection and qualified opinion	No, all attended directors pass with no objection
19 th meeting of 12 th Board of Directors	<ul style="list-style-type: none"> ●Change of acting audit 	No objection and qualified opinion	No, all attended directors pass

Board of directors meeting session	Subject Matter	All independent directors' opinion	Measurement on independent directors' opinion
2024/05/09			with no objection
2 th meeting of 13 th Board of Directors 2024/07/30	<ul style="list-style-type: none"> ●House purchase plan for stakeholders ●Appointment of the members of the 6th “Remuneration Committee” ●Appointment of the representative of the corporate shareholder, Ritai Asset Management Co., Ltd 	No objection and qualified opinion	No, all attended directors pass with no objection
3 th meeting of 13 th Board of Directors 2024/08/07	<ul style="list-style-type: none"> ● Examination of 2023 personal remuneration for director appropriation ●Change of accounting manager proxy finance manager ●Endorsements/Guarantees for subsidiary Zongtai Construction ●Change of acting accounting manager 	No objection and qualified opinion	No, all attended directors pass with no objection
4 th meeting of 13 th Board of Directors 2024/11/06	<ul style="list-style-type: none"> ● Establish the “Rules Governing the Management of Sustainable Information” ●Proposal for passing 2025 audit planning ●Appointment of finance vice general manager and finance manager ●Appointment of accounting manager 	No objection and qualified opinion	No, all attended directors pass with no objection
5 th meeting of 13 th Board of Directors 2024/12/23	<ul style="list-style-type: none"> ●Dismissal of finance vice president and finance manager ●Appointment of finance manager ●Amendment to “Corporate Governance Practice Rule” ●Amendment to “Regulations Governing Subsidiary” 	Except for the suggestion that the original agent should take over the position first and then fill in the candidate, no other objections or reservations were raised.	No, all attended directors pass with no objection

2) Except the aforementioned items, other items objected by independent directors or qualified opinion with record or written statement : None.

3.1.3 Execution of “Conflict of interest” for directors should disclose name of directors, matter discussed, reason for interest avoidance and

outcome :

Item	Date	Name of Director	Matters Discussed	Reason for Interest Avoidance	Outcome
1	2024/03/14	Wei-Ju, Liu Shun-Wen, Wu Tso-Jung, Wu Chia-Chi, Kuo Cheng Yung, Lin	Donate “Yun Fu education foundation”	Foundation Chairman Wu, His-Kun is a First degree relative of directors of the Company Wu, Tso-Jung and Wu, Shun-Wen; Director Kuo, Jia-Chi and Cheng Yung, Lin are the corporate representative of Zongtai Construction Co., Ltd. ; Directors Wei-Ju, Liu and Shun-Wen, Wu are the directors of the foundation.	Required to abstain and not joining discussion and voting.
2	2024/07/30	Wei-Ju, Liu	House purchase plan for stakeholders	The buyer is a First degree relative of the director.	Required to abstain and not joining discussion and voting
		Ming-Hai, Lee Yong-Jen, Tsao Yao-Jia, Wen	Appointment of members for the 6 th “Remuneration Committee”	The case is a resolution of oneself interest	Required to abstain and not joining discussion and voting
		Chi-Cheng, Hong	Representative case for assigning legal person shareholders of the subsidiary of Ritai Asset Management Co., Ltd	The case is a resolution of oneself interest	Required to abstain and not joining discussion and voting
3	2024/08/07	All directors	Review 2023 director personal remuneration appropriation	The case is a resolution of oneself remuneration appropriation	Required to abstain and not joining discussion and voting
4	2024/12/23	Wei-Ju, Liu	Appointment of finance manager	The case is a resolution of oneself interest	Required to abstain and not joining discussion and voting

3.1.4 Listed company of the Board’s itself (or peer) evaluation cycle and period, evaluation scope, method, and evaluation content, is specified in the following Table :

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Contents of evaluation
Once per year.	From January 1, 2024 to December 31, 2024.	Board of Directors, individual Board members, Audit Committee, and Remuneration Committee	1) Board of Directors’ Internal performance self-assessment. 2) Board members’ self-assessment. 3) Functional committee member’	The Board of Directors are assessed on the following five aspects : 1) Involvement in the Company’s operation 2) Enhancement of the quality of the board’s decision-making 3) Makeup and structure of the board of director 4) Election of board members and

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Contents of evaluation
			performance self-assessment.	<p>continuing knowledge development</p> <p>5) Internal controls</p> <p>The individual directors are assessed on the following six aspects :</p> <p>1) Understanding of the Company's goals and mission</p> <p>2) Awareness of director's duties</p> <p>3) Involvement in the Company's operations</p> <p>4) Internal relationships and communication</p> <p>5) Director's professionalism and continuing knowledge development</p> <p>6) Internal controls</p> <p>The Functional Committee is assessed on the following five aspects :</p> <p>1) Involvement in the Company's operation</p> <p>2) Awareness of the functional committee's duties</p> <p>3) Enhancement of the quality of the functional committee's decision-making</p> <p>4) Makeup of the functional committee and election of its members</p> <p>5) Internal controls</p>

Self-assessments of Board performance in 2024 and reported the results to the Board of Directors on March 11, 2025, for review and improvement. The weighted average score for the overall performance of the board of directors is 4.90 out of 5, The weighted average score for the overall member of board of directors is 4.89 out of 5. The weighted average score for the overall performance of the Audit Committee is 4.86 out of 5, and the weighted average score for the overall performance of the Remuneration Committee is 4.85 out of 5. As demonstrated, the weighted average scores are between Good (Agree) to Excellent (Extremely agree), which means that the current system of each Functional Committee is complete and operates well, and the directors serving as members of the Committee can fully exert their expertise.

3.1.5 Board of directors' function enhancement target and execution evaluation of the year and last year :

1) Continuity enhances the structure of board of directors

In order to complete corporate governance and enhance functions,

the Company nominates and elect directors based on diversification. Three out of nine directors are female (33.3%), and the directors possess professional knowledges and skills for execution, their backgrounds included industry, finance & accounting, law, and human management, etc. In the future, we will increase female directors to 50% for target.

2) Fulfill Board of Directors' function

The Company establishes "Board of directors performance evaluation method", the performance of board of directors is reviewed at least once a year.

3.2 Audit Committee's operating status.

3.2.1 A total of 6 meetings (before re-elected 2 times, after re-elected 4 times) (A) were held in the last year. Independent Directors' attendance records are summarized below :

Title	Name	Attendance in Person(B)	Attendance by proxy	Rate of attendance in person(%) 【B/A】	Remarks
Independent director (Convener)	Yong-Jen, Tsao	6	0	100%	Continue in office, re-elected on June 12, 2024
Independent director (Member)	Ming-Hai, Lee	6	0	100%	
Independent director (Member)	Yao-Jia, Wen	6	0	100%	

3.2.2 For Audit Committee meetings that meet any of the following descriptions, details such as the date and session of Audit Committee meeting held, the discussed agenda, content of independent directors objecting to or expressing reservations or making significant recommendations and how the Company has responded to Audit Committee's opinions are disclosed in the following table :

1) Conditions described in Article 14-5 of the Securities and Exchange Act :

Audit Committee meeting session (the nth board - yth meeting)	Agenda and subsequent actions	Resolution by the Audit Committee	Measurement on audit committee's opinion by the Company
13 th meeting of 2 th Board of Directors 2024/03/14	<ul style="list-style-type: none"> ● Acknowledging the 2023 Business Report and Financial Statements ● Issue new shares through capital increase from earnings. ● Issued "Internal control system statement" ● Accountant fee discussion and accountant independency and competency evaluation ● Donate "Yun Fu education foundation" ● Amendment to "Articles of incorporation" ● Amendment to regulations for shareholders' meetings ● Amendment to regulations for Board of Directors meetings ● Amendment to "Audit Committee Charter" ● Amendment to "Directions for the Implementation of Continuing Education for Directors" ● Amendment to Rules Governing the Preparation and Filing of ESG Reports ● Amendment to Rules Governing Financial and Business Matters Between this Corporation and its Related Parties ● Addition to "Human Rights Policy" ● Amendment to "Compensation Plan for Directors, Functional Committee Members and Managerial Officers" ● Issuance of employee stock option in 2023 ● Transference of financial officer of the Company 	Passed by all present members with no objection	No, all attended directors pass with no objection
14 th meeting of 2 th Board of Directors 2024/05/09	<ul style="list-style-type: none"> ● Handing consolidated statement of financial position of 2024 Q1. ● Change of acting audit 	Passed by all present members with no objection	No, all attended directors pass with no objection
1 th meeting of 3 th Board of Directors 2024/07/30	<ul style="list-style-type: none"> ● House purchase plan for stakeholders 	Passed by all present members with no objection	No, all attended directors pass with no objection
2 th meeting of 3 th Board of Directors 2024/08/07	<ul style="list-style-type: none"> ● Handing consolidated statement of financial position of 2024 Q2. ● Change of accounting manager proxy finance manager ● Endorsements/Guarantees for subsidiary Zongtai Construction 	Passed by all present members with no objection	No, all attended directors pass with no objection

Audit Committee meeting session (the nth board - yth meeting)	Agenda and subsequent actions	Resolution by the Audit Committee	Measurement on audit committee's opinion by the Company
	●Change of acting accounting manager		
3 th meeting of 3 th Board of Directors 2024/11/06	<ul style="list-style-type: none"> ●Handing consolidated statement of financial position of 2024 Q3. ● Establish the “Rules Governing the Management of Sustainable Information” ●Proposal for passing 2025 audit planning ●Appointment of finance vice president and finance manager ●Appointment of accounting manager 	Passed by all present members with no objection	No, all attended directors pass with no objection
4 th meeting of 3 th Board of Directors 2024/12/23	<ul style="list-style-type: none"> ●Dismissal of finance vice general manager and finance manager ●Appointment of finance manager ●Amendment to “Corporate Governance Practice Rule” ●Amendment to “Regulations Governing Subsidiary” 	Except for the suggestion that the original agent should take over the position first and then fill in the candidate, no other objections or reservations were raised.	No, all attended directors pass with no objection

2) Content of independent directors objecting to or expressing reservations or making significant recommendations : None.

3) Except the article 14-5 of Securities and Exchange Act above mentioned, items that the Audit Committee does not approve but the Board of Directors approves the matter with the votes of at least two-thirds of all of the Directors : None.

3.2.3 Execution status of independent directors abstain him the proposal that has oneself interest, should record name of director, details of the meeting agenda, reason for interest avoidance and status of participating in voting : None.

3.2.4 Audit committee's authority and key emphasis in work of the year :

1) To audit the annual financial reports :

The Board of Directors has prepared this Company's 2023 business report, financial statements, and the earnings distribution plan, among which the financial statements have been audited by Deloitte & Touche and issued the audit report. The above statements and reports have been examined by the Audit Committee and no irregularities were found.

- 2) To provide for or amend the Company's internal control policy.
- 3) To conduct assessment on the effectiveness of the Company's internal control policy.
- 4) To provide for or amend matters of asset transactions, derivatives trading, loan to other people, provide endorsement or guarantee of a material nature.
- 5) To audit matters in which a director is an interested party.
- 6) To audit matters of asset transactions or derivatives trading of a material nature.
- 7) To audit matters of loans of funds, endorsements, or provision of guarantees.
- 8) To audit the offering or private placement of equity-type securities.
- 9) To audit matters of hiring or dismissal of an CPA and their remuneration :

To ensure the independency of accounting firm, shall evaluate the independence and suitability of the CPA engaged by following the AQIs.

- 10) To audit matters of appointment or discharge of a financial, accounting, or internal audit officer.

3.2.5 Communication between Independent Directors and internal/external auditors :

- 1) Independent director and internal audit manager and auditor should at least hold periodic meeting once a year, account reports the Company's financial status, subordinate's financial operation status and internal examination to board of directors, and communicates on financial report, auditor report or any impact on accounting due to changes of law.

- 2) Account examines the Company's financial statement and issues auditor's report to independent directors.
- 3) Communications between internal audit manager and audit committee :
 - A. The monthly audit report completed in accordance with the audit plan will be delivered to independent directors for review by the end of the following month via email.
 - B. Internal audit manager communicates with audit committee members quarterly on the results of the audit report.
 - C. Report significant event to audit committee. There's no significant event in 2024.
- 4) Communication between Independent Directors and CPAs :
 - A. The Company's account explained and fully communicated opinions in the audit committee in accordance with the communication matters required by relevant laws.
 - B. Audit committee could communicate with independent auditors via written form or in person on current financial statement audition and conclusion and other communication issues required by relevant regulations.
 - C. If there are significant opinion exchange matters, we could arrange meetings depends on situation. There's no above situation in 2024.
- 5) Summary of communication between independent directors and audit managers :

Date	Key Point	Result
2024/03/14 Audit Committee	1) From November, 2023 to February 2024, 12 audit items were completed based on audition plan.	No objection
	2) 2023 internal control system effectiveness assessment.	Fully discussed, and audit committee passed the design and execution of 2023 internal control system are effective.
2024/05/09 Audit Committee	From March to April, 2024, 6 audit items were completed based on audition plan for the year.	No objection

Date	Key Point	Result
2024/08/07 Audit Committee	From May to July 2024, 9 audit items were completed based on audition plan for the year.	No objection
2024/11/06 Audit Committee	1) From August to October 2024, 11 audit items were completed based on audition plan for the year.	No objection
	2) Report 2025 internal audit plan.	Fully discussed, audit committee passed “2025 Internal audit plan” and submitted to the board of directors for determination.

6) Summary of communication between independent directors, audit managers and CPAs :

Date	Key Point
A.M 10 : 15 2024/03/14 (Audit Committee pre-meeting)	<p>2023 Audit Conclusion</p> <p>1) Attendance :</p> <p>Independent Director : Yong-Jen, Tsao ; Ming-Hai, Lee ; Yao-Jia, Wen</p> <p>Auditing Manager : Ai-Chen, Huang</p> <p>Deloitte & Touche : Shu-Chin, Chiang Auditor ; Ruei-Long, Syu Senior Manager</p> <p>2) Items of discussion :</p> <p>A. Group audit</p> <p>Explanation : Conduct inspections on transaction types, account balances, or disclosures related to significant risks of material inaccuracies in the group's financial statements.</p> <p>Conclusion : Independent directors had no objection.</p> <p>B. Key audit matter</p> <p>Explanation : CPA explained the key audit matters about revenue recognition and inventory impairment assessment in 2023.</p> <p>Conclusion : Independent directors had no objection.</p> <p>C. Comparison of significant financial ratios in the same industry.</p> <p>Explanation : CPA provided a comparison of the gross margin profit, operating expense ratio, debt ratio, EPS ratio, etc. of the peer companies in the same industry of the previous three quarters.</p> <p>Conclusion : Independent directors had no objection.</p> <p>D. Significant issues:</p> <p>Explanation: Ministry of Environment issued regulations (draft) of carbon fee collection, ESG sustainable development route.</p> <p>Conclusion: Independent directors had no objection.</p>

Date	Key Point
<p>A.M 10 : 40 2024/11/06 (After Audit Committee meeting)</p>	<p>2024 Audit Plan</p> <p>1) Attendance :</p> <p>Independent Director : Yong-Jen, Tsao ; Ming-Hai, Lee ; Yao-Jia, Wen</p> <p>Auditing Manager : Ai-Chen, Huang</p> <p>Deloitte & Touche : Jian-Chi, Huang Senior Manager ; Ru-Kui, Hong Leader</p> <p>2) Items of discussion :</p> <p>A. Audit scope and method</p> <p>Explanation: How to determine materiality – When CPA audited the 2024 consolidated financial statements, the budgeted pre-tax net profit was used as the basis in accordance with the No. 320 regulation in ISA to determine the overall materiality of the financial statements. The group audit includes Fu Hua Innovation Co., Ltd., Zongtai Construction, Ritai Asset, Fu Hua Construction, Panxu Construction, and Dashun Advertising Co., Ltd.</p> <p>Conclusion : Independent directors had no objection.</p> <p>B. Significant accounting policy, significant accounting estimates, and significant event or transactions</p> <p>Explanation: significant accounting estimates – inventory impairment evaluation, significant event or transactions – land purchase, significant accounting policy – revenue recognition, significant equity transaction – newly established Panxu Construction.</p> <p>Conclusion : Independent directors had no objection.</p> <p>C. Significant risks and key audit items.</p> <p>Explanation : CPA explained the significant risks in 2024 - revenue recognition, inventory evaluation, and management override of internal controls. The revenue recognition and inventory evaluation were listed in key audit items.</p> <p>Conclusion : Independent directors had no objection.</p> <p>D. Introduction to future (imminent) applicable standards and regulations</p> <p>Explanation : Statute for Industrial Innovation, Carbon Pricing and collecting schedule, IFRS S1/S2 introduction and content.</p> <p>Conclusion : Independent directors had no objection.</p>

3.3 Taiwan Corporate Governance Implementation as Required by the Taiwan Financial Supervisory Commission

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
1) Does Company follow “Taiwan Corporate Governance Implementation” to establish and disclose its corporate governance practices?	✓		The Company has passed “Corporate governance practice rule” on December 30, 2011 through the 17 th meeting of 8 th board of directors and implement, the rule has been amended for 7 times after establishment. The last amendment was in the 5 th meeting of 13 th board of directors on Dec 23, 2024. The rule is disclosed on MOPS website and “Governance area” on the official website.	No major difference.
2) Shareholding Structure & Shareholders’ Rights				
A. Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	✓		A. The Company assigns spokesperson and stock affair specialist to deal with shareholders’ suggestion or dispute, etc., we also place a mailbox for reporting in the “Stakeholders are” on the official website : service@zongtai.com.tw The Shareholder Complaint Procedure shall be implemented in accordance with “Measures for the Report on Illegal, Immoral and Dishonest Acts”.	No major difference.
B. Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		B. The Company possess a list of major shareholders and beneficial owners of these major shareholders, and reports shareholding changes of directors, managers and major shareholders holds over 10% of total shares ton MOPS website pursuant to Article 25 of Securities and Exchange Act.	
C. Has the Company built and executed a risk management system and “firewall” between the Company and its affiliates?	✓		C. The Company and its association operate independently and establish relevant method like “Subordinate management method” and “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties” to regulate important financial dealings and event that should be supervised.	

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
D. Has the Company established internal rules prohibiting insider trading on undisclosed information?	✓		D. The Company establishes “Internal significant information and insider transaction management procedure” and Article 10 of the “Corporate Governance Best Practice Principles” to stipulate the limitation of internal person security transaction. The Company also announces confidentiality and shall not use unpublic information on insider transaction.	
3) Composition and Responsibilities of the Board of Directors				
A. Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		A. “Corporate Governance Practice Rule” of Chapter 3. “Enforce Board of Directors Function” draws up diversification policy, it requires the whole board of directors to have corresponding ability. The members of board of directors are composed of talent with professional knowledge, skills, and cross industry experience in accordance with the Company’s business model and needs. Board of directors discloses members diversification policy on official website on page 18 and MOPS website.	No major difference.
B. Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?		✓	B. Remuneration committee and audit committee are composed by three independent directors. Except the above committee, the Company has not established other functional committees.	
C. Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of	✓		C. The Company passed “Board of directors performance evaluation method” in the 12 th meeting of 11 th board of directors on March 25, 2020, the performance of board of directors shall be assess at least once a year and shall be completed before Q1 next year. The Company completed the 2024 self-assessment of board of directors, individual director, Audit Committee, and Remuneration	

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
<p>Directors, and use the results as reference for directors' remuneration and renewal?</p> <p>D. Does the Company regularly evaluate its external auditors' independence?</p>	✓		<p>Committee in January 2025. The weighted average scores are between Good (Agree) to Excellent (Extremely agree). The results of assessment were reported to board of directors meeting on March 11, 2025, the results of assessment will be taken as reference for director election or nomination.</p> <p>D. In accordance with Article 29 of "Corporate governance rule", the Company assesses accountant independency and competency every year. The "Declaration of Independence" and "Audit Quality Indicators (AQIs)" issued by the certified accountant. The rotation of accountants shall follow with relevant regulations. It was approved by the Audit Committee and Board of Directors on March 14, 2024. About the 2024 CPA Independency Table please refers to Note 1.</p>	
<p>4) Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to oversee corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?</p>	✓		<p>The Company appointed Ko, Hui Wen, who had work experience of supervisor in finance and stock affairs in TWSE/TPEX-listed financial holding company over 3 years, as corporate governance manager by the Board of Directors approved on March 24, 2021. The manager responsible for corporate governance, the duty includes providing directors/supervisors with the information needed to perform their duties, helping directors/supervisors with compliance and continuing education, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes.</p> <p>Key point of business in 2024 :</p> <p>A. Arrange board of director meeting and notify all directors 7 days before the meeting, organize meeting and provide information for meeting, it shall be reminded in advance if the meeting has interest avoidance matters, and provide meeting minute in 20 days after the meeting.</p> <p>B. Handle shareholder meeting pre-registration, produce meeting</p>	No major difference.

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
			<p>announcements, handbook of meetings, meeting minutes within the statutory limitation, and assist in amending the corporate registration after amendment of articles and director re-election.</p> <p>C. Implement corporate governance, complete assessment of annual board of directors, individual directors' member, and self-performance evaluation of functional committee to "Board of directors performance evaluation method".</p> <p>D. Complete self-assessment of annual governance assessment.</p> <p>E. Provide directors information needed to perform their duties and arrange continuing education for directors.</p> <p>Our Chief Corporate Governance Officer had participated 27 hours of advanced courses in 2024.</p>	
5) Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	✓		The Company has acting spokesperson in place to convey messages to the public and established a "CSR-Stakeholders Engagement" section on its website to respond to stakeholders' concerned issues. The Company has communication channels set up exclusively for the different types of stakeholders. Contact methods for specific personnel have been disclosed to facilitate timely reply to stakeholders' demands and queries, and could also search information about finance, business and corporate governance.	No major difference.
6) Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		We have appointed Uni-President as registrar for our Shareholders' Meetings.	No major difference.
7) Information Disclosure A. Has the Company established a corporate website to disclose information regarding its	✓		A. The Company discloses its financials business and corporate governance status on its website and could also search the Company's information at MOPS website.	No major difference.

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
<p>financials, business, and corporate governance status?</p> <p>B. Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?</p> <p>C. Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?</p>	✓	✓	<p>B. The Company has designated appropriate employees to handle the collection and disclosure of information on MOPS website and the Company's website as required by the relevant laws and regulations of Taiwan and other jurisdictions, and designated spokespersons and acting spokespersons as required by relevant regulations. The Company held the investor conference irregularly every year and disclosed the relevant information on the company website.</p> <p>About corporate governance information disclosure, the Company uploads material information, financial status, calling of shareholders meeting, dividend appropriation, internal audit organization and its operation, company article, etc. to the official website for investors.</p> <p>C. Quarterly reports and annual reports are presented earlier than the deadline at the board of directors meeting, operating performance statuses are also presented earlier than the deadline.</p>	
8) Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee	✓		<p>A. Employee rights :</p> <p>The Company establishes "Rule of Work", the rule includes employee rights and obligation, worker's compensation, labor safety regulation, retire and insurance system, etc., the Company also routinely holds employee health examination, we focus on protecting employee's rights and establishing basis of trust.</p>	No major difference.

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?			<p>B. Employee care : The Company establishes employee welfare committee to provide welfare and subsidy, and plan leisure activities (such as badminton club, camping club) for employees enriching lives and get close to nature, fully take care of employees and protect their lives.</p> <p>C. Investor relations : The Company appoints employees specific for investor relations business, the employee in charge of handling investors' suggestion, communication, and relation maintenance, etc. To improve transparency and symmetry of information disclosure, except disclosing information of financial business and corporate governance on MOPS website and official website, also answers shareholders' questions and responds to shareholder's suggestion.</p> <p>D. Supplier relation, stakeholder right : Handle based on the Company's regulations and implementing accordance with the contract to protect the right of both sides.</p> <p>E. Directors implement continuing education status : The Company's directors have relevant professional knowledge and industrial backgrounds. Directors are encouraged to implement continuing education pursuant to law and "Directions for the Implementation of Continuing Education for Directors". About the implementation, please refers to MOPS\Single Company\Corporate governance\ Information of directors and supervisors attend board of directors meeting and implementation of continuing education, current position, experience, and concurrent position of the independent directors.</p> <p>F. Risk management policy and risk measurement standard execution</p>	

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
			<p>status :</p> <p>Establish internal regulation by law to conduct risk assessment and management. The Company stipulates in “Board of directors meeting management” the all directors shall obey interest avoidance principal, directors as stakeholders of the matters shall avoid discussion and voting; In addition, any matters discussed in board of directors meeting would fully consider the opinion from three independent directors to effectively protect the benefit of the Company. Major policy, investment, capital loan, loan bank etc. all analytics by duty department and executed by the Board of Director. Audit department according to result draw up an audit plan and execute. To implement supervise system and each risk management.</p> <p>G. Client policy execution status :</p> <p>The Company set customer center website to provide full after-sale service for customers and tend to improve the quality and professional skills.</p> <p>H. The Company purchases third-party insurance status : The Company has insured third-party insurance for directors and reported to 4th meeting of 13th board of directors on November 6, 2024.</p>	
<p>9) The improvement status for the result of Corporate Governance Evaluation announced by Taiwan Stock Exchange.</p> <p>A. In 2024, in accordance with the 11th Corporate Governance evaluation report, the improvements are as follows :</p> <p>a. Significant purchase and sale transactions and acquisition or disposal of assets with individual related parties should be reported actual transaction situation to the recent shareholder meeting at the end of the year.</p> <p>b. Follow “The Code of Practice for Corporate Governance”, and prohibit directors, employees, and other insiders from using internal regulations to trade securities based on undisclosed information in the market.</p> <p>c. Add the “Human Right Policy” of the Company to strengthen the importance of human rights.</p> <p>B. In 2024, in accordance with the 11th corporate governance evaluation, item or measures are required but has not been improved :</p>				

Assessment Item	Implementation Status			Non-implementation and its Reason(s)
	Yes	No	Explanation	
a. Voluntary disclosure of the individual compensation of the General Manager and Vice General Director. b. Hold at least twice investor conference. c. Prepare English version of the Sustainability Report.				

Note 1 : CPA independence and suitability evaluation table

Items of Evaluation	Conclusion	Whether confirming the independence and suitability
1) An independent statement issued by accountant.	✓	Yes
2) The audit or non-audit services provided by accountants must be reviewed in advance to ensure that non-audit services do not affect the audit results.	✓	Yes
3) According to the Audit Quality Index (AQIs) and thirteen indicators in five aspects are used to evaluate the accountant's suitability.	✓	Yes
4) Appointed account to certify financial report status in the past 7 years, there's no event that the company engages the same CPA without replacement for 7 years consecutively.	✓	Yes
5) The accountant has not been punished or damage his independence has been impaired.	✓	Yes

3.4 If the Company establishes remuneration committee, should disclose its composition, authority and operation status :

3.4.1 Members of remuneration committee information

Identity	Condition Name	Professional and work experience	Independence Status	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Ming-Hai, Lee	Note	Note	0
Independent Director	Yong-Jen, Tsao	Note	Note	1
Independent Director	Yao-Jia, Wen	Note	Note	0

Note : Please read Disclosure of Professional Qualifications of Directors and Independence of Independent Directors on pp.17-18.

3.4.2 Remuneration Committee operating status :

- 1) The Company's remuneration committee has three members. Remuneration committee fulfill the following duties as prudent administrator, and submit the suggestions to board of directors for discussion :

- A. Routinely reviews the regulation and make suggestion for amendment, the recent amendment is on January 26, 2021.
- B. Establish and regularly review evaluation standard of directors' and managers' performance, annual and long-term KPI, and the policy, system, standard and structure of remuneration.
- C. Periodically evaluate the Company and manager's achievement of KPI and establish the content and amount of each remuneration.

- 2) Remuneration Committee's term of service :

2024.07.30~2027.06.11; A total of 4 meetings (before re-elected 2 times, after re-elected 2 times) (A) were held in 2024, members' attendance records are summarized below :

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
Convener	Ming-Hai, Lee	4	0	100%	Continue in office,
Member	Yong-Jen, Tsao	4	0	100%	

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
Member	Yao-Jia, Wen	4	0	100%	Re-elected on July/30, 2024

3) 2024 Remuneration Committee discussion and determination :

Period of Remuneration Committee	Proposal	Resolution by the remuneration committee	Measurement on remuneration committee's opinion
7 th discussion of 5 th 2024/03/14	A. Deliberate 2023 remunerate appropriation for director. B. Amendment to “Compensation Plan for Directors, Functional Committee Members and Managerial Officers”. C. Deliberate the manager for issuance of employee stock option in 2023 or employees concurrent as the company’s director.	Passed by all present directors with no objection	Passed by all present directors with no objection
8 th discussion of 5 th 2024/05/09	A. Appointment of the general manager of the Company	Passed by all present directors with no objection	Passed by all present directors with no objection
1 th discussion of 6 th 2024/08/07	A. Recommend the convener of the 6 th Remuneration Committee. B. Examination of 2023 personal remuneration for director appropriation. C. The Company’s accounting officer salary.	Passed by all present directors with no objection	Passed by all present directors with no objection
2 th discussion of 6 th 2024/11/06	A. The Company’s finance vice general manager and finance manager . B. The Company’s accounting officer salary.	Passed by all present directors with no objection	Passed by all present directors with no objection

4) If the board of directors does not adopt or amend the recommendations of the Compensation Committee, it shall state the date, period, content of the proposal, resolutions of the board

of directors meeting, and the company's handling of the opinions of the compensation committee (if the compensation approved by the board of directors is better than the recommendation of the compensation committee, shall state the difference and the reason) : None.

- 5) If remuneration committee members have objections or reservations and have records or written statements to the resolutions, shall state the date, period, proposal content, all members' opinions and the measurement of members' opinions : None.

3.5 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice

Principles for TWSE/TPEX Listed Companies and the Reasons and Climate-Related Information for Listed and OTC Companies :

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1) Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to oversee promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board? (TWSE/ TPEX Listed Companies shall report its implementation, which is not compliance or explanation.)	✓		The Company has established the "Sustainable Development Best Practice Principles". The Customer Service Department worked concurrently as the Corporate Social Responsibility Promotion Unit. The Sustainable Promotion Team is composed and promoted by the chairman and the top executives. For internal, the Sustainable Development Promotion Team will regulatory report Sustainable Promotion Plans to the Board of Directors, in which the risks related sustainability, various development, and the achievement of goals will be supervised and identified by the Board of Directors. For external, the team will organize the establishment and review of the ESG report, which will be released on the official and the MOPS website after being reviewed by chairman and approved by the Board of Directors. The implementation of corporate sustainable development in 2024 and the work plan for the following year were reported to the Board of Directors on March 11, 2025, and the Board of Directors was consulted to make recommendations, which were also disclosed on the Company's website.	No major difference.
2) Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics	✓		The Company's 2024 ESG report has a specific chapter on the identification of the materiality principle and sustainable management risk issues. The Sustainable Promotion Team organizes and formulates risk management policies and implementation guidelines to identify risks that may affect the	No major difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons									
	Yes	No	Summary description										
related to company operation, and establish risk management related policy or strategy? (TWSE/TPEX Listed Companies shall report its implementation, which is not compliance or explanation.)			<div>sustainable development of the Corporate and coordinates various departments to implement risk management. The risk assessment boundary covers subsidiaries-Zongtai Construction Co., Ltd. to reduce the possible risk of operational disruption. The Company's main business site is in Taiwan. Based on the assessed risks, the relevant risk management strategies are formulated as follows :</div> <table><tr><th>Topic</th><th>Item</th><th>Policy or Strategy</th></tr><tr><td>Environmental</td><td>Protection & Conservation</td><td>In response to the environmental protection policy, our company gives priority to purchasing "low-pollution, resource-saving and recyclable" energy-saving and carbon-reducing green building materials to reduce excessive consumption of the earth's resources.</td></tr><tr><td>Social</td><td>Professional Safety</td><td>A. Obtained “ISO 45001 and TOSHMS(CNS45001) Occupational Safety and Health Management System” certificate in 2023 (valid from 2023/10/11-</td></tr></table>	Topic	Item	Policy or Strategy	Environmental	Protection & Conservation	In response to the environmental protection policy, our company gives priority to purchasing "low-pollution, resource-saving and recyclable" energy-saving and carbon-reducing green building materials to reduce excessive consumption of the earth's resources.	Social	Professional Safety	A. Obtained “ISO 45001 and TOSHMS(CNS45001) Occupational Safety and Health Management System” certificate in 2023 (valid from 2023/10/11-	
Topic	Item	Policy or Strategy											
Environmental	Protection & Conservation	In response to the environmental protection policy, our company gives priority to purchasing "low-pollution, resource-saving and recyclable" energy-saving and carbon-reducing green building materials to reduce excessive consumption of the earth's resources.											
Social	Professional Safety	A. Obtained “ISO 45001 and TOSHMS(CNS45001) Occupational Safety and Health Management System” certificate in 2023 (valid from 2023/10/11-											

Item	Implementation status			Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No			
				<p>2026/10/11).</p> <p>B. Implement various construction occupational safety and quality self-inspection in each construction stage, and keep the complete record of all the inspection results.</p> <p>C. We obtained the patent of anti-scaffolding drop bracket to improve construction safety.</p> <p>D. We gave group injury insurance for the engineering personnel working on site to enhance safety protection.</p> <p>E. Set up a fire detection alarm system to reduce hazard and risk caused by fire.</p>	
			Corporate governance	Social Economy and Legal Compliance	Follow all regulations, strictly keep commercial secrets, fulfill ethical management and internal control.

Item	Implementation status			Summary description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No			
				<p>Strengthening of Directors' Functions</p> <p>A. We plan for the directors' continuing education and provide them with annual regulatory updates.</p> <p>B. Directors' liability insurance is provided to protect directors against lawsuits or claims.</p>	
				<p>Stakeholder Communication</p> <p>A. To avoid misunderstandings between stakeholders and the Company's position, which may lead to business or litigation risks, we have set up a stakeholder area on our official website and disclosed an external communication box and a contact window for each stakeholder to maintain good interaction with stakeholders.</p> <p>B. We established various communication</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<div></div> <div></div> <div>channels and actively communicate to reduce confrontation and misunderstanding. We set up a mailbox for investors, and a spokesperson will handle and respond to them.</div>	
3) Environmental Topic A. Has the Company set an environmental management system designed to industry characteristics? B. Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓ ✓		A. The Company outsources its business to construction company, the contractor deals with maintenance of construction site and disposal of waste and is supervised by the Company. We emphasize environmental protection and cherish resource. Thus, we choose to purchase material with green material, water saving and energy saving certification. The Company has issued 13,872 e-invoices in 2024 and 4,363 eNotice for stock affairs to reduce the paper usage and the carbon emission from the post-delivery, in order to control air, noise, water and waste pollution. B. The Company's new project introduces BIM technology to accurately calculate the quantity and control the construction period to reduce the consumption of building materials. In the selection of the building materials, the Building Materials History System is implemented, and locally produced products and green label construction materials are mostly used. The steel reinforcement of main raw material increases the ratio of	No major difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
	Yes	No	Summary description									
C. Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		<p>steel scrap purchases. The disposal of construction waste is commissioned by qualified manufacturers for recycling. The purchase amount of green building materials was NT\$85,762 thousand and awarded the “Taichung City Government - Excellent Enterprise in Green Purchase Amount” in 2024.</p> <p>C. The Company evaluates the risks and opportunities of climate change for the Company in accordance with the Framework of the TCFD and completed the latest climate-related risk assessment by the end of 2022, focusing on 5 risks and 4 opportunities from the climate risk change projects. In the aspect of climate change mitigation, the Company develops projects based on green operations, energy management, material management, and green buildings; in the aspect of climate change adaptation, the Company has implemented measures such as the measure to strengthen the foundation, establish sustainable operating capabilities and make full use of green buildings. The detailed description of the Company's climate change risk and opportunity analysis has been disclosed in the Company's ESG report.</p>									
D. Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and	✓		<p>D. The inventory data of the Company’s greenhouse gas emissions please refer to the climate related information of listed and OTC companies 1-1-1 Greenhouse Gas Inventory Information Explanation. Water consumption and total weight of waste over the past two years are as follows:</p> <table><tr><th>Type</th><th>Description</th><th>2024</th><th>2023</th></tr><tr><td>Water consumption</td><td>Annual total water consumption (m³)</td><td>74,459</td><td>4,694</td></tr></table>	Type	Description	2024	2023	Water consumption	Annual total water consumption (m³)	74,459	4,694	
Type	Description	2024	2023									
Water consumption	Annual total water consumption (m³)	74,459	4,694									

Item	Implementation status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons							
	Yes	No	Summary description											
other waste management policies?			<table border="1"> <tr> <td rowspan="2">Waste</td> <td>Total weight of non-hazardous waste (m³)</td> <td>35,949</td> <td>28,719</td> </tr> <tr> <td>Total weight of non-hazardous waste (Ton)</td> <td>-</td> <td>2</td> </tr> </table> <p>Note: The data covered the Company and the subsidiary Zongtai Construction.</p> <p>The Company's GHG Reduction Policy includes the goal of 5% reduction for every 5 years, carpool when making business trip, turning off the lights in the office for 1.5 hours during lunch breaks and take the stairs instead of the elevator. Water-saving actions include water conservation advocacy, regular maintenance of pipelines to reduce water leakage rate, planning of sedimentation tanks for car washing devices in the work area to avoid expanding the washing area due to dirt. The wastes generated in the operational activities are mainly waste spoil from construction sites and other construction wastes. After the waste is sorted and collected, a professional and qualified company shall be commissioned to dispose of the waste and all of it shall be collected for disposal.</p>				Waste	Total weight of non-hazardous waste (m³)	35,949	28,719	Total weight of non-hazardous waste (Ton)	-	2	
Waste	Total weight of non-hazardous waste (m³)	35,949	28,719											
	Total weight of non-hazardous waste (Ton)	-	2											
4) Social Topic A. Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights	✓		A. In order to support and maintain basic human rights, the Company is committed to be in compliance with internationally recognized human rights standards such as the “United Nations Global Compact”, the “United Nations Universal Declaration of Human Rights” and the “International Code of Human				No major difference.							

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
	Yes	No	Summary description									
principles?			<p>Rights”. The Board of Directors approved the establishment of a "Human Rights Policy" on March 14, 2024, and complied with labor-related regulations in the place of operation to eliminate any violation of the human right. Recruitment and dismissal of employees, remunerations are in accordance with internal control system management method to protect employee rights. The Company insured group insurance for employees. In addition, all manufacturers are mandated to provide employee injury insurance. In 2024, we held an online internal education and training course on "Human Rights Policy - Health, Safety and Friendly Workplace", with a total of 91 participants.</p> <p>Human Rights Management Policy and specific plans are as follows:</p> <table><tr><th>Human Rights Management Policy</th><th>Specific Plan</th></tr><tr><td>Provide a safe and healthy working environment</td><td>Please refer to “protection measure for working environment and employee personal safety” in Labor relations on page 121-122.</td></tr><tr><td>Forbid force labor, adhere strictly to the labor regulations by local government.</td><td>Implement vacation system, encourage employees to care about work-life balance. °</td></tr><tr><td>Ensure employee’s rights</td><td>Set up an exclusive mailbox to</td></tr></table>	Human Rights Management Policy	Specific Plan	Provide a safe and healthy working environment	Please refer to “protection measure for working environment and employee personal safety” in Labor relations on page 121-122.	Forbid force labor, adhere strictly to the labor regulations by local government.	Implement vacation system, encourage employees to care about work-life balance. °	Ensure employee’s rights	Set up an exclusive mailbox to	
Human Rights Management Policy	Specific Plan											
Provide a safe and healthy working environment	Please refer to “protection measure for working environment and employee personal safety” in Labor relations on page 121-122.											
Forbid force labor, adhere strictly to the labor regulations by local government.	Implement vacation system, encourage employees to care about work-life balance. °											
Ensure employee’s rights	Set up an exclusive mailbox to											

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
B. Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	✓		<p>and violation handling accept report handling procedure and relevant confidential mechanism.</p> <p>B. The Company's leave system is based on Labor Standards Act and establishes employee welfare committee, which funds welfare annually for providing employees with various benefits, such as subsidies for employee travels, cash gifts for birthday, allowances for marriage, allowances for birth, allowances for funeral, subsidies for club, etc.</p> <p><u>Diversity and Equality in the Workplace :</u> The Company has achieved gender equality with equal pay for equal work and promotion opportunities, with 36% of female employees and 37% of female supervisors in 2024.</p> <p><u>Operating performance is reflected in employee remuneration :</u> The Company participates in annual market salary surveys and adjusts salaries according to market salary levels, economic trends, and individual performance in order to maintain overall salary competitiveness. Encouragement and punishment systems, such as "Performance Examination Method", "Employee Reward and Punishment Management Method" are also established. In accordance with Article 18 of the Company's Articles, the Company shall set aside 0.1% to 5% of the annual profit, if any, as employee compensation. 0.3% of employee compensation amounting to NT\$1,075 thousand was set aside in 2023 and paid in 2024, and 0.6% of employee</p>	No major difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
C. Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		<p>compensation amounting to NT\$16,482 thousand was set aside in 2024. NT\$ 5,291 thousand was set aside as the retire salary in 2024 by the Company.</p> <p>C. The company is committed to provide employees with a safe and healthy working environment. In terms of physical health, regular employee health examination held so that employees can control their health status. We have conducted health checks for employees over 40 years of age and the seniority for over 10 years in 2024.</p> <p>In terms of work safety, our company provides regular quality control and work safety training and promotion twice a year to develop emergency response ability and safety concept of our employees, to strengthen their cognitive ability, and to reduce the occurrence of accidents caused by unsafe behaviors. In 2024, there was no occupational accident. In the future, we will continue to work towards the goal of zero occupational accident. In 2024, there was no fire accident.</p> <p>Occupational Safety Inspection</p> <p>The subsidiary has established the annual working plan for the occupational safety inspection team. The occupational safety inspection team conducts inspection from time to time on improvement suggestions and provide specific improvement status record for reference to each unit, as well as summarizing improvement suggestions for discussion on monthly operational meeting.</p>	No major difference.
D. Has the Company	✓		D. The company regularly plans education and training courses	No major difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
established effective career development training plans?			and provides education and training subsidies for employees to strengthen their career capabilities. During the quarterly assessment, except reviewing the annual achievements, the managers will also understand employees' potential, profession and ability to be improved based on the performance of the colleagues' work, and arrange training, rotation, and project participation plans together. In addition to the monthly meetings for the educational training of the Company's business, we also provide professional training fees to all employees of about NT\$197 thousand in 2024.	
E. Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling, and set policies to protect consumers' or client rights and consumer appeal procedures?	✓		E. The company follows relevant laws, regulations and international guidelines of marketing and labeling of products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests. For example, the signing of customer purchase and sale contract according to the formalized contract for sale and purchase, implementation of performance guarantee mechanism, etc. The Company sets customer service line to fairly and immediately handle complaint about customer rights.	No major difference.
F. Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational	✓		F. The Company has cost control department to conduct cycle management mechanism in three stages: before – supplier evaluation, during – supply training, and after – supplier review. We also require supplier provide construction materials which meet regulation standard and assess its competency from time to time. The Contract asks suppliers follow "Occupational	No major difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
safety and health or labor right, and their implementation status?			safety and health management rule”, expect to promote ESG target such as public safety and healthy environment together. The Company has conducted 2 on-site visits, 9 supplier evaluation review, 21 educational training, and 35 safety and health coordination organization meetings in 2024.	
5) Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Has the said Report acquired 3rd certification party verification or statement of assurance?		✓	The Company entrusts a professional institution to prepare a ESG report on the GRI Standards issued by Global Reporting Initiative (GRI), and discloses the ESG report with reference to TCFD, US Sustainability Accounting Standards (SASB) and important domestic and foreign laws and regulations and simultaneously disclose information related to ESG reports and contact e-mail in the annual report and official website to provide a good information feedback and communication channels for stakeholders and strengthen the sustainable operation of the corporate. This report has not been confirmed by a third-party verification unit.	In the future, the report will be confirmed by a third-party verification unit according to the needs.
6) If the company has established its sustainable development of practice according to “Listed Companies Sustainable Development Code of Practice,” please describe the operational status and differences : The Company has established sustainable development practice rule and process corporate governance pursuant to Corporate Law and Securities and Futures Bureau relevant law, considering trend of sustainable development, the Company presents its commitment to employees, shareholders and customers by promoting sustainable development activities, there’s no difference between the work and the rule.				
7) Other important information to facilitate better understanding of the company’s implementation of sustainable development : A. The implementation of corporate sustainable development in 2024 has been disclosed in the Company's official website "Related Party Center-Corporate Social Responsibility", which includes : a. Environmental protection : Adopted Da Kung footpath maintaining and Li Yuan Park plants replacement, sakura footpath cleaning, and				

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>scenery plants maintaining. Total expenditure is NT\$1.775 million.</p> <p>b. Community involvement : Community activities such as parent-child planting, Snake family drawing contest, sustainable fables, with total expenditure of NT\$ 213 thousand.</p> <p>c. Social welfare : Donated to Hsiang Shang Social Welfare Foundation, Full Moon Stray Animal Sanctuary, Infertility Foundation, Da Jia Charity Association, Yong Fu education Fund, with total expenditure of NT\$ 3.09 million. One Rehabilitation rebus for Social Affairs Bureau, Taichung City Government, Economic Development Bureau, NT\$2 million for Taichung City Government “2024 Taichung Shopping Festival”. Baseball Team Tournament and Nutritional Supply Fund.</p> <p>d. Culture development : NT\$146,000 for Chun An Elementary School baseball team tournament and nutritional supply , NT\$15,000 for industry cooperation with Chaoyang University of Technology, Department of Civil and Construction Engineering.</p> <p>B. Cooperate with Tunghai University Department of Architecture to promote the concept of sustainable and friendly environment through outdoor large-scale installation art. The installation artwork “Build with nature” understands the ESG sustainability awareness covers the circular connection between human, living field, domestic forestry, and the ecosystem is closely related to the sustainable environment.</p>	

Climate-Related Information for Listed and OTC Companies

1. Execution Status of Climate-Related Information

Item	Execution Status			
1) Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>Climate change has become one of the most severe risks in the world. The Company follows the TCFD advice to enhance the disclosure on the financial impact from climate change to help the interest parties to understand the relevant significance and our corresponding strategy direction.</p> <p>1. Board of Directors: Recognizing the increasing impact of climate change on business operations, the Company's board of directors emphasizes the importance of sustainable business expertise in its composition. Therefore, when selecting independent directors, we consider not only proficiency in business practices, financial management, law, and corporate governance but also practical experience and knowledge in climate change-related issues. Additionally, priority is given to climate-related courses in the annual director training hours selection.</p> <p>2. Management Team: The Sustainability Development Task Team serves as the highest authority for climate change management. Led by the Chairman and composed of top-level executives, this task team is responsible for driving sustainable development policies, systems, and relevant management strategies, as well as proposing and implementing specific plans. Operating under the Sustainable Development Best Practice Principles, the Sustainability Development Task Team regularly reports its progress to the board of directors.</p>			
2) Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term).	<p>The Company evaluates climate-related risks and opportunities by assessing various significant climate-related risks and opportunities that impact our operations across different timeframes and issues. Management timeframes are categorized as short-term (less than three years), medium-term (three to five years), and long-term (greater than five years). We have identified a total of 5 climate change risks and 4 climate change opportunity topics.</p>			
	Impact Timeframe	Climate Risks Issue	Potential Impact on Company Operations	Response Strategies and Action Plans
	Short-Term	The severity of extreme weather events like typhoons and floods has escalated.	Natural disasters can result in property losses and construction delays, such as scaffold collapses, debris from construction sites causing damage to	1. Pay attention to the typhoon's intensity and increase patrolling times on the construction site, remove the advertisement canvas on the construction site ahead of time, prepare a water pumping machine to avoid flooding in the basement, and strengthen the security on material and equipment ahead of time, remove any

Item	Execution Status			
			others, flooding, and wall cracks.	<p>falling objects on the construction rack.</p> <p>2. Acquire construction site accident insurance to mitigate losses from disasters.</p> <p>3. Establish emergency response teams to address specific measures and tasks for various emergency scenarios, including alarm response, engineering rescue, personnel rescue, etc. Assign responsibilities to designated individuals and contractors, and establish communication directories.</p>
	Short-Term	Changes in rainfall patterns and extreme climate shifts.	Extended periods of rain can cause project delays, potentially leading to postponed delivery dates and compensation payments to customers.	<p>1.Proactively plan to adapt project schedules to accommodate the rainy season and closely monitor rainfall conditions during construction.</p> <p>2.Establish emergency response teams to implement specific measures and tasks for various emergency scenarios.</p> <p>3.Factor assessments of rainy season weather impacts into considerations for customer contract timelines.</p> <p>4.Avoid rainy season or typhoon season when planning for landscape construction periods, and make proper adjustments.</p> <p>5.Add in groove space for landscape construction on the first floor to collect sudden heavy rainwater to avoid flooding.</p> <p>6.Increase the height of the railings, wind load resistance level of the metal grille design, and the water penetration level of the window.</p>
	Short-Term	Increasing average	High temperatures can lead to heat exhaustion	1.Find out the corresponding heat index on the construction site in accordance with the temperature

Item	Execution Status			
		temperatures.	among workers, causing project delays, and contribute to power shortages in Taiwan, resulting in work stoppages and closures at construction sites and business locations, leading to delays and increased personnel costs.	<p>and relevant humidity information issued by the Central Weather Administration, and make corresponding measures by the risk level. For assessed heat hazard levels, implement the following preventive and management measures in accordance with relevant regulations:</p> <ul style="list-style-type: none"> • Reduce the temperature exposure by workers. • On-site inspection of workers' operations • Provide suitable rest areas. • Install shaded areas and provide shower facilities at the worksite. • Provide cooling snacks during summer, promote hydration, and encourage adequate breaks. • Install temperature sensors to notify workers to cease operations during excessively high temperatures. <p>2. In case of heat-related emergencies, immediately loosen the affected person's clothing, use water to cool the body, and provide a small amount of salted cold water or diluted electrolyte drinks. Seek medical attention promptly and report to supervisors.</p>
	Long-term	Customer Behavioral Changes	In recent years, customers in the real estate market have increasingly focused on service and corporate image. Green building practices have become a crucial part of corporate identity. Failure to adapt to	<p>1. Except for the necessary driveways and walkways paved with permeable surfaces, all other open areas within the premises are utilize high-density, multi-layered greening approaches. Additionally, rooftop gardens, terraces, and vertical greenery are being implemented to reduce building heat.</p> <p>2. Solar power equipment is installed on rooftops to supply electricity for community stairwell lighting and</p>

Item	Execution Status			
			<p>changing customer behavior could impact product sales and market share, leading to decreased revenue.</p>	<p>irrigation system motors.</p> <p>3.A rainwater collection and reuse system is constructed to gather rainwater from rooftops and ground surfaces. After filtration, the water is channeled to an underground rainwater recovery tank for irrigation of community landscaping.</p> <p>4.On a cost-effective basis, prioritize the use of green building materials such as eco-friendly paints, lightweight partition gypsum boards, and environmentally friendly paving.</p> <p>5.Green purchase amount was NT\$85,761,695 in 2024.</p>
	Short-Term	Escalating Raw Material Costs	<p>Supply chain disruptions or material shortages due to extreme weather conditions may lead to project delays or the cancellation of certain construction projects. Moreover, an increase in raw material prices could substantially raise construction costs.</p>	<p>1.The Procurement and Engineering departments conduct monthly dynamic assessments of project costs, evaluating actual expenses and subsequent cost estimates to monitor fluctuations and implement timely controls.</p> <p>2.Addressing the extensive use of materials in the construction industry, such as cement, sand, and steel, strategies involve increasing the number of contracted suppliers to reduce reliance on individual suppliers. Additionally, proactive planning of material quantities and bulk procurement are initiated to mitigate the risk of material shortages.</p> <p>3.The purchase department conducts market price surveys regularly, and makes purchases earlier when there is an obvious increase in raw material price.</p>

Item	Execution Status			
	Impact	Climate-related Opportunities	Potential Impact on Company Operations	Response Strategies and Action Plans
	Mid-term	Developing or Expanding Low-Carbon Products and Services	As the sustainable operation concept is established in the construction industry, the consumers have more options on green building products. In order to pursue a better living quality, they should go for a more energy saving, more environmentally friendly green building.	1.Except for the necessary driveways and walkways paved with permeable surfaces, all other open areas within the premises are utilize high-density, multi-layered greening approaches. Additionally, rooftop gardens, terraces, and vertical greenery are being implemented to reduce building heat.
	Mid-term	Responding to Shifting Consumer Preferences	Therefore, at the beginning of the construction plan, a sustainable design should be considered and introduced, including energy saving measures, green items, or use of sustainable building materials, to increase the purchase intention of the consumers and increase the operating income.	2.Solar power equipment is installed on project rooftops to power community stairwell lighting and irrigation system motors. 3.On a cost-effective basis, prioritize the use of green building materials such as eco-friendly paints, lightweight partition gypsum boards, and environmentally friendly paving.
	Mid-term	Moving Towards More Efficient Buildings	With the energy saving design introduction in the newly constructed building and energy efficiency improvement in existing building, it can reduce the carbon emission in the construction industry. Energy saving design introduction in the newly constructed building may increase the	Energy-Saving and Carbon Reduction Measures for New Developments: 1.Except for the necessary driveways and walkways paved with permeable surfaces, all other open areas within the premises are utilize high-density, multi-layered greening approaches. Additionally, rooftop gardens, terraces, and vertical greenery are being

Item	Execution Status			
			<p>purchase intention and further increase the operating income. Energy saving measures introduction in existing building (ex: office) may reduce the operating cost.</p>	<p>implemented to reduce building heat.</p> <p>2.Solar power equipment is installed on project rooftops to power community stairwell lighting and irrigation system motors.</p> <p>3.A rainwater harvesting and reuse system is implemented to collect rainwater from rooftops and ground surfaces. After filtration, the water is directed to an underground rainwater storage tank for irrigation of community landscaping.</p> <p>4.On a cost-effective basis, prioritize the use of green building materials such as eco-friendly paints, lightweight partition gypsum boards, and environmentally friendly paving.</p> <p>Carbon Reduction Measures for Project Communities:</p> <p>1.Providing guidance on community resource recycling practices.</p> <p>2.Community public area lighting is adjusted based on time periods or utilizes infrared motion sensors to prevent unnecessary power consumption.</p> <p>Energy-Saving and Carbon Reduction Measures for Office:</p> <p>Turn off the light for 1-1.5 hours during lunch break.</p>

Item	Execution Status			
	Mid-term	Implementing More Efficient Production and Distribution Processes	Improve yield by BIM to reduce constructing error and operating cost.	1.Utilizing BIM technology and 3D visualization of drawings to improve construction accuracy and reduce waste of resources and materials. 2.Conducting comprehensive training before initiating each task, focusing on potential error points to enhance productivity. 3.Developing detailed construction method guidelines (white papers) for each aspect of the project to establish standardized procedures for better management and increased efficiency.
3) Financial impacts of extreme climate events and transformational actions.	(1) Regarding extreme weather conditions and our transition actions, explanation as of the details mentioned above in item 2. (2) As part of the Company's future diversification efforts, we aim to reduce the financial impact of climate risk factors and incorporate climate change risks into our operational decision-making process. (3) Our approach to building material procurement prioritizes environmental sustainability, carbon reduction, and energy efficiency goals.			
4) Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The Company conducts greenhouse gas assessment to quantify and manage overall emissions, identifying significant climate-related risks and opportunities. The Board of Directors has established a Sustainability Development Task Team to oversee risk management responsibilities, coordinating the formulation of risk management policies and execution guidelines. This task team identifies potential risks affecting the Company's sustainable development and coordinates risk management efforts across departments. It reports to the Board of Directors at least once a year on management implementing status and risk control report, as well as supervising and tracking to review the risk management implementing status of the operation team in order to strengthen the corporate's constitution.			
5) If scenario analysis is used to assess resilience in the face of climate change risks, the	Currently, the Company has not implemented climate change scenario analysis.			

Item	Execution Status
use of scenarios, parameters, assumptions, analysis factors, and major financial impacts shall be described.	
6) If there is a transformation plan in response to the management of climate-related risks, describe the contents of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	<p>In line with the 2050 global net-zero carbon roadmap, the Company strictly complies with environmental, energy, and resource-related policies and regulations. We actively monitor climate change policies and initiatives both domestically and internationally, using regulatory adherence as a major performance indicator. Based on a comprehensive assessment of significant climate-related risks and opportunities across departments, our operational strategies are shaped accordingly. We establish climate-related development objectives to guide implementation and conduct regular assessments of our progress, adjusting performance evaluations on an ongoing basis to continuously enhance our environmental performance.</p> <p>When contemplating and designing architectural projects, our company integrates the foundational brand concept of "Beautiful City, Happy Community" with sustainable objectives, positioning ourselves as advocates for advancing towards net-zero targets. Project "The Way Home", which completed in 2025, will receive green building certification. Project "Unveiling" is currently undergoing green building certification application.</p>
7) If the internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	he Company has not yet utilized internal carbon pricing assessment as planning tools, but has been actively learning about industrial characteristics and carbon emission status as the basis for future internal carbon pricing.

Item	Execution Status
<p>8) If climate-related targets are set, explain the activities covered, greenhouse gas emission scopes, planning periods, and annual progress achieved. If carbon offsets or renewable energy certificates (RECs) are used to meet these targets, explain the source and amount of the carbon reduction or the number of RECs.</p>	<p>The Company plans to complete the disclosure of individual inventory information in 2026, consolidated inventory information in 2027, assurance status in 2028, and consolidated assurance status in 2029. It will set up the carbon reduction goal, strategy, and specific action plan by then.</p>
<p>9) Greenhouse gas inventories, assurance status, and reduction targets, strategies, and concrete action plans (please fill in 1-1 and 1-2 separately).</p>	<p>In accordance with the "Sustainable Development Roadmap for Listed and OTS Companies" issued by the Financial Supervisory Commission in March 2022, the Company, classified as having paid-in capital below NT\$5 billion, is subject to the following timeline for greenhouse gas inventory: The individual company (i.e., the parent company) should complete the greenhouse gas assessment by the year 2026 and undergo verification by the year 2028. Additionally, subsidiaries included in consolidated financial statements should complete the greenhouse gas inventory by the year 2027 and undergo verification by the year 2029. We will adhere to the relevant guidelines and regulations issued by the regulatory authority to continuously monitor and disclose the progress of greenhouse gas assessment and verification timelines. This information will be presented to the Board of Directors for review and will be monitored on a quarterly basis.</p> <p>The schedule for greenhouse gas inventory and verification planning is as follows:</p>

Item	Execution Status			
	Task	Expected Completion Time for Parent Company	Expected Completion Time for Subsidiaries in Consolidated Financial Statements	
	Development of Inventory Planning	Completed by June 2025	Completed by June 2026	
	Development of Verification Planning	Completed by June 2027	Completed by June 2028	

1-1. The Company's greenhouse gas inspection and confirmation in the last two years:

1.1.1 greenhouse gas inspection information

Details of greenhouse gas emissions for the past two years (tons CO₂e), intensity (tons CO₂e per NT\$ million), and scope of data coverage.

Type	Description	2024	2023
Greenhouse gases	Category I (Tons CO ₂ e)	36	20
	Category II (Tons CO ₂ e)	905	749
	Total emissions (Tons CO ₂ e)	941	769
	Emission intensity (Ton CO ₂ e/thousand dollars)	7.378%	50.518%

Note 1: Direct emissions (Category I, from sources owned or controlled by the company), energy indirect emissions (Category II, from purchased electricity, heat, or steam), and other indirect emissions (Category III, from activities not classified as energy indirect but from sources owned or controlled by other companies)

Note 2: The data scope includes the company and its subsidiary Zongtai Construction Co., Ltd.

Note 3: Greenhouse gas inspection standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity can be calculated by product/service per unit or operating revenue , or at least describe the data by operating revenue calculation (NT million dollars).

1.1.2 Greenhouse Gas confirmation

Assurance status within the recent two years as of the printing of this annual report, including assurance scope, assurance institute,

assurance guideline, and assurance opinion.

The Company has not yet undergone an Assurance service.

1-2. Greenhouse gas reduction goals, strategies and concrete action plans:

Details of Greenhouse Gas Reduction Baseline Year and Data, Reduction Objectives, Strategies, Specific Action Plans, and Reduction Objectives:

The Company sets greenhouse gas emission reduction objectives based on assessments of actual conditions and actions taken in response to climate change.

The Company plans to complete consolidated inventory of the subsidiary in 2027, hence the baseline year is 2026.

Note 1: It will be handled by the schedule set in the Article 10, paragraph 2 of this guideline.

Note 2: The baseline year should be the year when the audit is completed based on the consolidated financial statements. As the regulations in the Article 10, paragraph 2 of this guideline for example, companies with capital more than NT\$10 billion should complete the 2024 consolidated financial statements inspection by 2025, so the baseline year is 2024. If the company has completed the consolidated financial statements inspection ahead of time, the earlier year of completion may be the baseline year. Also, the data of the baseline year can be calculated by a single year or the mean of multiple years.

3.6 Taiwan Corporate Conduct and Ethics Implementation as Required by the Taiwan Financial Supervisory Commission :

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summaries	
<p>1) Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>A. Does the company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>B. Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?</p>	<p>✓</p> <p>✓</p>		<p>A. The Company has established “Corporate ethical management regulation”, “Measures for the Report on illegal, Immoral and Dishonest Acts”, and “Insider trading prevention management”, stipulating policy and board of directors and management’s commitment of implementing management policy. The internal education and training of "insider trading" was held online at the end of the year, and 69 people participated in 2024.</p> <p>B. The Company aims on Article 7.2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” or takes prevention measure with establishing effective accounting system and implement internal control system on business activities that has higher unethical behavior risk in other business scope, the Company also stipulates “Corporate ethical operation rule”, “Ethical behavior principal” for regulation.</p>	No major difference.

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summaries	
C. Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓		C. The Company has established “Report legal and unethical behavior disposal method”. The recent revised was passed in 12 th meeting of 12 th Board of Directors (March 14, 2023).	
2) Ethic Management Practice				No major difference.
A. Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		A. The Company makes transactions records and review system of clients and vendors and stipulates ethical behavior clause in contracts which review by the legal department. On-site Investigation on supplier was conducted 2 times in 2024.	
B. Whether the company has set up a unit which is dedicated to promoting the company’s ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	✓		B. To fulfill ethical management’s duty of supervision, the Board of Director establishes different organization and channel, such as audit committee and remuneration committee. The Company assigns administration service center as ethic promote team, reported the 2024 ethical management execution status to board of directors on March 11, 2025.	

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summaries	
<p>C. Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?</p> <p>D. To implement relevant policies on ethical conducts, has the company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?</p> <p>E. Does the company provide internal and external ethical conduct training programs on a regular basis?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>C. When the issues have stake with oneself or corporate represented, the director of the Company could express opinion and response but could not join and should avoid discussion and vote.</p> <p>D. The Company responses to changes of environment and laws and timely amends accounting system and internal control system; all internal audit personnel could work independently. Attend the board of directors and audit Committee regularly and make audit business reports. Auditor will evaluate internal control system by sampling during auditing financial reports and make suggestions based on evaluation.</p> <p>E. Directors, managers, and employees strengthen the concept of ethical management through further studies and education training to carry out policy and commitment of the ethical management. The Company conducted “ethical management” online in 2024 for internal employee and manager educational training (including purchase risks/trade secrets), and a total of 100 people participated.</p>	
<p>3) Implementation of Complaint Procedures</p> <p>A. Does the company establish specific complaint and reward procedures,</p>	<p>✓</p>		<p>A. The Company establish “Ethical Behavior Principal” to encourage reporting any illegal or unethical behavior.</p>	No major difference.

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summaries	
<p>set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?</p> <p>B. Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?</p> <p>C. Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</p>	<p>✓</p> <p>✓</p>		<p>"Measures for the Report on Illegal, Immoral and Dishonest Acts" are formulated to detail describe various complaint procedure and acceptance units. Also, an email for reporting is set up on the official website and internal website for providing external and internal reporting channels.</p> <p>B. The regulation of " Measures for the Report on Illegal, Immoral and Dishonest Acts" of the Company that accepts complaint procedure and related confidentiality mechanisms. And make punishment based on the severity of the circumstances. If the violations are confirmed, it shall be reported to management immediately, and make punishment based on the severity of the circumstances.</p> <p>C. The Company's "Measures for the Report on Illegal, Immoral and Dishonest Acts" acknowledges protecting whistleblowers from inappropriate disposal.</p>	
<p>4) Information Disclosure</p> <p>Does the company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System (MOPS)?</p>	<p>✓</p>		<p>The Company's website established corporate finance, business-related information, and corporate governance information for the reference of shareholders and stakeholders.</p>	<p>No major difference.</p>
<p>5) If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/ TPEx Listed Companies, please describe any discrepancy between the policies and their implementation :</p>				

Assessment Item	Implementation Status			Causes for the Difference
	Yes	No	Summaries	
The Company has established Ethical Corporate Management Best Practice Principles, the internal operation can mostly meet the requirement of Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. There is no major difference.				
6) Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices (e.g., review the company’s corporate conduct and ethics policy) :				
A. The Company’s “Board of directors operation management work” stipulates director avoidance of conflict-of-interest system, for any proposal in which a Director or the legal person he or she represents is an interested party, the Director shall explain the important aspects of his/her interest at the Board meeting. When his/her interest is likely to compromise the interest of the Company, the Director shall not participate in the discussion and voting on the proposal and the Director shall abstain him or herself from discussion and voting on the proposal.				
B. The Company establishes “Insider significant information handling and insider transaction management procedure” and stipulates that directors, managers and employees shall not leak any internal significant information to other people, shall not ask relevant people for internal significant information or collect unpublished internal significant information that is not relevant to position, and shall not leak unpublished internal significant information that is not from business to other people.				
C. The Company has established Ethical Corporate Management Best Practice Principles and amended on March 25, 2020.				

3.7 Other material information that could increase understanding on corporate governance could also be disclosed :

The Company also establishes "Internal significant measurement and insider transaction management procedure" as behavior standards for directors, managers, and employees, we also set up "Stakeholder Center-Corporate Governance" area on official website for disclosing relevant procedures.

3.8 Other material information that could increase understanding on corporate governance could also be disclosed :

1. Internal Control Declaration: by the approval of the board of directors on March 11, 2025 and filing in compliance with the regulations, the declaration could be search in MOPS website (<https://mops.twse.com.tw/mops/#/web/t06sg20>) as follows : Corporate Information\Single Company\Corporate Governance\ Corporate Regulations\Internal Control\Internal Control Declaration. Enter market type "listed", year "2024" and company code "3056" to search.

2. CPA appointed to review internal control system shall disclose review report : None

3.9 Material decision of shareholder meeting and board of director meeting from last year to publication of annual report :

3.9.1.Important Resolutions of the Shareholders' Meeting

Name and Date	Material decision
2024 shareholders meeting June 12	<ol style="list-style-type: none"> 1) Passed 2023 business report and financial statements. 2) Passed proposal of 2023 earning appropriation. Execution : Fixing August 22, 2024 as record date. September 20, 2024 as cash dividend appropriation date and new stock list business date. (NT\$ 0.41 per share of cash dividend and NT\$ 0.4 per share of stock dividend) 3) Passed “Earnings Transferred to Common Stock and Released New Stock”. Execution : 40 shares gratuitously allotted for every thousand share. Approved by the Ministry of Economic Affairs on September 10, 2024. The new stock list business date on September 20, 2024. 4) Passed amendments to the articles of “Incorporation of the Company”. Execution : Approved by the Ministry of Economic Affairs on June 25, 2024 and disclosing the rule on the official website. 5) Passed amendment to Rules of Procedure for Shareholders' Meeting Execution : Carry out relevant operations according to the revised version and announce it on the company website. 6) Re-election of directors Execution : The Board of Directors resolved to elect 9 directors (including 3 independent directors), approved by the Ministry of Economic Affairs on June 25. 7) Discussion to approve the lifting of non-competition restrictions for directors of the Company.

3.9.2. Board of directors’ meeting’s material decision :

Name and Date	Material decision
17 th meeting of 12 th Board of Directors 2024/03/14	<ol style="list-style-type: none"> 1) Passed 2023 remuneration for employees and directors reviewed by remuneration committee. 2) Passed 2023 business report and financial report. 3) Passed the amendment to the 2023 earnings distribution. 4) Passed issue new shares through capital increase from earnings. 5) Passed issuance of “Internal control system statement”. 6) Passed discussion of accountant fee and evaluation of

Name and Date	Material decision
	<p>accountant independency and competency.</p> <p>7) Passed donation of “Yong Fu education Fund”.</p> <p>8) Passed amendment to “Articles of Incorporation”.</p> <p>9) Passed amendment to regulations for shareholders’ meetings</p> <p>10) Passed amendment to regulations for Board of Directors meetings.</p> <p>11) Passed amendment to the audit committee charter.</p> <p>12) Passed amendment to the directions for the implementation of continuing education for directors and supervisors.</p> <p>13) Passed the establishment of the "Rules Governing the Preparation and Filing of ESG Reports".</p> <p>14) Passed the amendment to the rules governing financial and business matters between related corporation and its affiliated enterprises.</p> <p>15) Passed in addition to Human Rights Policy.</p> <p>16) Passed the amendment to the “Compensation Plan for Directors, Functional Committee Members and Managerial Officers”.</p> <p>17) Passed amendment of ratification of releasing and purchasing of employee stock option in 2023.</p> <p>18) Passed amendment of issuance of employee stock option in 2023.</p> <p>19) Passed the Taichung branch company relocation of Fu Hua Innovation Co., Ltd.</p> <p>20) Passed the transference of financial officer of the Company.</p> <p>21) Passed the transference of acting spokesman of the Company.</p> <p>22) Passed the comprehensive election of directors.</p> <p>23) Passed establishment of 2024 shareholders meeting.</p>
<p>18th extraordinary meeting of 12th Board of Directors</p> <p>2024/04/30</p>	<p>1) Passed the list of candidates for directors (including independent directors).</p> <p>2) Passed removal of the non-compete clause for new directors.</p> <p>3) Passed the case of changing subsidiary’s name and article of incorporation.</p>
<p>19th meeting of 12th Board of Directors</p> <p>2024/05/09</p>	<p>1) Passed the 2024 Q1 Financial Statements prepared by the Company itself.</p> <p>2) Passed the transfer proposal of the internal acting audit.</p> <p>3) Passed changed to the general manager of the Company.</p>
<p>1th meeting of 13th Board of Directors</p>	<p>1) Passed new appointment of the chairman</p>

Name and Date	Material decision
2024/06/12	
2 th meeting of 13 th Board of Directors 2024/07/30	<ol style="list-style-type: none"> 1) Passed the discussion the earnings distribution on the ex-dividend date of cash and stock dividends of 2023 and capital increase date. 2) Passed the stakeholder house purchase. 3) Passed the appointment of the 6th “Remuneration Committee” members. 4) Passed the appointment of the representative of the corporate shareholder of the subsidiary, Ritai Real Estate Development Co., Ltd. 5) Passed the re-appointment of the representative of the corporate shareholder, Dashun Advertising Co., Ltd
3 th meeting of 13 th Board of Directors 2024/08/07	<ol style="list-style-type: none"> 1) Passed the submission of 2024 Q2 Financial Statements prepared by the Company itself. 2) Passed the 2023 director personal remuneration appropriation. 3) Passed the 2023 ESG Report. 4) Passed the changes of Accounting Manager concurrently Financial Manager. 5) Passed the capital increase for subsidiary Fu Hua Construction Co., Ltd. 6) Passed the re-appointment of the representative of the corporate shareholder, Fu Hua Construction Co., Ltd. 7) Passed the establishment of new company by re-investment. 8) Passed removal of the non-compete clause for new directors and the representative of the subsidiary Shenglin Real Estate Co., Ltd. 9) Passed the endorsements/guarantees for subsidiary Zongtai Construction. 10) Passed the changes of the acting accounting manager.
4 th meeting of 13 th Board of Directors 2024/11/06	<ol style="list-style-type: none"> 1) Passed the 2024 Q3 Consolidated Financial Statements. 2) Passed the addition of “Management Regulation of Sustainable Information”. 3) Passed 2025 audit plan. 4) Passed authorizing Chairman purchases real estate under NT\$ 3 billion for development. 5) Passed the appointment of Finance Vice President and Finance Manager. 6) Passed the appointment of Accounting Manager. 7) Passed 2025 business and budget plan. 8) Passed the changes of the name for Panxu Construction Co.,

Name and Date	Material decision
	Ltd.
5 th meeting of 13 th Board of Directors 2024/12/23	<ol style="list-style-type: none"> 1) Passed the dismissal of Finance Vice President and Finance Manager. 2) Passed the acting Finance Manager. 3) Passed the amendment of “Corporate Governance Best Practice Principles”. 4) Amendments of “Regulations of Subsidiary Management”.
6 th meeting of 13 th Board of Directors 2025/03/11	<ol style="list-style-type: none"> 1) Passed 2024 remuneration for employees and directors reviewed by remuneration committee. 2) Passed the 2024 business report and financial report. 3) Passed the amendment to the 2024 earnings distribution. 4) Passed issue new shares through capital increase from earnings. 5) Passed issuance of “Internal control system statement”. 6) Passed discussion of accountant fee and evaluation of accountant independency and competency. 7) Passed amendment to “Articles of Incorporation”. 8) Passed amendment to “Regulations of Employee Compensation”. 9) Passed the amendment to “Audit Committee Charter”. 10) Passed the appointment of the representative of the corporate shareholder of the subsidiary, Ritai Real Estate Development Co., Ltd. 11) Passed financing through bank credit. 12) Passed the appointment of Finance Manager. 13) Passed the jointly-constructed but separate sales development for land numbers 53 of Wenshan Section, Xitun District, Taichung City. 14) Passed the jointly-constructed but separate sales development for land numbers 110、110-1、111、111-1、111-2 of Taiyuan Section, Beitun District, Taichung City. 15) Passed the authorization of important manager appointment for the subsidiary. 16) Passed the establishment of 2025 shareholders meeting.
7 th meeting of 13 th Board of Directors 2025/05/07	<ol style="list-style-type: none"> 1) Passed the 2025 Q1 Financial Statements prepared by the Company itself. 2) Passed change to the acting spokesperson of the company

3.10 Documented opinions or declarations made by directors against the board's resolutions for the most recent year up to the publication date of the annual report : None.

4 CPA Fees

- 2.1 The amount of audit and non-audit fees paid to the certified public accountants, their respective firms and their affiliates, and the content of non-audit services :

CPA Fees

Unit : NT thousand dollars

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee (Note)	Total	Remark
Deloitte & Touche	Li-Tong, Wu	2024/01/01~ 2024/12/31	1,500	377	1,877	
	Dong-Yun, Zeng	2024/01/01~ 2024/12/31				

Note : Non-audit fee : Certification of income tax NT\$220 thousand, state-funded stock dividends of common stock NT\$95 thousand, and other NT\$62 thousand.

- 2.2 change Accounting Firms and audit fee paid at the year is less than previous year : None.
- 2.3 Any reduction in audit fees by more than 10% compared to the previous year. State the amount, the percentage and reason of such variation : None.

5 Change of certified public accountant

The Company changed account in the past two years shall disclose following items :

5.1 Former CPA

Date of Change	Q1, 2024		
Reasons and Explanation of Changes	In compliance with regulatory requirements on rotation, the co-signing partner Shu-Chin, Chiang will be replaced by Li-Dong, Wu starting from 2024 Q1. The engagement partner will remain to be Dong-Yun, Zeng.		
State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client \ Status	CPA	Consignor
	Appointment terminated automatically	-	-
	Appointment rejected (discontinued)	-	-
The Opinions Other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions	None		
Is There Any Disagreement in Opinion with the Issuer	Yes	-	Accounting principle or practice
		-	Disclosure of financial statements
		-	Auditing scope or procedures
		-	Others
	No	✓	
	Explanation : None		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

5.2 Successor CPAs

Accounting Firm	Deloitte & Touche
Account	Li-Dong, Wu and Dong-Yun, Zeng
Date of Engagement	Q1, 2024
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	None
Written Opinions from the Successor AUDITORS that are Different from the Former CPA's Opinions	None

5.3 The reply of former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards : None.

6 The Company's Chairman, General manager , or managers in charge of finance or accounting affairs being employed by the accounting firm of its certified public accountant or affiliated enterprise of such accounting firm within the last year :
None.

7 Transfer or pledge of shares owned by directors, managers, and all parties holding over 10% for the most recent year up to the publication date of the annual report.

7.1 Directors, Managers and Major Shareholders' holding changes

Title	Name	2024		Year-to-date as at April 19	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director and Major Shareholder	Tso Jung Investment Co., Ltd	1,415,816	0	0	0
Representative of corporate directors and Chairman	Tso Jung Investment Co., Ltd. Representative : Wei-Ju, Liu	118,253	0	0	0
Director	Shun-Wen, Wu (Note 1)	784,000	0	0	0
Director	Tso-Jung, Wu (Note 1)	641,000	0	0	0
Director	Zong Tai Construction Development Co., Ltd. (Note 1)	0	0	0	0
Representative of Corporate Directors	Zong Tai Construction Development Co., Ltd. Representative : Chia-Chi, Kuo (Note 2)	5,670	0	0	0
Representative of Corporate Director	Zong Tai Construction Development Co., Ltd. Representative : Cheng-Yong, Lin (Note 2)	5,985	0	0	0
Director	Wu-Kuo, Chou (Note 3)	7,280	0	0	0
Director	Chao-Shu, Chen (Note 3)	9,357	0	0	0
Director	Chih-Cheng, Hong (Note 4)	(10,000)	0	(60,000)	0
Independent director	Ming-Hai, Lee	0	0	0	0
Independent director	Yong-Jen, Tsao	0	0	0	0
Independent director	Yao-Jia, Wen	0	0	0	0

Title	Name	2024		Year-to-date as at April 19	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
General Manager	Chin-Jung, Tsai (Note 5)	0	0	0	0
Vice General Manager& Acting general manager	Feng-Chiu, Lin (Note 6)	0	0	0	0
Vice General Manager	Han-Hsin, Lin (Note 7)	0	0	0	0
Corporate Governance Officer	Hui-Wen, Ko (Note 8)	6,842	0	(58,000)	0
Senior Manager	Cing-Cyuan, Chen	(50,749)	0	0	0
Financial Manager	Chih-Hsin, Lai (Note 9)	0	0	0	0
Financial Manager and Accounting Manager	Yi-Jing, Fu (Note 10)	0	0	0	0
Financial Manager and Accounting Manager	Ren-Feng, Wu (Note 11)	40	0	0	0
Manager	Jia-Hong, Kang (Note 12)	6,000	0	0	0

Note 1 : Resigned at director re-election on June 12, 2024. The period for shareholding changes in 2024 is from January 1 to May 31, 2024.

Note 2 : Corporate representative of Zong Tai Construction Development Co., Ltd. Serve as a director as a natural person at re-election on June 12, 2024.

Note 3 : New appointment at director re-election on June 12, 2024. The period for shareholding changes in 2024 is from June 12 to Dec 31, 2024.

Note 4 : Took office on May 10, 2024. New appointment at director re-election on June 12, 2024 Resign general manager on Feb 28, 2025.

Note 5 : Resign on May 9, 2024 due to position adjustment.

Note 6 : Acting manager on March 31, 2025.

Note 7 : Resign on March 31, 2024.

Note 8 : Acting financial manager from August 8 to November 6, 2024.

Note 9 : Resign on March 14, 2024 due to position adjustment.

Note 10: Adjunct financial officer on March 15, 2024. Resigned accounting and finance officer on August 7, 2024 due to position adjustment.

Note 11: Acting accounting officer on August 8, 2024. New appointment on November 7, 2024. Adjunct financial officer on March 12, 2024.

Note 12: New appointment on October 1, 2024.

7.2 Director, Manager and shareholders hold over 10% of total shares' transfer counterparty as related party information : None.

7.3 Director, Manager and shareholders hold over 10% of total shares' pledge counterparty as related party information : None.

8 Spouse, relatives of second degree or closer, and relationships among top 10 shareholders.

Relationships among the top ten shareholders, including spouses and second degrees relatives or closer

April 19, 2025

Name (Note 1)	Current Shareholding		Shares held by spouse and underage children		Shares held in the names of others		Spouse, relatives of second degree or closer, and relationships among top 10 shareholders (Note 2)		Remarks
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Name	Relation	
Tso Jung Investment Co., Ltd Representative: His Kun, Wu	36,811,219 3,079,816	10.34% 0.87%	0 3,088,971	0.00% 0.87%	0 0	0.00% 0.00%	Su-Ru, Liu Tso-Jung, Wu Shun-Wen, Wu	Supervisor Director Director	Director
Dian Chiang Chia Investment CO.,LTD Representative: Jing-Song, Chen	9,260,109 42,000	2.60% 0.01%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Yi Fang, Zheng	8,814,426	2.48%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.- Equity. Trading Division (Proprietary Trading Desk)	7,127,000	2.00%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Tso-Jung, Wu	3,697,254	1.04%	0	0.00%	0	0.00%	His Kun, Wu Su-Ru, Liu Shun-Wen, Wu	Parents Parents Sister	
Shun-Wen, Wu	3,220,027	0.90%	0	0.00%	680,655	0.19%	His-Kun, Wu Su-Ru, Liu Tso-Jung, Wu	Parents Parents Brother	
Su-Ru, Liu	3,088,971	0.87%	3,079,816	0.87%	0	0.00%	His Kun, Wu Tso-Jung, Wu Shun-Wen, Wu	Spouse Son Daughter	
His Kun, Wu	3,079,816	0.87%	3,088,971	0.87%	0	0.00%	Su-Ru, Liu Tso-Jung, Wu Shun-Wen, Wu	Spouse Son Daughter	
Citigroup Manages UBS Europe SE Investment Account	2,836,021	0.80%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Standard Chartered Trustee Standard Chartered Hong Kong - External Manager JPMorgan Chase	2,133,000	0.60%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	

Note 1 : All the top ten shareholders should be listed. Those who are legal person shareholders should list the name of the legal person shareholder and the name of the representative separately.

Note 2 : The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship with each other in accordance with the issuer's financial reporting standards.

Note 3 : The shareholder is not an insider declared by the Company, and thus the relevant information of his spouse, minor child(ren) or nominee shareholder(s) is not available.

9 Shares jointly held by the Company, subsidiaries, the Company's directors, managers, and directly/indirectly controlled entities on any single investee.

Calculate shareholding percentage in aggregate of the above parties

In thousand shares ; %

Invested businesses (Note 1)	Held by the Company		Held by Directors, Supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage
Zongtai Construction Co., Ltd.	100,000,000	100.00%	-	-	100,000,000	100.00%
Ritai Asset Management Co., Ltd.	30,000,000	100.00%	-	-	30,000,000	100.00%
Fu Hua Construction Co., Ltd. (Note 3)	10,000,000	100.00%	-	-	10,000,000	100.00%
Dashun Advertising Co., Ltd.	2,000,000	100.00%	-	-	2,000,000	100.00%
Sheng Lin Construction Co., Ltd (Note 3)	60,000,000	100.00%			60,000,000	100.00%
Shuo Yi Tai Green Energy Co., Ltd	1,830,000	26.91%	-	-	1,830,000	26.91%

Note 1 : Investments using equity methods.

Note 2 : Zongtai Real Estate Development Co., Ltd. renamed in May, 2024. Capital increase of 9,200,000 shares in August, 2024.

Note 3 : Panxu Construction Co., LTD was established in September 2024. Renamed in November, 2024.

III. Capital Overview

1 Capital and shares

1.1 Capital source

1.1.1 Proceeds of capital share issued

In thousand NT\$; In thousand shares

Month, Year	Price issued	Authorized shares		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
11/1997	10.00	2,000	20,000	1,050	10,500	Proceeds from New Issues	None	
06/1998	10.00	2,000	20,000	1,890	18,900	Proceeds from New Issues	None	06/06/1998 Zhu Jian Shan Yi Tzu No. 175591
11/1998	10.00	8,000	80,000	3,500	35,000	Proceeds from New Issues	None	12/18/1998 Zhu Shang Tzu No. 087141472
12/1999	10.00	8,000	80,000	5,000	50,000	Proceeds from New Issues	None	06/14/1999 Jian Shan Zen Tzu No. 185190
04/2000	10.00	16,000	160,000	10,000	100,000	Proceeds from New Issues	None	05/26/2000 Zhu Shang Tzu No.089116984
06/2000	10.00	16,000	160,000	15,000	150,000	Proceeds from New Issues	None	06/23/2000 Zhu Shang Tzu No.089120398
07/2001	10.00	49,000	490,000	24,458	244,580	Proceeds from Earnings	None	07/02/2001 Tai Chai Cheng Tzu No.142144
05/2002	10.00	59,000	590,000	30,789	307,887	Proceeds from Earnings	None	04/29/2002 Tai Chai Cheng Tzu No.119612
08/2003	10.00	59,000	590,000	32,606	326,062	Proceeds from Earnings	None	07/04/2003 Tai Chai Cheng Tzu No.0920129813
10/2004	10.12	59,000	590,000	32,663	326,632	Option conversion	None	11/11/2004 Zhu Shou Chung Tzu No.09332987850
12/2006	10.00	59,000	590,000	16,863	168,632	Capital Reduction	None	01/23/2007 Zhu Shou Chung Tzu No.09631605430
12/2006	8.00	59,000	590,000	16,988	169,882	Private placement	None	01/23/2007 Zhu Shou Chung Tzu No.09631605430
03/2007	7.84	59,000	590,000	33,988	339,882	Private placement	None	04/10/2007 Zhu Shou Chung Tzu No.09631924880
10/2007	10.95	70,000	700,000	43,375	433,751	Corporate Bond and Option conversion	None	10/05/2007 Zhu Shou Chung Tzu No.09632861310
10/2007	11.80	70,000	700,000	43,376	433,761	Option conversion	None	10/30/2007 Zhu Shou Chung Tzu No.09632977140
12/2008	10.00	120,000	1,200,000	32,532	325,321	Capital Reduction	None	12/31/2008 Zhu Shou Chung Tzu No.09701327530
12/2008	7.00	120,000	1,200,000	62,532	625,321	Private placement	None	12/31/2008 Zhu Shou Chung Tzu No.09701327530
09/2009	7.70	120,000	1,200,000	62,557	625,571	Option conversion	None	09/15/2009 Zhu Shou Chung Tzu No.09801211800
11/2009	7.70	120,000	1,200,000	62,656	626,561	Option conversion	None	11/10/2009 Zhu Shou Chung Tzu No.09801259910
02/2010	9.15	120,000	1,200,000	63,123	631,226	Option conversion	None	02/22/2010 Zhu Shou Chung Tzu No.09901033410
05/2010	10.35	120,000	1,200,000	64,434	644,345	Option conversion	None	05/05/2010 Zhu Shou Chung Tzu No.09901090890

Month, Year	Price issued	Authorized shares		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
07/2010	20.00	120,000	1,200,000	89,434	894,345	Proceeds from New Issues	None	07/06/2010 Zhu Shou Chung Tzu No.09901144220
08/2010	7.70	120,000	1,200,000	89,474	894,741	Option conversion	None	08/16/2010 Zhu Shou Chung Tzu No.09901184910
12/2010	10.19	120,000	1,200,000	89,563	895,631	Option conversion	None	12/02/2010 Zhu Shou Chung Tzu No.09901267160
03/2011	10.69	120,000	1,200,000	89,705	897,050	Option conversion	None	03/11/2011 Zhu Shou Chung Tzu No.10001046540
05/2011	10.91	120,000	1,200,000	90,194	901,940	Option conversion	None	05/27/2011 Zhu Shou Chung Tzu No.10001109130
11/2011	20.00	120,000	1,200,000	110,194	1,101,940	Proceeds from New Issues	None	11/24/2011 Zhu Shou Chung Tzu No.10001265860
03/2012	10.83	120,000	1,200,000	110,327	1,103,268	Option conversion	None	03/30/2012 Zhu Shou Chung Tzu No.10101056470
09/2012	10.00	200,000	2,000,000	133,537	1,335,372	Share dividends and bonus	None	09/11/2012 Zhu Shou Chung Tzu No.10101189080
08/2013	10.00	200,000	2,000,000	140,824	1,408,240	Share dividends and bonus	None	08/08/2013 Zhu Shou Chung Tzu No.10201160320
11/2013	26.10	200,000	2,000,000	144,912	1,449,120	Corporate Bond conversion	None	11/28/2013 Zhu Shou Chung Tzu No.10201242480
03/2014	26.10	200,000	2,000,000	149,763	1,497,625	Corporate Bond conversion	None	03/25/2014 Zhu Shou Chung Tzu No.10301046480
06/2014	26.10	200,000	2,000,000	149,946	1,499,464	Corporate Bond conversion	None	06/03/2014 Zhu Shou Chung Tzu No.10301098140
08/2014	21.00	200,000	2,000,000	172,946	1,729,464	Proceeds from New Issues	None	08/15/2014 Zhu Shou Chung Tzu No.10301160320
09/2015	10.00	200,000	2,000,000	199,347	1,993,471	Share dividends and bonus	None	09/16/2015 Zhu Shou Chung Tzu No.10401193280
01/2016	10.50	500,000	5,000,000	229,347	2,293,471	Proceeds from New Issues	None	01/06/2016 Zhu Shou Chung Tzu No.10501001910
07/2016	18.90	500,000	5,000,000	230,485	2,304,847	Corporate Bond conversion	None	07/18/2016 Zhu Shou Chung Tzu No.10501157460
04/2018	8.70	500,000	5,000,000	231,689	2,316,895	Option conversion	None	04/02/2018 Zhu Shou Chung Tzu No.10701035910
11/2018	10.00	500,000	5,000,000	208,521	2,085,205	Capital Reduction	None	11/23/2018 Zhu Shou Chung Tzu No.10701149140
04/2019	8.30	500,000	5,000,000	209,215	2,092,153	Option conversion	None	04/19/2019 Zhu Shou Chung Tzu No.10801044230
11/2019	7.70	500,000	5,000,000	209,288	2,092,877	Option conversion	None	11/27/2019 Zhu Shou Chung Tzu No.10801166170
04/2021	13.55	500,000	5,000,000	210,791	2,107,907	Option conversion	None	04/28/2021 Zhu Shou Chung Tzu No.11001062270
04/2022	12.20	500,000	5,000,000	211,717	2,117,167	Option conversion	None	04/08/2022 Zhu Shou Chung Tzu No.11101052600
08/2022	23.50	500,000	5,000,000	242,717	2,427,167	Proceeds from New Issues	None	23/08/2022 Zhu Shou Chung Tzu No.11101154590
11/2022	11.30	500,000	5,000,000	242,749	2,427,487	Option conversion	None	17/11/2022 Zhu Shou Chung Tzu No.11101220710
09/2023	10.00	1,000,000	10,000,000	342,276	3,422,757	Share dividends and bonus	None	11/09/2023 Zhu Shou Chung Tzu No.11230171010
09/2024	10.00	1,000,000	10,000,000	355,967	3,559,667	Share dividends and bonus	None	10/09/2024 Zhu Shou Chung Tzu No.11330160890

1.1.2 Types of share

Types of share	Authorized shares			Remark
	Outstanding shares (listed)	Unissued shares	Total	
Ordinary share	355,966,705	644,033,295	1,000,000,000	6,000,000 shares are retained for employee stock option certificate

1.1.3 Self-Registration : None.

1.2 List of major shareholders

April 19 2025

Shareholders	Share	Total shares held	Holding percentage
Tso Jung Investment Co., Ltd		36,811,219	10.34%
Dian Chiang Chia Investment CO.,LTD		9,260,109	2.60%
Yi-Fang, Jeng		8,814,426	2.48%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.-Equity Trading Division (Proprietary Trading Desk)		7,127,000	2.00%
Tso-Jung, Wu		3,697,254	1.04%
Shun-Wen, Wu		3,220,027	0.90%
Su-Ru, Liou		3,088,971	0.87%
His Kun, Wu		3,079,816	0.87%
Citibank Taiwan Ltd. in Custody for UBS Europe SE.		2,836,021	0.80%
Standard Chartered Trustee (Hong Kong) Limited, External Manager J.P. Morgan		2,133,000	0.60%
Total		80,067,843	22.50%

1.3 The Company's dividend policy and execution

1.3.1 The Company's dividend policy recorded in article of association :

Article 18.	<p>If there is profit at the end of each fiscal year, a ratio of 0.1% - 5% of the profit of current year distributable as employees' compensation and a ratio less than 2% of the profit of current year distributable as directors' compensation shall be appropriated. However, the Company's accumulated losses shall have been covered first if any.</p> <p>The employees' compensation shall be in the form of shares or cash, and the distribution targets include employees who meet certain conditions of affiliated companies. The directors' remuneration mentioned in the preceding article shall be only in</p>
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cash. The proposals for distribution of employees' compensation and directors' remuneration shall be resolved by the Board of Directors and reported to the shareholders meetings.

Article 18.1 The Company should not appropriate stock and cash dividend when the Company has no earnings.

If the Company makes surplus in the annual final accounts, the "distributable profit" shall be calculated in the following order and the portion shall be reserved according to the business conditions and capital requirement. The proposal for profit distribution shall be prepared by the Board of Directors and submitted to shareholders' meetings for distribution :

- (1) Withholding Tax
- (2) Cover Accumulated Deficit
- (3) Appropriation of Legal Reserve
- (4) Legal Appropriation or Reversal Special Reserve
- (5) Opening Undistributed Earnings and the "Adjustment Amount of the Undistributed Earnings of the Year"

Where all or part of the dividend and bonus distribution is paid in cash, such distribution may be adopted by a majority of directors in a Board of Directors' meeting attended by 2/3 or more of all directors before reporting to the shareholders' meeting; the resolution adopted by shareholders' meeting as prescribed in the preceding paragraph shall not apply. The dividend policy of the Company is based on the company operation situation, capital requirement, and change in internal and external overall circumstances that the dividend is distributed fully or partially with the consideration of the interest of the shareholders. Distribution of earnings may be made in cash dividend or share dividend. Limits of dividend distribution shall remain the proportion between 20% and 100% of the distributable earnings of the current year; however, the distribution of cash dividend shall be in principle not lower than 10% of the total dividend.

Note: On March 11, 2025, the Board of Directors approved the amendment of Article 18 of the Company's Articles of Association. If there is profit at the end of each fiscal year, a ratio of 0.1% - 5% of the profit of current year distributable as employees' compensation and a ratio less than 2% of the profit of current year distributable as directors' compensation shall be appropriated. However, the Company's accumulated losses shall have been covered first if any.

The employee compensation amount in the preceding paragraph, no less than 25% shall be allocated for the distribution of remuneration to non-executive employees.

The employees' compensation shall be in the form of shares or cash, and the

distribution targets include employees who meet certain conditions of affiliated companies. ...etc. Submit the resolution to be discussed at the shareholders' meeting on June 17, 2025.

1.3.2 Proposition of the shareholder's meeting appropriation of dividend :
On March 11, 2025 the Board of Directors determined to appropriate cash dividend NT\$ 711,933,410 (NT\$ 2/per share) and stock dividend NT\$ 1,245,883,460 (350 shares/per thousand shares), the appropriation is subject to the resolution in the shareholders' meeting to be held on June 17, 2025.

1.3.3 When dividend policy should be stated when it is expected to have significant changes : The policy isn't expected to change.

1.4 Impact on the Company's operating performance and earnings per share arising from the issuance of bonus shares proposed by shareholder's meeting :

Item			Year	2025(estimate)
Beginning paid-in capital				3,559,667,050
Distribution of shares and dividends in the current fiscal year (Note 1)	Cash dividend per share			2
	Number of shares allotted for capital transferred from earnings			0.35
	Capital reserve to capital increase			-
Changes in operating performance	Operating Income			(Note 2)
	Operating profit increase (decrease) ratio over the same period last year			
	Net income after tax			
	Ratio of increase (decrease) in Net income after tax compared with the same period in previous year			
	Earnings (loss) per share (NT\$)			
	Earnings per share increase (decrease) ratio over the same period last year			
	Annual average return on investment (annual average P/E ratio)			
Pro-forma earnings per share and P/E ratio	If capital transferred from capital reserve is replaced by cash dividends distribution	Proposed Earnings Per Share		(Note 2)
		Pro-forma Average Annual Return on Investment		
	If capital transferred	Proposed Earnings Per		

Year			2025(estimate)
Item			
	from capital reserve is not conducted	Share	
		Pro-forma Average Annual Return on Investment	
	If capital reserve has not been prepared and capital transferred from earnings is changed into distribution of cash dividends	Proposed Earnings Per Share	
		Pro-forma Average Annual Return on Investment	

Note 1 : The estimates for 2025 stock and cash dividends are prepared based on the proposal for earnings distribution resolved by the Board of Directors on March 11, 2025.

Note 2 : The Company did not publish the 2025 financial forecasts. In accordance with per 1 February 2000 Order No. Taiwan-Finance-Securities-I-00371, no estimate information for the year 2025 shall be disclosed.

1.5 Employees and directors' remuneration :

1.5.1 Percentage or range of employees and directors' remuneration recorded in article of association :

If there is profit at the end of each fiscal year, a ratio of 0.1% - 5% of the profit of current year distributable as employees' compensation and a ratio less than 2% of the profit of current year distributable as directors' compensation shall be appropriated. However, the Company's accumulated losses shall have been covered first if any.

The employees' compensation shall be in the form of shares or cash, and the distribution targets include employees who meet certain conditions of affiliated companies. The directors' remuneration mentioned in the preceding article shall be only in cash.

The proposals for distribution of employees' compensation and directors' remuneration shall be resolved by the Board of Directors and reported to the shareholders meetings.

1.5.2 The accounting treatment of estimation basis on remuneration for employees and directors and calculation basis on remuneration for employees appropriated with shares, and if actual appropriated amount is different from estimation :

The remuneration for employees and directors is based on net profit before tax less benefit before appropriating remuneration for employees and directors, after considering factors such as legal reserve, the remuneration will be estimated on the percentage recorded in article of association (remuneration for employees at 0.6%, remuneration for directors at 1%) and recognized as operating expense in 2024.

Calculation basis on remuneration for employees appropriated in shares is according to the closing price on the day before Board of Director's determination day.

If the actual appropriation amount determined by board of director's meeting is different from estimation, the Company recognizes the difference as profit or loss at the year of board of director's meeting.

1.5.3 Remuneration appropriation approved by Board of Directors :

1) Amount of remuneration for employees and directors appropriated in cash or shares :

On March 11, 2025 the Company's Board of Directors approved appropriation of remuneration for employees with NT\$ 16,482,045 and remuneration for directors with NT\$ 27,470,076, both appropriations are in cash; amount of proposing appropriation is the same as estimation amount in year of expense recognition.

2) Percentage of remuneration for employees appropriated in shares accounts profit after tax plus total remuneration for employees :
The Board of Directors approved employees' remuneration which will be distributed in cash.

1.5.4 Actual appropriation of remuneration for employees, directors and supervisors last year :

The Company appropriates remuneration for employees with NT\$ 1,075,048 and remuneration for directors with NT\$ 5,375,241 in 2024, same as in 2023.

1.6 Buying back the Company's share : As for the ended of the financial report publication date, the Company does not buyback its shares.

2 Status of Corporate Bonds :

Type of Corporate Bonds	First Secured Ordinary Corporate Bonds in 2020 (Code : B87501)	
Issue Date	September 29, 2020	
Face Value	NT\$1 million	
Place of Issuance and Trading (Note)	Not Applicable	
Par Value (NT\$)	Fully Issued According to Face Value	
Issue Amount	NT\$2 Billion	
Interest Rate	Coupon Rate : Fixed Annual Interest Rate 0.62%	
Duration	5-year term Expiry Date : September 29, 2025	
Assurance Agency	First Commercial Bank	
Trustee	Land Bank of Taiwan	
Underwriter	First Securities Inc.	
Attorney	Far East Law Office Attorney at Law Ya-Wen, Chiu	
Accountant	Deloitte & Touche CPA Haiso-Fang, Yen	
Repayment Method	Bullet Repayment After 5 Full Years Since the Issue Date	
Outstanding Principal Amount	NT\$2 Billion	
Terms of Redemption or Early Repayment	Not Applicable	
Restriction	None	
Credit Rating Agency, Date of Assessment and Corporate Bond Assessment Results	Not Applicable	
Other Rights	Amount of Converted (Exchange or Subscription) Ordinary Stock, Overseas Depositary Receipts	Not Applicable
	Rules of Issuance and Conversion (Exchange or Subscription)	Please Refer to the Prospectus of First Secured Ordinary Corporate Bonds in 2020
Possible Dilution Conditions and Influence on Shareholders' Equity Caused by the Issuance and Conversion, Exchange or Subscription Rules and Issuance Terms		Please Refer to the Prospectus of First Secured Ordinary Corporate Bonds in 2020

Custodian of the Subject After Conversion	Not Applicable
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Note : Fill in the Overseas Corporate Bonds

3 Status of Preferred Share : None

4 Issuance of Depositary Shares : None

5 Status of Employee Stock Option Plan

5.1 Unexpired employee stock option granted and impact on shareholders equity should be disclosed as for publication date :

May 7 2025

Types of employee option certification	Employee stock option in 2024
Approval Date & Total Units	January 9, 2024 3,000 units (each unit could subscribe 1,000 ordinary shares)
Issue date	April 24, 2024
Issued units	3,000 units
Yet issued units	-
Shares of stock options to be issued as a percentage of outstanding shares	0.84%
Option Duration	April 24, 2024 to April 23, 2028
Conversion measures	Issue new shares
Conditional conversion periods and percentages	2nd Year : up to 60% 3rd Year : up to 100%
Converted shares	0 unit
Value of Shares Exercised (NT\$)	NT\$ 0
Shares Unexercised	2,663,000 units
Adjusted exercise price for those who have yet to exercise their rights (NT\$)	NT\$ 29.4
Unexercised shares as a percentage of total issued shares	0.75%
Impact on shareholder's equity	Dilution to Shareholders' Equity is limited

5.2 Employee stock options granted to management team and Top 10 employees :

May 7, 2025

	Title	Name	Number of share options granted	% of shares exercisable to outstanding ordinary shares	Executed				Unexecuted			
					Shares exercised	Exercise price per share	Value of shares exercised (NT\$)	% of shares exercised to outstanding ordinary shares	Shares unexercised (Note 1)	Exercise price per share	Value of shares exercised (NT\$)	% of shares exercised to outstanding ordinary shares
Manager	General manager	Chin-Jung, Tsai (Note 2)	371,000	0.10%	-	-	-	-	316,000	29.40	9,290,400	0.09%
	Vice general manager	Feng-Chiu, Lin										
	Corporate Governance Officer	Hui-Wen, Ko										
	Accounting manager	Yi-Jing, Fu (Note 3)										
	Senior manager	Cing-Cyuan, Chen										
	Financial & Accounting manager	Ren-Feng, Wu (Note 4)										
	Manager	Jia-Hong, Kang (Note 5)										
Employee	General manager of subsidiary	Chien-Chung, Lu	668,000	0.19%	-	-	-	-	668,000	29.40	19,639,200	0.19%
	Vice general manager of subsidiary	Wen-Yan, Han										
	Manager	Yi-Chia, Hou										
	Manager	Hui-Qing, Wu										
	Special Assistant	Ji-Sheng, Tasi										
	Audit manager	Ai-Chen, Huang										
	Legal	Chung-Hsin, Huang										
	Senior manager of subsidiary	Jin-Jiun, Lin										
	Manager	Mei-Ling, Hung										

	Manager	Pei-Jun, Lin										
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Note 1: Shares unexercised have already deducted shares exercised of ex-employees.

Note 2: Resign on May 9, 2024 due to position adjustment.

Note 3: Resign on August 7, 2024 due to position adjustment.

Note 4: Act accounting manager on August 8, 2024. New appointment on November 7, 2024. Adjunct financial manager on March 12, 2025.

Note 5: New appointment on October 1, 2024.

6 Status of Employee Restricted Stock : Not applicable.

7 Status of New Share Issuance in Connection with Mergers and Acquisitions : Not applicable.

8 Funding Plans and Implementation : The Company has no uncompleted capital usage plan or unshown effect of completed plan.

IV.Operational Highlights

1 Business Activities

1.1 Business Scope

1.1.1 Business activities: The Group's main businesses are to entrust construction companies to build and to rent or sell residential buildings and business buildings, as well as to operate the contract engineering of domestic and foreign civil construction and hydraulic engineering activities.

1.1.2 Main business activities and its operating proportion unit :

NTD thousands; %

Business Activities	2024 Revenue	Operating Proportion
Sales revenue from property	12,363,708	96.94%
Engineering revenue	267,312	2.10%
Other	122,640	0.96%
Total	12,753,660	100.00%

1.1.3 Current main products : renting of houses, shops, and engineering contracting, etc.

1.1.4 New products planning to be developed :

The Company will examine market and capital conditions and successively initiate new construction projects at the right time in the future. To lower investment risks and accelerate capital recovery, the Company is planning to introduce products that meet consumers' needs, to strengthen brand power, to achieve product differentiation, and to continuously promote the marketing business' digitalization process for the continual cultivation of the company.

1.2 Industry Overview

1.2.1 Current situation and development of the construction industry :

According to statistics of Ministry of the Interior, registration number of building transactions for the year ended December 31, 2024, was 350,509, which was 43,538 (14.2%) more than 2023. The house transaction volume has been exceeding 300,000 for 6 years. More than 40,000 buildings have increased compared to last year, indicating that the domestic real trading market is

benefiting from factors such as abundant funds, a preferential mortgage program geared toward young adults, and strong rigid demand. The overall demand is better than expected. In the second half of September 2024, the Central Bank implemented the 7th credit control to adjust the overheating market. The real estate market has entered the consolidation phase that tends towards rational observation. Trump returns to govern and vows to bring the manufacturing industry back to the States, focuses on AI technology industrial development and semiconductor industry, and adjusts energy resources policy, which will bring changes in the global industrial development and distribution. Intensified United States–China trade war, raised tariff on Canada and Mexico, tax collecting on steel, alumni, and chips, withdraw from Paris Agreement, as well as whether the Ukraine-Russian War could end peacefully, or whether geopolitical conflict can be relieved, these factors could affect the raw material price inflation. The subsequent new policies from Trump and the coopetition between countries might also affect the global financial market and economic change, and further affect the construction cost of real estate and the confidence in real estate investment.

1.2.2 The relevance among the up, middle, and downstream of the industry

- 1) The manufacturing process of real estate begins from landowners, land agents, escrows, and the financial industry, to measurements, design, construction, water and electricity, construction materials, advertisements, and refurbishments, up until assets management and property management, etc. This expansive range of coverage can be described as each industry's front-runner, which marks an important indicator purpose for economic development.
- 2) For real estates, the first step is to purchase land, and develop according to its strength. The developmental process requires both escrows and the financial industry to carry out schemes for land transfer registrations and financing activities, etc. Measurement companies are to carry out field measurements; drilling companies are to conduct geological sensing; as for the planning and design stage, interior design companies or landscape design companies will design the buildings' soft and hardware and apply for related licenses.

- 3) For the selling stage, it requires the business department and advertising companies to execute marketing and selling businesses. It also requires the furnishing industry to furnish, design, and construct selling centers, sample houses, and furnished houses. It also requires various media's publicizing in the meantime.
- 4) For the constructing stage, it requires massive human power and materials provided by construction companies, mechatronics, and fire protection, etc. There are countless of fields of industry involved. After the completion and handover, it still requires building management, mechanics (water) and electricity, fire protection, and other professional companies to carry out the management and maintenance of the building. The incoming users' furniture, home accessories, home appliances, and other needs are a series of procedure from top to bottom, which effectively promotes economic circulation and provides positive contributions to the rise of the economy.

1.2.3 All developmental trends of products

As the people of Taiwan gradually pay more attention to the quality of living, the planning of products for individual cases and space utilization have become important factors for house buyers when choosing houses. Life function and school district are also the factors taken into consideration when buying houses. As for construction quality, it is the key to building reputation. Therefore, designs that are exquisite and humane, functions that are practical and diversified, and construction cases that are located at sectors with better life function are the developmental trends for future housing products.

Furthermore, the land reservation to the planning buildings and use of buildings after construction and completion have been gradually integrated into the energy conservation and sustainability concepts due to rising environmental awareness. With the promotion of environmental protection issues, ecological concepts, and government policies, the trend of green building has gradually become a forward-

looking development direction in the construction industry. Under the promotion of government organizations, the trend has been driven, and with the encouragement of private enterprises to follow up, the market mechanism and environment for the green building industry have naturally formed, enabling the public to practice green buildings together to achieve effective use of resources and energy conservation, as well as the goal of reducing carbon dioxide emissions. Under the concepts of meeting the concept of energy saving, ecology, environmental protection, and upgrade the healthy and comfortable life, green building will be the trend of the future.

1.2.4 Competitive situations

The Company's operating team cultivates our brand image in the Taichung area and exhibits our operating strengths through listed companies' platforms. We value the preciseness, speed, and futurism for the development of sectors for construction cases and maintain our advantage in our information for land development. With the aid of market investigation information and acuity, we decide land-purchasing strategies in a cautious manner to achieve the goal of operational sustainability. Moreover, we keep the sustainable concept of business operation, thinking about the International Net Zero of Carbon Neutrality trend by 2050, and incorporating brand development connotation with ESG sustainable spirit. We are hoped to shape the differentiated characteristics of the products with long-term cultivation.

1.3 Skills and Research and Development Highlights

- 1.3.1 We actively gather all kinds of land and housing market information in the future, and further discuss and analyze these information to achieve correct product positioning and advantageous marketing strategies. We establish digital database for lands and appoint case evaluations to enhance developmental efficiency. We select and entrust foreign and domestic renowned design teams, architectures, and construction companies, and enhance our skills and standards to achieve the goal of added value to our product and services.

1.3.2 We established the department of digital architecture 3D illustration, consolidated the control for engineering management. We actively participate in exhibitions for construction materials and furniture, to accumulating knowledge and strengthen product planning, as well as strengthening computerization in:

- 1) ERP corporate resources planning systems, including engineering budget systems, AWM engineering purchase dispatch system, AHM business and payment collecting system, ACM financial and accounting systems, to achieve transparent data flow between each process, improve information completeness, and financial control measures for risk reduction.
- 2) EIP corporate entry website, which integrates personal management system, department resource management and cross-department information interaction, and effectively controls working progress. It thinks outside the box from traditional working mode, and integrates work management, calendar, news update, meeting management, and customer data to build a highly efficient information transmitting channel.
- 3) BIM (Building Information Modeling) system, for precise quantity calculation and construction duration control, reduce building material consumption, strict control in quality, cost, and progress.

1.3.3 The Company and subsidiary companies have invested a considerable amount of human resources and cost in the past years and have continuously introduced new services and systems to satisfy the consumers' needs. However, the Company and subsidiary companies mainly provide services of housing and architecture development and is not applicable for research and development and investment. Therefore, there is no future research and development plan and expected expense invested in research and development.

1.4 Long-Term and Short-Term Business Developmental Plans

1.4.1 Short-term goal:

- 1) Develop dual brands strategy, one of the subsidiary "Fu Hua

Construction” plans for total price housing, the other subsidiary “Sheng Lin Construction” plans for high end residence and healthy residence.

2) smooth selling of individual cases

1.4.2 Mid-term goal :

- 1) Deepen the company’s brand value.
- 2) Expand the field of business investment.
- 3) Develop land with good prospect.
- 4) Enhance residential brand recognition.

1.4.3 Long-term goal :

1) Operating firmly, openly and clearly

With a stable financial status and a public transparent platform, create a sustainable development business model.

2) Focus on the main business, operate a diversity

The Company has been actively engaging in other industries based on its core business to broaden its revenue channels and increase its brand value.

3) Business culture and brand assets

Combine entrepreneurship with business culture, and deepen the brand with humanism, also combine with the ESG sustainability spirit so that we make our brand one of a kind.

4) Diversified development in business to create various sources of profit

Assisted subsidiary “Zongtai Construction” to focus on its profession, expand its business towards listed company IPO.

2 Marketing and Production Activities

2.1 Market Analysis

2.1.1 Main areas of product sales

Currently, the main market for land development and selling is in Taichung City.

2.1.2 Market share

From 2021 to 2023, the Company respectively introduced “The Way Home” and “Unveiling”. The calculation of our market share based on the cases introduced in the Taichung area is as follow :

Unit : NTD 100 million

Item/Year	2021	2022	2023	2024
Fu Hua Innovation (A)	159	0	86	0
Number of cases introduced in the Taichung area (B)	2,536	3,158	3,534	3,891
Market share (A/B)	6.27%	0.00%	2.43%	0.00%

Source : 2021~2024 Cathay Real Estate Index quarterly report

2.1.3 Market’s Future Supply-Demand Situation and Growth

1) Supply situation :

According to the research information regarding the research on domestic real estate gathered by Cathay Real Estate Development Co., Ltd. and NCCU Taiwan Real Estate Research Center, nationwide number of individual new cases introduced to the market in 2024 amounted to NTD 1.8694 billion, which increased 31.09% comparing to 2023. The average deal price in each city rose slightly by 11.34%. The average final price in Taichung City reaches its highest in history – NTD 491.8 thousand/ping.

With the continued promotion of the “Sound Real Estate Market Plan” measures, the Equalization of Land Rights Act and non-self-use house tax 2.0 will continue to ferment. However, the Central Bank has not loosened the control policy and the inflation has slowed down compared with last year. It needs to be observed continually. In addition, judging from the full-year review, the demand for self-occupied is still the main force in the housing market in 2025, continuing the expected trend of price and volume consolidation in the housing market in 2025.

Nationwide Project Introduction Situations for Each Quarter in 2023 and 2024

Item \ Year	2023					2024				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
No. of Cases	204	243	218	201	866	169	264	245	246	924
Total saleable households (household)	16,349	22,716	18,700	20,799	78,564	14,917	27,645	25,068	21,996	89,626
Total saleable amount (NTD 100 million)	2,669	4,143	3,467	3,981	14,260	2,739	5,575	5,682	4,698	18,694

Source : 2023 and 2024 Cathay Real Estate Index press release (Cathay Real Estate Development Co., Ltd./NCCU Taiwan Real Estate Research Center)

2024 Number of Cases Introduced for Each Area and Possible Final Price per Ping

Item		Nationwide	Taipei City	New Taipei City	Taoyuan & Hsinchu Area	Taichung City	Tainan City	Kaohsiung City
No. of Cases Introduced (NTD 100 million)	Amount	18,694	3,658	3,964	3,465	3,891	1,355	2,360
	Annual Rate of Change (%)	31.10	95.88	26.23	36.74	10.12	29.86	10.26
Possible Final Price per Ping (NTD 10 thousand)	Amount	54.32	118.01	64.98	46.42	49.18	35.97	34.30
	Annual Rate of Change (%)	11.34	2.44	12.76	11.09	6.83	6.95	6.63

Source : 2024 Cathay Real Estate Index press release (Cathay Real Estate Development Co., Ltd./NCCU Taiwan Real Estate Research Center)

2) Demand situation :

The main demands within the housing market can be classified into two major categories residential customers and investing customers. Residential house buyers' demand for real estate has always been stable. With the increase of national income and the natural growth of population, citizens will not only continue to pursue the expansion of living space and the addition of equipment but also value the enhancement of living quality. The demand for moving to new homes and eliminating old houses will continue to happen. Thus, residential customers are still the main factor for future demands. As for investment demand, it is more

prone to be influenced by factors such as the fluctuation in the real estate economy, polit and inflation, political stability, tight or loose policies, psychological predictability etc.

According to the statistics from the Department of Statistics, MOI below, in the end of 2024, the total households nationwide was 9,487 thousand. Viewing from the national population of about 23,400 thousand, there is about 2.47 people per household. As the economy continues to grow, the urbanization effect is gradually burgeoning, which results in the trend of the miniaturization of family structures becoming more obvious. Thus, although there was a negative growth rate of population from 2020, family households continue to grow stably. This shows that there still exist basic demands for the future housing market owing to the continuous increase in family households.

Number of Households and Population in Taiwan from the End of 2020 to the End of 2024

Year	No. of Households (Household)	Annual No. of Household Increase Rate (%)	Population (Persons)	Annual Population Increase Rate (%)	Household Capacity (Person(s)/Household)
End of 2020	8,933,814	1.14	23,561,236	-0.18	2.64
End of 2021	9,006,580	0.81	23,375,314	-0.79	2.60
End of 2022	9,089,450	0.92	23,264,640	-0.47	2.56
End of 2023	9,240,823	1.67	23,420,442	0.67	2.53
End of 2024	9,487,480	2.67	23,400,220	-0.09	2.47

Source : Department of Statistics, MOI

3) Growth

The score issued by “My housing trial balloon” for January 2025 was 39.8, and the corresponding signal color turned to yellow-blue light, which meant warning for recession. It was the new low since the end of 2022. In the lunar new year this January, the willingness of house purchasing was traditionally after the new

year. Also, it was the coldest new year holiday in 8 years. The cold front also scattered the crowd, which caused the trial balloon indicating a reserved attitude for the housing demand.

The real estate market is under the constant credit control issued by the Central Bank. People need more funds to make house purchases. Even though there is still no inducement for investors to enter the housing market in the short term, the basic housing market has returned to the basic supply and demand due to the support from self-occupation and property purchase. The mainstream of buying is still low price and small square products.

2.1.4 Competitive niche

1) Excellent land development ability

Since the Company has accumulated multiple years of constructing experience, and possesses rich sources regarding land information, we are able to lay hold of development potentials for excellent land sections in advance. We can actively analyze urban developmental trends and introduce construction cases that meet the market's needs in accordance with our operating situation.

2) Lay hold of market needs and exquisite design and planning

The Company can substantially lay hold of the quotation for construction cases and is familiar with consumers' characteristics. The Company can plan and design products that meet house buyers' needs, so currently our case introduction and sales rate is performing well.

3) Precise control of construction quality, process, and cost

The Company always plans cautiously before introducing new cases and estimates our funds in advance. In addition to keeping credit with the bank, most of our constructions are mainly outsourced to construction companies that are qualified by the government and registered with good reputation. We strictly control the constructing process, product quality, and constructing cost. Thus, under the condition that the settlement period and

quality are both able to meet the customers' demand, we can make profit stably.

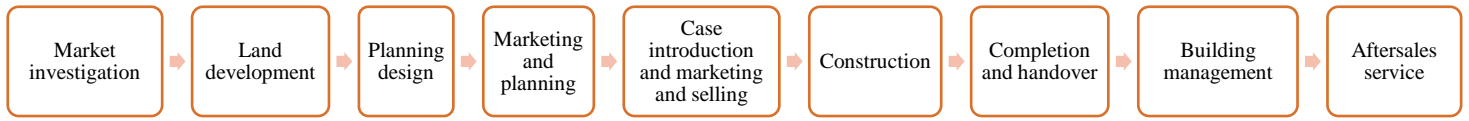
2.1.5 Advantageous and Disadvantageous Factors for Developmental Visions and Responding Strategies

Influencing Factors	Advantageous Factors	Disadvantageous Factors	Responding Strategies
Policies	1) Promotion of significant public facilities. 2) Government's promotion of the planning of social housing, reconstruction of old housings, and green buildings. 3) "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" is extended to 2027. It will continue to bring more job opportunities from Taiwanese corporations' investment and stimulate economic growth, which will increase the demands for business real estate and residential products.	1) All eyes were on the War in Ukraine, Israel-Palestine Conflict, and the US President Trump takes office by the market. It will add variables of China-United States relations to the future and international politics. 2) The Central Bank's credit control is not loosened. The funds pressure increases and still affects the willingness to purchase houses. 3) The implementation of House Tax 2.0.	1) Strengthen land development, product planning to create communities with distinguishing features, and establish the brand reputation to launch the products that meet consumers needs and develop towards green building. 2) Entrust construction companies that meet quality conditions and cost control, to enhance product competitiveness. 3) Healthy real estate market, reasonable house prices. 4) Five rigorous examination processes and confirmed by the third-party notary unit to ensure every resident's right. 5) "Digitalized service with zero distant" keeps deepens society building and brand operation.
Economy	1) The improvement of the economic sign 2) The improvement of manufacturing prosperity	The impact of inflation is expanding, geopolitical conflicts, and the economic outlook are unclear.	
Housing-Market Fundamentals	1) Under the concept of purchasing houses and the expectation of rising prices, the real estate still has the effect of the investment value. 2) The policy of Government Housing Subsidies for the Youth 2.0 reduces the burden of housing for young people.	1) The trend of rising raw materials, wage, and the land costs are constantly increasing. 2) It's expected that government start to collection the carbon fee will cause effect to the building material supply chain.	

2.2 Important use and production process of main products

2.2.1 Important use of main products: residential buildings, including residences and parking spaces.

2.2.2 Production process :



2.3 Supply situation for main raw materials.

2.3.1 Land: Active development to search for appropriate areas, with the central part of Taiwan as the main development market, especially Taichung City as the main development core. The Company purchases land depending on actual needs, or cooperates with land's owners by co-building, so that there will be no shortage in terms of supply.

2.3.2 Construction: The main targets of cooperation are excellent construction companies.

2.3.3 Materials: To better control and make flexible usage of the general outsourcing operation, the Company had gradually changed the way of outsourcing to the contract of labors and materials. Thus, the sources for the supply of materials are stable.

2.4 Name of customer(s) whose total purchasing (selling) amount once accounted for more than 10% in any year of the last two years and its purchasing (selling) amount and percentage.

2.4.1 Information on main suppliers for the last two years

Unit : NTD thousands

Item	2023				2024				2025 as of the previous quarter (note)			
	Title	Amount	Percentage of Annual Net Purchases	Relationship with the Issuer	Title	Amount	Percentage of Annual Net Purchases	Relationship with the Issuer	Title	Amount	Percentage of Annual Net Purchases	Relationship with the Issuer
1	Dien Jang Engineering Co., Ltd.	347,018	10.92%	None	Hong Sheng Hydroelectric Exhibition Industry Co., Ltd	342,413	9.43%	None	Tung Ho Steel Enterprise Co., Ltd	42,844	16.68%	None
2	Hong Sheng Hydroelectric Exhibition Industry Co., Ltd	297,800	9.37%	None	Dien Jang Engineering Co., Ltd.	230,554	6.35%	None	Jia Si Engineering Company	18,537	7.22%	None
3	Other	2,531,944	79.71%	None	Other	3,058,283	84.22	None	Other	195,487	76.10%	None
	Net Purchases	3,176,762	100.00%		Net Purchases	3,631,250	100.00%		Net Purchases	256,868	100.00%	

Note : 2025 as of the previous quarter was read and approved by accountants.

Reasons for increased and decreased changes : Due to the case of “The way home” being a large scale, the cost of the purchasing manufacturer of templates, hydro, and mechatronic is higher in the proportion of purchases in 2023 & 2024. Due to the case of “Unveiling” is under construction, so the suppliers are mainly engineering contracting companies in 2025 Q1.

2.4.2 Information on main customers for the last two years

Unit : NTD thousands

	2023				2024				2025 as of the previous quarter (note)			
Item	Title	Amount	Percentage of Annual Net Sales	Relationship with the Issuer	Title	Amount	Percentage of Annual Net Sales	Relationship with the Issuer	Title	Amount	Percentage of Annual Net Sales	Relationship with the Issuer
1	Mr./Ms. Tseng	385,849	25.35%	None	Other	12,753,660	100.00%	None	Other	3,330,482	100.00%	None
2	Other	1,136,390	74.65%	None								
	Net sales	1,522,239	100.00%		Net sales	12,753,660	100.00%		Net sales	3,330,482	100.00%	

Note : 2025 as of the previous quarter was read and approved by accountants.

Reasons for increased and decreased changes : The Land No.38 in Goubei Section was sold to Mr./Ms. Zeng and recognized as the Current Land Revenue in 2023. The main sales target of the product was the public. The main sales target of “The Way Home” was the public, so there were no sales customers who accounted for more than 10% of the total sales in 2024. The main source of revenue in the Q1 of 2025 was from completing and closing individual cases of “The Way Home”.

3 Employees

In the last two years and as of the printing date of the annual report, the number of employees, average years of service, average age, and distribution ratio of academic qualifications are as follow.

Year		2023	2024	May 7, 2025
No. of Employees	Directors & Managers	19	22	22
	Others	113	158	165
	Total	132	180	187
Average Age		38.04	38.17	38.18
Average Years of Service		6.86	4.52	4.47
Distribution Ratio of Academic Qualification	Doctoral Degree	–	–	–
	Master's Degree	12.88%	11.11%	10.16%
	College	71.21%	72.22%	73.80%
	High School	11.36%	10.00%	9.62%
	Junior High and Under	4.55%	6.67%	6.42%

4 Information Regarding Environmental Protection Expenses

4.1 To reduce the harm caused on the environment when constructing at construction sites, the Company has entrusted contracted construction companies that preservation and the disposal of wastes related to construction site environment are all handled by the contractors. The Company is responsible for supervising. In terms of the surrounding environment, the construction companies send people to inspect and preserve the tidiness of surrounding streets and sidewalks indefinitely each month.

4.2 The latest year and as of the printing date of the annual report – loss caused due to environment pollution (Include compensation and violation against environmental regulations from environmental protection audit result) :

There were 2 violations and fines related to the Waste Disposal Act in 2024 :

Disciplinary Date	Disciplinary No.	In accordance with the law		fine
2024/09/05	Taichung-Environmental Auditing-No.1130108655	Waste Disposal Act	Article 27 Paragraph 2	NT\$ 4,800
2024/11/26	Taichung-Environmental Auditing-No.1130146505	Waste Disposal Act	Article 27 Paragraph 2	NT\$ 6,000

4.3 Current and future possible estimated amount and responding measures :

The Company and the construction companies determined in the construction contract that the responsibility for environment pollution during the construction period belongs to the construction company, and the Company is responsible for supervising. The Company's measures to prevent pollution are as follow :

- 4.3.1 Choose appropriate construction methods depending on the geological and neighboring housing conditions, to reduce noise and concussion.
- 4.3.2 Set up protective nets around the building to prevent flying sands and falling stones.
- 4.3.3 Fixed placement of waste, and the burning of wastes is prohibited during the construction period. Labors are hired to transport and discard the wastes regularly.

Currently, there is no significant pollution from the Company, so there will be no significant environmental protection expense in the future.

5 Labor Relation

- 5.1 All the company's employee benefit measures, further education, training, retirement system and their implementation status, as well as the negotiations between employees and employers and status of maintenance measures for all employees' rights.

5.1.1 Employee benefit measures

- 1) Indefinite domestic and overseas travelling activities.
- 2) Holiday bonus and birthday coupon.
- 3) Indefinite lunch or dinner parties to connect with colleagues.
- 4) Capital will be increased every time to pre-estimate 10% as employee's subscription. The percentage for subscription is distributed depending on the employee's performance.
- 5) Performance bonus : issued according to the employee's performance.
- 6) Employee's remuneration : allocated according to the bylaws depending on the annual settled profit.
- 7) Provide a breastfeeding (pumping) room to support employees in continuing to breastfeed (pump).
- 8) Subsidy for club. To help employees develop a healthy lifestyle of

exercising after work.

9) Provide coffee and snack bar.

5.1.2 Further education and training : The Company had established regulations for employee's education and training. The employees can make the initiative in attending all kinds of education or training programs, or supervisors may send employees to such programs depending on business needs. Additionally, the Employee Benefit Committee provides subsidies for further education every year. Employees' further education expense for 2024 was NTD 292 thousand.

5.1.3 Retirement system and implementation status

The retirement policies set for formal employees are as follows :

1) Labor Retirement Reserve Fund (the Old Fund) of the Labor Standards Act : There is no employee in the Company that applies to the Old Fund.

2) Labor Retirement Reserve Fund (the New Fund) of the Labor Standards Act : implemented since July 1, 2005.

Allocate 6% of the salary for the employees as the labor retirement fund every month and is saved in the personal account for the labor retirement fund set by the Labor Insurance Bureau. The account's ownership rights belong to the labor. NTD 5.291 million was allocated in 2024.

5.1.4 Negotiations between employees and employers and status

maintenance measures for all employees' rights :

All the Company's systems are handled according to related regulations of the Labor Standards Act. The Company's the Employees Benefit Committee promotes all kinds of beneficial measures. The relationship between the employees and the employers is amicable, as there is no dissension between employees and employers and loss caused.

5.2 In the latest year and as of the printing date of the annual report, the loss caused owing to employee-employer dissension (Include violations on Labor Act from the labor inspection result), and the disclosure of current or future

possible estimated amount and responding measures. If it cannot be reasonably estimated, the fact for the inability to reasonably estimate reasonably should be stated : no such event.

5.3 Protective measures regarding the working environment and the personal safety of employees :

5.3.1 The Company strictly requires contractors and their subcontractors for individual invested construction cases to comply with the “Occupational Safety and Health Act” and the “Labor Standards Act,” and all other regulations related to labor laws and regulations. Moreover, when these contractors and subcontractors are at work, they should be prepared with related certification qualifications and have passed professional training.

5.3.2 The Company’s 100% reinvestment subsidiary - Rongtai Construction Co., Ltd is a comprehensive A class construction builder. To prevent occupational hazard, provide a friendly working environment, protect employee and worker safety, it continues to establish a safety and health autonomous management system to improve safety and health facilities and implement autonomous management. The company is certified by ISO 45001 and TOSHMS(CNS45001) Occupational safety and health management system in 2023 (effective from October 11, 2023 to October 11, 2026). It fully fulfills the autonomous management function, effectively controls occupational hazard risk, improves occupational safety and health management performance, and achieves the dual standards of protecting labor safety and health and improving competitiveness.

5.3.3 Construction site :

- 1) Personal protective gears : Helmets should be worn when entering all construction places of the Company. Safety harnesses should be worn when working at heights above 2 meters and working on scaffolds.
- 2) Access control.
- 3) Toilet and shower room at construction sites.
- 4) Tidying and cleaning of the environment : Working areas remain

clean and tidy. Workplaces should be tidied up and cleaned, and scraps and domestic wastes should be gathered at designated premises before the end of each day.

- 5) The inspection team spot-checks each construction site's construction situation, and summarize and report improvement suggestions from the inspection in the meetings every month and review the deficiency
- 6) Regular inspection for safety and protective equipment, as well as safety education and training.
- 7) R&D and obtained the patent for scaffold's anti-fall rods.
- 8) Set up a fire detection alarm system to reduce hazard and risk caused by fire.

5.3.4 Office place :

- 1) The surveilling and access control systems in the office to ensure the employees' safety.
- 2) The regular changing of the water dispensers' equipment and filter to ensure the hygiene and quality of drinking water.

5.3.5 The Company had already insured group insurance for all employees.

6 Cyber security management

6.1 Cyber security and risk management structure, cyber security policy, concrete management project and the resource put into cyber security management :

6.1.1 Structure of cyber security management :

Information department is the responsible unit of cyber security. One cyber security supervisor and one cyber security specialist is set up in the department to be in charge of planning inside cyber security policy, planning and executing cyber security works and promoting cyber security policy. Auditing room oversees cyber security monitoring. If any error is found, auditing room shall request the unit under investigation to offer improvement plan and specification and tracking the effectiveness to decrease inside risk.

6.1.2 Cyber security policy and specific management plan :

- 1) Computer equipment security management
- 2) Internet security management

- 3) System access control
- 4) Ensuring system operation
- 5) Promotion and training of cyber security

Separate cyber security management project to 4 parts

- 1) Authority management (Employee account, authority management, system operating behavior management)
- 2) Access management (Access inside and outside system, manage data transmission channel)
- 3) Threat from outside (Potential weakness in inside system, virus information and protection measurement)
- 4) System availability (System available status, measurement during service suspended)

6.1.3 Resource put into cyber security management :

The specified machine room is equipped with UPS and voltage stabilization equipment to protect computer system from interruption during power failure. The access hub is equipped with enterprise level firewall to block hackers. Every year we implement recovery practice and daily and offsite data backup system. We also promote cyber security matter to strengthen colleagues' awareness.

Total of NT\$269,000 was invested in cyber security related software authorizing expenses this year. Weekly monitoring report from cyber security related route invasion: 52 times. It promotes prevention of phishing email from time to time, and conducts information security related training to internal employees at least once a year.

- 6.2 List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided : None.

7 Important Contracts

7.1 Fu Hua Innovation Co., Ltd.

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
Construction Contract (Note 1)	Zongtai Construction Co., Ltd.	December 30, 2019 until warranty expiry date	“Get together” assumptions and new structural construction	None
	Hong Sheng Hydropower Industry Co., Ltd.	April 5, 2020 until warranty expiry date	“Get together” mechanical and electrical work	None
	Wu Liu He Architects	June 18, 2020 until usage license applications	“The Way Home” architecture design	None
	Feng Yi Engineering	October 20, 2020 until warranty expiry date	“Get together” masonry work	None
	Long Dian Engineering Co., Ltd.	October 20, 2020 until warranty expiry date	“Get together” masonry work	None
	Zongtai Construction Co., Ltd.	April 1, 2021 until warranty expiry date	“The Way Home” assumptions and new structural construction	None
	Da Xin Sandstone Co., Ltd.	May 30, 2021 until completion of construction	“The Way Home” earthwork	None
	Ya Tung Ready Mixed Concrete Co., Ltd., Taichung Plant	November 15, 2021 until completion of construction	“Unveiling” concrete material (structural construction)	None
	Tong Wen Fa Engineering	March 3, 2022 until warranty expiry date	“The Way Home” waterproof work	None
	You Shin Aluminum Ltd.	March 16, 2022 until warranty expiry date	“The Way Home” aluminum door and window work	None
	Bao Lai Interior Design Co., Ltd.	March 24, 2022 until warranty expiry date	“The Way Home” Dry wall work	None
	Hong Sheng Hydropower Industry Co., Ltd.	March 30, 2022 until warranty expiry date	“The Way Home” mechanical and electrical work	None
	Taiwan Sakura Co., Ltd.	May 3, 2022 until warranty expiry date	“The Way Home” kitchenware work	None
	You Mei Engineering Co., Ltd.	May 20, 2022 until warranty expiry date	“The Way Home” masonry work	None
	Dian Zhang Engineering Co., Ltd.	May 25, 2022 until warranty expiry date	“The Way Home” mechanical and electrical work	None
	Shang Yi Engineering Co., Ltd.	May 30, 2022 until warranty expiry date	“The Way Home” masonry work	None
	Chang Ming Engineering	May 30, 2022 until warranty expiry date	“The Way Home” masonry work	None
	Otis Elevator Co., Ltd.	June 6, 2022 until warranty expiry date	“The Way Home” mental of elevator	None
	Kai Liang Engineering Co., Ltd.	June 25, 2022 until warranty expiry date	“The Way Home” masonry work	None
	Jun Han Industrial Co., Ltd.	August 29, 2022 until warranty expiry date	“The Way Home” Entrance door & fireproof door work	None

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
	Cheng Yuan Landscape Engineering Co., Ltd.	January 16, 2023 until warranty expiry date	“The Way Home” Planting Project	None
	Chung Ke Opticoelecoron Scieyce & Technology Co., Ltd.	February 5, 2023 until warranty expiry date	“The Way Home” weak electricity work	None
	Qi Hui Metal Co., Ltd.	March 7, 2023 until warranty expiry date	“The Way Home” aluminum board of wall work	None
	Cas Metal Building Materials Co., Ltd.	April 26, 2023 until warranty expiry date	“The Way Home” roof shaped grille engineering	None
	Zongtai Construction Co., Ltd.	November 15, 2023 until warranty expiry date	“Unveiling” assumptions and new structural construction	None
	Zongtai Construction Co., Ltd.	November 15, 2023 until warranty expiry date	“The Cooperate Headquarter” assumptions and new structural construction	None
	Tung Ho Steel Enterprise Co., Ltd.	November 24, 2023 until warranty expiry date	“Unveiling” rebar material (structural construction)	None
	Tung Ho Steel Enterprise Co., Ltd.	April 22, 2024 until warranty expiry date	“Unveiling” rebar material (structural construction)	None
	Yu Mao Engineering Co., Ltd.	June 30, 2024 until warranty expiry date	“Unveiling” masonry work	None
	Jung Xin Enterprise Co., Ltd.	June 4, 2024 until warranty expiry date	“Unveiling” kitchenware work	None
	Dian Zhang Engineering Co., Ltd.	August 20, 2024 until warranty expiry date	“Unveiling” mechanical and electrical work	None
Joint Construction Contract	Shenglin Construction Co., LTD	March 17, 2025 until hand over complete	Land No.53, Wenshang section, Xitun Dist., Taichung City. Joint construction and separate sale	None
	Fu Hua Construction Co., LTD	April 18, 2025 until hand over complete	Land No.110 etc. Taiyuan section, Beitun Dist., Taichung City. Joint construction and separate sale	None
Superficies	National Property Administration, Ministry of Finance	2023/05/22-2093/05/21	Establishment of Superficies on National Non-public Use Land	Note 2
	Finance Bureau of Taichung City Government	2024/04/22-2074-04/21	Establishment of Superficies on Taichung Non-public Use Land	Note 3
Long term loan	Land Bank of Taiwan	2023/11/20-2043-11/20	Long-term house construction secured loans	None

Note 1 : construction contracts only show total contractual price (untaxed) of those over NTD 50 million.

Note 2 : (1) Land rent should be paid monthly starting from the date of the signing of the Contract.

(2) The Company should be the constructor for the construction of private properties on superficies targets. However, those that have been approved by Party A via written

consent are not subjected to this limitation.

(3) It is not allowed to lease or lend properties of superficies targets to others for construction use. If leased or lent to others for construction use, the final date of its use duration period cannot be after the final date of the superficies' duration period.

Note 3 : (1)The Company shall be the applicant. However, this does not apply if the party agree in writing.

(2)It is not allowed to apply for build bulk.

(3)Within 3 years from the date when the original winning bidder signs this contract, the construction license shall be obtained and construction shall begin for all the subjects for which the land rights are established in accordance with the provisions of the Construction Law.

7.2 Zongtai Construction Co., Ltd.

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
Contract	Fu Hua Innovation Co., Ltd.	December 30, 2019 until warranty expiry date	“Get Together” assumptions and new structural construction	None
	Fu Hua Innovation Co., Ltd.	April 1, 2021 until warranty expiry date	“The Way Home” assumptions and new structural construction	None
	Fu Hua Innovation Co., Ltd	November 15, 2023 until warranty expiry date	“Unveiling” assumptions and new structural construction	None
	Fu Hua Innovation Co., Ltd	November 15, 2023 until warranty expiry date	“The Cooperate Headquarter” assumptions and new structural construction	None
	National Housing and Urban Regeneration Center	June 30, 2023 until warranty expiry date	The turnkey project for the construction of the new society resident houses “Dongguang Housing” and the “Songzhu Housing” in Beitun District, Taichung City.	None
	Buzi Junior High School, Taichung City	January 15, 2024 until warranty expiry date	The first phase of school building project of Buzi Junior High School, Taichung City.	None
	National Housing and Urban Regeneration Center	July 4, 2024 until warranty expiry date	The turnkey project for the construction of the new society resident houses “Spring Living B” in Nantun District, Taichung City.	None
	National Housing and Urban Regeneration Center	August 1, 2024 until warranty expiry date	The turnkey project for the construction of the new society resident houses “Fortune House” in Taiping District, Taichung City.	None
	Xiongtu Construction Co., Ltd./Omexey Construction Co., Ltd.	August 30, 2024 until warranty expiry date	“Shu-Dos” new construction	None
Construction Contract (Note)	Yincai Engineering Co., Ltd.	March 15, 2021 until warranty expiry date	“The Way Home” panel construction	None
	Bao Jin Enterprise Co., Ltd.	March 25, 2021 until warranty expiry date	“The Way Home” rebar lashing	None
	You Mao Co., Ltd.	June 30, 2021 until warranty expiry date	“The Way Home” scaffolding work	None
	Yong Liang Engineering Co., Ltd.	June 30, 2021 until warranty expiry date	“The Way Home” scaffolding work	None

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
	Yingcai Engineering Co., Ltd.	December 20, 2023 until warranty expiry date	“Unveiling” panel construction	None
	You Mao Co., Ltd.	July 10, 2024 until warranty expiry date	“Unveiling” scaffolding work	None
	Cheng Song Engineering Co., Ltd.	July 18, 2024 until warranty expiry date	“Dongguang Housing” panel construction	None
	Yi Jun Engineering	July 18, 2024 until warranty expiry date	“Songzhu Housing” panel construction	None

Note: construction contracts only show total contractual price (untaxed) of those over NTD 50 million.

7.3 Ritai Assets Management Co., Ltd.

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
Superficies	Central Region Branch, National Property Administration, MOF	August 18, 2015 to August 17, 2085	State-owned non public land’s establishment of superficies contract	Note 1
Long-Term Loans	Land Bank of Taiwan	August 5, 2019 to August 5, 2039	Long-term house construction secured loans	None

Note 1 : 1) Land rent should be paid monthly starting from the date of the signing of the Contract.

- 2) Ritai should be the constructor for the construction of private properties on superficies targets. However, those that have been approved by Party A via written consent are not subjected to this limitation.
- 3) Ritai is not allowed to lease or lend properties of superficies targets to others for construction use. If leased or lent to others for construction use, the final date of its use duration period cannot be after the final date of the superficies’ duration period.

7.4 Shenglin Construction Co., LTD

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
Joint Construction Contract	Fu Hua Innovation Co., Ltd.	March 17, 2025 until hand over complete	Land No.53 of Wenshang section, Xitun Dist., Taichung City. Joint construction and separate sale	None

7.5 Fu Hua Construction Co., LTD

Contract Nature	Party	Contract Start and End Date	Main Content	Restriction Clause
Joint Construction Contract	Fu Hua Innovation Co., Ltd.	April 18, 2025 until hand over complete	Land No.110 etc. of Taiyuan section, Beitun Dist., Taichung City. Joint construction and separate sale	None

V. Review of Financial Conditions, Operating Results, and Risk Management

1 Analysis of Financial status

1.1 Main reasons for significant changings on assets, liabilities, and equities in the past two years.

Comparative Statement of Financial Position

Unit : NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	21,235,213	16,329,847	(4,905,366)	(23.10)
Property, plant and equipment	278,308	347,037	68,729	24.70
Other noncurrent assets	844,638	1,077,780	233,142	27.60
Total Assets	22,358,159	17,754,664	(4,603,495)	(20.59)
Short-term Loan	9,447,550	3,826,800	(5,620,750)	(59.49)
Current liabilities	3,736,455	4,657,133	920,678	24.64
Non-current liabilities	2,279,004	323,575	(1,955,429)	(85.80)
Total liabilities	15,463,009	8,807,508	(6,655,501)	(43.04)
Capital	3,422,757	3,559,667	136,910	4.00
Capital surplus	1,261,782	1,265,272	3,490	0.28
Retained earnings	2,210,611	4,122,217	1,911,606	86.47
Other equity	-	-	-	-
Total equity	6,895,150	8,947,156	2,052,006	29.76

Explanation of increase/decrease percentage analysis (Changings compared to last period exceed 20%, and the amounts of changing equal or exceed NT\$ 10 million) :

- 1) Current Assets: Due to the transfer of construction-in-progress housing units under “The Way Home” project upon handover.
- 2) Property, Plant and Equipment: The increase was due to construction in progress on Parcel No. 346 at Xin-gang-wei.
- 3) Other Non-current Assets: The increase was due to the recognition of right-of-use assets arising from the acquisition of superficies rights for Parcel No. 176-1, Xin-xin-ping Section, Xitun District, Taichung City in 2024.
- 4) Short-term loan : The decrease was due to the repayment of bank borrowings drawn for “The Way Home” project.
- 5) Capital Liabilities: The increase was due to the current portion of bonds payable and higher tax expenses resulting from revenue recognition

upon completion of “The Way Home” project.

- 6) Non-current Liabilities: The decrease was due to the reclassification of bonds payable to current portion.
- 7) Retained Earnings: The increase was due to higher net income in 2024 compared to 2023.

1.2 Responding plan for items of significant changings in the future :

The above changes have no significant impact on the Group, thus responding plan is not required.

2 Analysis of Financial performance

2.1 Main reasons for significant changings of operating income, net operating profit and net profit before tax in the past two years :

Analysis Table of Financial Performance

Unit : NT\$ thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Operating revenue	1,522,239	12,753,660	11,231,421	737.82
Operating costs	880,962	9,697,906	8,816,944	1000.83
Gross profit from operations	641,277	3,055,754	2,414,477	376.51
Operating Expense	290,900	410,512	119,612	41.12
Net operating income	350,377	2,645,242	2,294,865	654.97
Non-operating income and expenses	62,120	72,781	10,661	17.16
Profit before tax	412,497	2,718,023	2,305,526	558.92
Income tax expense	105,623	529,174	423,551	401.00
Net income	306,874	2,188,849	1,881,975	613.27
Other comprehensive income	-	-	-	-
Total comprehensive income	306,874	2,188,849	1,881,975	613.27

Explanation of increase/decrease percentage analysis (Changes over 50% compared to former or later period, and amounts of changes reach NT\$ 10 million)

- 1) The main reason of increasing profit was due to the revenue recognition is different from the construction plan in 2024. In 2023, we sold land which held for construction site and the case “Live as the Queen” which was jointly constructed and sold in partitions of subsidiary was completed and handed over. In 2024, the case “The Way Home” was completed and handed over.

- 2.2 Possible impacts on future financial business arise and responding plan arise from anticipated sales number and its accordance :

Starting from the fourth quarter of 2024, the Company began handing over units of the project “The Way Home,” which is expected to be fully delivered and recognized as operating revenue in the second quarter of 2025. In addition, the Company plans to launch a new project, “Taiyuan New Project,” in the third quarter of 2025, located at the intersection of Section 3, Taiyuan Road and Section 1, Xiangshun East Road. Furthermore, the residential project “Unveiling,” launched in 2023 in the Shuinan area of Taichung City, has already achieved a sales rate of over 50%. New projects at Parcel No. 15 and Parcel No. 53 of the Wen-Shang area are currently in planning and are expected to contribute positively to future operating revenue and cash inflows.

3 Analysis of Cash Flow

- 3.1 Analysis of changes on cash flow at the year :

Unit : NT\$ thousands

Item \ Year	2023	2024	Amount of Change
Operating activities	(1,570,246)	7,250,419	8,820,665
Investing activities	1,272,465	1,089,916	(182,549)
Financing activities	664,257	(5,776,806)	(6,441,063)
Changings on interest rate impact on cash	-	-	-
Total	366,476	2,563,529	2,197,053

Analysis of cash flow changes :

- 1) Operating activity: In 2024, the completion and handover of “The Way Home” project led to cash inflow.
- 2) Investing activity: Redeeming the money market fund in 2024 led to cash inflow.
- 3) Financing activity: Repayment of the bank loan drawn for “The Way Home” project in 2024 led to cash outflow.

- 3.2 Improvement plan for insufficient liquidity ratio :

3.2.1 Liquidity analysis

Item \ Year	2023	2024	Increase (decrease) ratio
Cash flow ratio (%)	-	85.46	100.00
Cash flow adequacy ratio (%)	-	127.03	100.00
Cash reinvestment ratio (%)	-10.76	75.81	804.55

Explanation of increase(decrease) ratio :

The net cashflow out from operating activities was due to continuous investment in construction projects.

3.2.2 Remedy for insufficient cash : Not applicable.

3.3 Analysis of cash liquidity for next year :

Unit : NT\$ thousands

Cash balance, beginning of the year (1)	Anticipated cash flow from operating activities at the year (2)	Cash flow from other activities (3)	Cash surplus (insufficient) amount (1)+(2)+(3)	Remedy for insufficient cash	
				Investment plan	Financing plan
5,542,298	868,123	(2,752,237)	3,658,184	-	-

4 Impact of significant capital expenditure to financial business in recent years :
None.

5 Main reason of profit or loss for reinvestment policies in recent years, improvement plan and investment plan for next year :

Unit : NT\$ thousands

Detail of investment	Amount of Investment	Policies	Main reason for profit (loss)	Improvement plan	Other plan in the future
Zongtai Construction Co., Ltd.	967,200	Integrate the Company's operation to make sure the control of construction's quality	Construction revenue	None	None
Ritai Asset Management Co., Ltd.	300,000	Expand business in multiple field and undertake BOT project from government and non-government	Lease revenue	None	None

Detail of investment	Amount of Investment	Policies	Main reason for profit (loss)	Improvement plan	Other plan in the future
Fu Hua Construction Co., Ltd. (Note 1)	100,000	Housing and building development and rental	Interest revenue	None	None
Dashun Advertising Co., Ltd.	20,000	Restaurant	Food service revenue	None	None
Shenglin Construction Co., Ltd. (Note 2)	600,000	Housing and building development and rental	Interest revenue	None	None
Shuo Yi Tai Green Energy Co., Ltd	18,300	Energy technology service	Operating expenses	None	None

Note 1: Zongtai Real Estate Development Co., Ltd. was renamed to Fu Hua Construction Co., Ltd. in May 2024.

Note 2: Panxu Construction Co., Ltd. was established in September 2024 and was renamed to Shenglin Construction Co., Ltd. in November 2024.

6 Valuation of risk item analysis for last year and as for publication date of annual report :

6.1 Impacts of interest rate, exchange rate changes, inflation on company's profit and countermeasures for the future

6.1.1 Impacts of interest rate changes on the Company's profit and loss and countermeasures for the future

The domestic credit rate has increased by 1.375 percentage points since 2022. The rise in land and construction financing interest rates will increase the Company's costs. As current debt levels and the debt ratio are lower than the previous year, the finance department will continuously monitor interest rate changes based on the latest bank lending information. The Company will also negotiate with banks to maintain the most favorable interest rates, which will be effective in reducing interest expenses.

6.1.2 Impacts of exchange rate changes on the Company's profit and loss

and countermeasures for the future

The Group are mainly engaged in construction businesses, most of the cooperating vendors are domestic vendors which using New Taiwan dollars as functional currency, thus changes on interest rate do not significantly impact to the Group. In addition, the Group opens foreign currency accounts to manage holdings of foreign currency and adjust balances of foreign currency accounts for decreasing impact of interest rate changes on the Company's profit and loss.

6.1.3 Impacts of inflation on the Company's profit and loss and countermeasures for the future

Inflation will lead to increasing on construction costs, but since people consider buying residences as a way for value maintenance, residence demands will not be impacted. The Group keeps good relationship with clients and vendors, and timely adjusts price of products and raw material inventory for decreasing impact of inflation.

6.2 Main reasons of policy, profit or loss of engaging in high risk and high leverage investments, lending to others, endorsement guarantee and derivative transaction :

The Group adopts a steady and conservative investment policy and does not engage in high-risk or high-leverage investments. As of the reporting date, the Company has not extended any loans to others. Due to long-term borrowing needs of the subsidiary, Ritai Asset Management Co., Ltd., the Company acted as a joint debtor. The balance of endorsements and guarantees as of the end of the period amounted to NT\$110,052 thousand. In addition, the subsidiary Zongtai Construction Co. builds on leased land and, per the agreement with the landowner, the Company acts as a joint guarantor, with an endorsement guarantee amount of NT\$10,000 thousand. To meet the operational needs of construction projects, the Company also acts as a joint guarantor for Zongtai Construction Co. for performance guarantees, advance payment guarantees, and construction working capital loans. The total guarantee amount was NT\$307,685 thousand. Furthermore, in May 2023, to fulfill the performance guarantee requirement for the Company's presale housing project, the subsidiary Zongtai Construction Co. provided an industrial joint guarantee, with an endorsement guarantee amount of

NT\$1,280,070 thousand. The Company has established formal procedures for lending to others and endorsements guarantees, and derivative transactions, which serve as the basis for all related operations. The Company has not engaged in any derivative transactions during the most recent fiscal year and up to the date of this annual report.

6.3 Research and development plan in the future and estimated investment in research and development expenses :

The Group does not set up a research and development department because unlike manufacturing industry and high-tech industry require invent and design for new products, construction industry 's main business is real estate development, so the Group has no research and development relevant expenses and achievements.

6.4 Impact and countermeasures of domestic and foreign changes in important policy and law to the Group's financial business :

The real estate market is closely tied to economic cycles, and is especially affected by macroeconomic and financial conditions. On April 3, 2025, the announcement of former U.S. President Trump's tariff policy signaled the onset of a trade war, triggering a sharp global stock market sell-off. This led to significant capital shrinkage for many investors, weakening their home-buying capacity. Amid ongoing weakness in the housing market, selling pressure has begun to rise in some areas. While the stock and real estate markets are not directly linked, they are highly correlated. When the stock market performs well, many people transfer gains into real estate; conversely, during sharp market declines, tightened capital flows weaken demand in the housing sector. The Group attaches great importance to the information on major domestic and foreign policies and legal changes and has always complied with the relevant laws and regulations promulgated by the government, and consulted accountant for professional advice to develop necessary measures and countermeasures promptly, adhere to principle of stable operation, so as to maintain sustainable company developments. Domestic and foreign changes in important policy and law have no significant impact to the Group's financial business.

6.5 Impact and countermeasures of changes in technology (including cyber security risk) and industry to the Company's financial business :

The Group creates revenue and profit through investing in land in Taichung urban district and building residence, to respond to changes in technology and industry, the Group keeps tracking changes in the market and expanding business with information acquired through different ways; The Group endeavors to digitalize information works in order to catch industry accurately information and improve working efficiency to enhance competitiveness. With the popularity of mobile devices and thriving of big data, we expand in social media and online marketing, in buildings we promote “Wise home” for customers to enjoy convenient living experience. So far, there’s no significant impact to the Group’s financial business arising from changes in technology or industry. The Company internal control has built information safety policy and management program and has already completed cloud data backup and firewall enforcement and has conducted system management on new purchase computers to make share that information safety is maintained. Information technology personnel also conducts improvement and enhancement of information technology system through irregular examination. As for the publication date of annual report, the Group does not have significant information safety event that causes negative effect on business and operation, and not involved in any legal cases or supervision related to information safety. Changing in technology (including cyber security risk) and industry have no significant impact to the Company’s financial business.

6.6 Impact and countermeasures of the Group’s crisis management of changes in corporation image :

The Company adheres to the principles of integrity, responsibility, and legal compliance in implementing corporate governance and promoting the concept of sustainable business operations. In view of the rapid changes in the market caused by the policies of housing market in recent years, the Company has transformed into the diversified management since June 2023. In addition, we incorporate the sustainable spirit of ESG into the brand to develop connotation and cooperate with industries, government, and other parties. Hoping to create more sparks in the architectures and deepen it into the community creation, good interaction, and communication channels with the community and residents. It’s expected to create the corporate brand

image of innovative intelligent, modern elegant and warmth by humanistic spirits and life aesthetics. Through long-term cultivation, we hope to shape the differentiated characteristics of the products.

- 6.7 Expected profit, probable risk and countermeasure of merge : None.
- 6.8 Expected profit, probable risk and countermeasure of plant expansion : None.
- 6.9 Risk and countermeasures of concentration on purchase and sales :
- The Company primarily generates revenue and profit through land investment and residential development. Its major purchases are from landowners or construction contractors, and the methods of land acquisition are highly diversified. Through internal price inquiries and evaluations, the Company adopts appropriate land investment strategies based on the prevailing market conditions each year to reduce development risk. Moreover, as land acquisition sources are numerous and dispersed, there is no risk of purchase concentration or supply disruption. In terms of construction, due to the nature of the industry and the need to control the quality of individual projects, the Company outsources construction work to its wholly owned subsidiary, Zongtai Construction Co., Ltd., which possesses solid construction expertise and a sound financial standing. The Company also performs regular and ad hoc supervision in accordance with its subsidiary management policies to maintain construction quality and avoid risks associated with concentrated purchasing. Additionally, as the Company's projects are marketed to the general public and corporate clients, there is no issue of sales concentration.
- 6.10 Expected profit, probable risk and countermeasure of impact of directors, supervisors and shareholders holding more than 10 percent of the shares of the company's large transfer of shares or changes : None.
- 6.11 Expected profit, probable risk and countermeasure of impact to the Company of franchise changes : None.
- 6.12 Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company. Where such a

dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report : None.

6.13 Other significant risks and responding measures : None.

7 Other significant items : None.

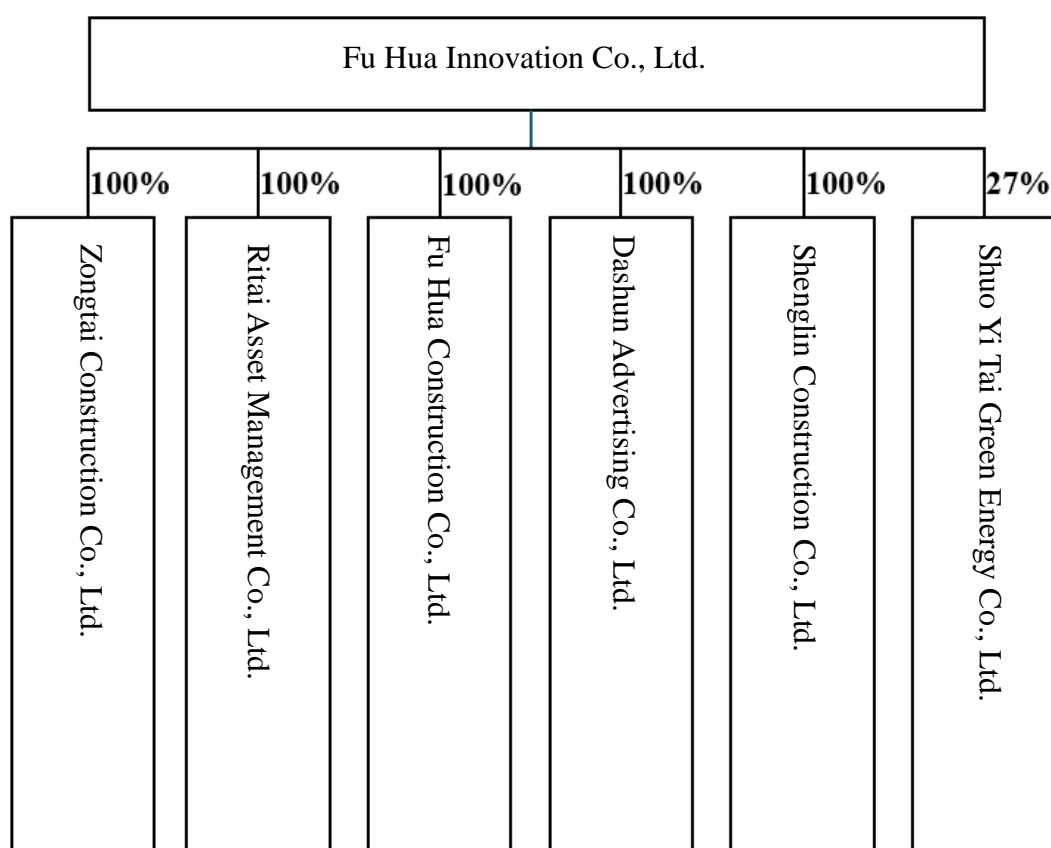
VI. Special Disclosure

1 Information about Affiliated Companies

1.1 2024 Consolidated operation report Covering Affiliated Enterprises :

1.1.1 Organizational chart of Affiliated Enterprises :

Fu Hua Innovation Co., Ltd. (3056) Associate Chart



1.1.2 The Company has no existence of the controlling subordinate relation as in Company Act, article 369-3 and has no controlling company and mutual investment companies as in Company Act, article 369-2-2 and article 369-9.

1.1.3 Basic information about affillated companies

Unit : NT\$ thousands

Corporation	Date of Establishment	Address	Paid-in Capital	Main business or product
Zongtai Construction Co., Ltd.	December 17, 1976	1F, No. 1315 Sec. 3 Taiyuan Rd. Beitun Dist. Taichung City, Taiwan (R.O.C.)	1,000,000	Comprehensive construction, residence and building lease and sales

Corporation	Date of Establishment	Address	Paid-in Capital	Main business or product
Ritai Asset Management Co., Ltd.	January 24, 2013	2F, No. 163 Zhong Xiao Rd, North Dist. Taichung City, Taiwan (R.O.C.)	300,000	Asset management, Property lease
Fu Hua Construction Co., Ltd. (Note 1)	August 28, 2018	1F., No.239, Sec. 2, Dunhua Rd., Beitun Dist., Taichung City (R.O.C.)	100,000	Housing and Building Development and Rental
Dashun Advertising Co., Ltd.	November 22, 2019	1F., No.239, Sec. 2, Dunhua Rd., Beitun Dist., Taichung City (R.O.C.)	20,000	Restaurant
Shuo Yi Tai Green Energy Co., Ltd	September 11, 2021	No. 3 Sec.1 Gong Ye Rd. Hukou Township, Hsinchu County (R.O.C.)	68,000	Energy technology service
Shenglin Construction Co., Ltd. (Note 2)	September 23, 2024	1F., No.239, Sec. 2, Dunhua Rd., Beitun Dist., Taichung City (R.O.C.)	600,000	Housing and Building Development and Rental

Note 1 :Zongtai Real Estate Development Co., Ltd. was renamed to Fu Hua Construction Co., Ltd. in May 2024.

Note 2: Panxu Construction Co., Ltd. was established in September 2024 and was renamed to Shenglin Construction Co., Ltd. in November 2024.

1.1.4 Information about same shareholders of company presumed as presumption of a relationship of control or subordination :
None.

1.1.5 The operating business of entire associates including :
Construction, Residence and building lease and sales, asset management, property lease, Restaurant and Energy technology service.

1.1.6 Information about directors, supervisors and general manager

of associates

Corporation	Title	Name or representative	Holding	
			Shares	Percentage (%)
Zongtai Construction Co., Ltd.	Chairman	Fu Hua Innovation Co., Ltd. Representative : Tien-Fu, Wu	100,000,000	100.00%
	Director	Fu Hua Innovation Co., Ltd. Representative : Chien-Chung, Lu		
	Director	Fu Hua Innovation Co., Ltd. Representative : Wen-Yan, Han		
	Supervisor	Fu Hua Innovation Co., Ltd. Representative : Hui-Wen, Ko		
Ritai Asset Management Co., Ltd.	Chairman	Fu Hua Innovation Co., Ltd. Representative : Wei-Ju, Liu	30,000,000	100.00%
Fu Hua Construction Co., Ltd. (Note 1)	Chairman	Fu Hua Innovation Co., Ltd. Representative : Chi-Sheng, Tsai	10,000,000	100.00%
Dashun Advertising Co., Ltd.	Chairman	Fu Hua Innovation Co., Ltd. Representative : Chung-Hsin, Huang	2,000,000	100.00%
	Supervisor	Fu Hua Innovation Co., Ltd. Representative : Hui-Wen, Xie		
Shuo Yi Tai Green Energy Co., Ltd	Chairman	Mintron Energy Co., Ltd Representative : Zhen-Sheng, Huang	2,530,000	37.21%
	Director	Gigastorage Co., Ltd Representative : Ji-Ming, Chen	2,440,000	35.88%
	Director	Fu Hua Innovation Co., Ltd. Representative : Chung-Hsin, Huang	1,830,000	26.91%
	Supervisor	Jiang-Qing, Lin	0	0%
Shenglin Construction Co., Ltd. (Note 2)	Chairman	Fu Hua Innovation Co., Ltd. Representative : Shao-Syuan, Ciou	60,000,000	100.00%
	Supervisor	Fu Hua Innovation Co., Ltd. Representative : Ren-Feng, Wu		

Note 1: Zongtai Real Estate Development Co., Ltd. was renamed to Fu Hua Construction Co., Ltd. in May 2024.

Note 2: Panxu Construction Co., Ltd. was established in September 2024 and was renamed to Shenglin Construction Co., Ltd. in November 2024.

1.1.7 Associates operating status

Unit : NT\$ thousands, except earnings (loss) per share in NT\$

Corporation	Paid-in Capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit(loss)	Profit (loss) (after tax)	Earnings (loss)per share (after tax)
Zongtai Construction Co., Ltd.	1,000,000	1,460,921	349,458	1,111,462	747,068	32,785	54,012	0.54
Ritai Asset Management Co., Ltd.	300,000	441,163	135,201	305,962	22,377	8,950	5,485	0.18
Fu Hua Construction Co., Ltd. (Note 1)	100,000	99,035	48	98,987	-	(262)	110	0.02
Dashun Advertising Co., Ltd.	20,000	64,723	41,295	23,427	78,924	12,850	11,182	5.59
Shuo Yi Tai Green Energy Co., Ltd	68,000	172,913	121,376	51,537	11,040	(10,008)	(11,473)	(1.69)
Shenglin Construction Co., Ltd. (Note 2)	600,000	600,824	250	600,574	-	(1,249)	574	0.01

Note 1: Zongtai Real Estate Development Co., Ltd. was renamed to Fu Hua Construction Co., Ltd. in May 2024.

Note 2: Panxu Construction Co., Ltd. was established in September 2024 and was renamed to Shenglin Construction Co., Ltd. in November 2024.

1.2 Consolidated Financial Statements Covering Affiliated Enterprises :

The Company is pursuant to the Regulations Governing Preparation of Consolidated Financial Statements Covering Affiliated Enterprises, the entities that must be included in preparing the consolidated financial statements covering affiliated enterprises are entirely the same as those that IFRS 10 requires to be included in preparing the consolidated financial report comprising the parent and its subsidiaries, and if the required disclosures to be made in the consolidated financial statements covering affiliated enterprises are already made in the consolidated financial report comprising the parent and its subsidiaries, then the consolidated financial statements covering affiliated enterprises need not be prepared.

1.3 Reports on Affiliations : None.

- 2 Private placement securities as of the date of publication of the annual report :
None.

3 Other necessary supplement : None.

VII. shareholders' rights and interests or securities prices as of the date of publication of the annual report :

Manager, Tsai, Chin-Jung, was resigned due to position adjustment on May 9, 2024. Hong, Chih-Cheng was new appointment as manager on May 10, 2024. On February 28, 2025, Director Hong, Chih-Cheng resigned from his position as General Manager due to personal career planning. Vice President Lin, Feng-Chiu has been appointed as Acting General Manager. This change has no material impact on the Company's shareholders' equity or the price of its securities.

Name of Company :

Fu Hua Innovation Co.,Ltd.

Responsible Person : Liu, Wei-Ju