

STOCK CODE 3056

FU HUA INNOVATION CO., LTD.

ORIGINAL NAME

Zongtai Real Estate Development CO., LTD.

【 ANNUAL REPORT 2025 】

【 Annual Report Website 】

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

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

Printing Date May 12, 2026



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.

- I. Spokesperson Information
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- II. Address and Telephone of Headquarters and Branch Office
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- III. Name of Stock Transfer Agent, Address, Website and Telephone Number
Name: President Securities Corporation
Address: B1F, No. 8, Dongxing Rd., Songshan Dist., Taipei City
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Telephone: (02) 2746-3797

- IV. Names, firm names, addresses, websites, and telephone numbers of the certified public accountants who certified the financial statements for the most recent fiscal year
Certified Public Accountants: Lih-Dong Wu and Dung-Yun Tseng
Firm name: Deloitte Taiwan
Address: 22nd & 23rd Floor, No. 88, Section 1, Huizhong Road, Xitun District, Taichung City
Website: <https://www.deloitte.com.tw>
Telephone: (04) 3705-9988

- V. There is no name for the overseas exchange for listing and trading of securities, nor is there a method for inquiring about information on such securities.

- VI. Company website: <https://www.fuhua-inno.com.tw/>

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One. Report to Shareholders

I. 2025 Business Report

In recent years, strong global demand for AI technology has boosted Taiwan's foreign trade and export performance beyond expectations, and invigorated the capital market. However, the housing market has been more significantly impacted by government policies. In 2024, the domestic housing market experienced a surge thanks to the incentives provided by the "Youth Housing Loan Program" policy. However, as the Central Bank implemented the seventh wave of selective credit controls to curb housing market speculation, the market entered a consolidation phase in 2025, with a more rational and cautious atmosphere prevailing.

According to statistics from the Ministry of the Interior, 261,308 building sales were registered nationwide in 2025, a significant decrease of 89,201 from 2024. This represents a yearly decline of 25.45%, the third-lowest record in the 35 years since statistics began being collected in 1991. Relevant data indicate that domestic real estate transaction volume has continued to be affected by changes in the overall economic environment and the central bank's seventh round of credit controls. Market buying interest has declined noticeably, and overall demand has been relatively weak.

Looking at monthly transaction performance further, the number of building transactions across Taiwan has largely remained around 20,000 units in 2025, significantly lower than the over 30,000 units seen in individual months in 2024. This indicates that the housing market has gradually cooled under the influence of credit controls. Additionally, as buyer interest slowed, more negotiating room emerged in the pre-sale and completed housing markets to boost transaction rates. This has resulted in concessions appearing in various locations, driving sales and reducing inventory.

Although the housing market experienced a simultaneous decline in both price and transaction volume, first registrations for building ownership still reached 177,000 units in 2025, a 25-year high. This was primarily due to stable pre-sale market sales over the past three to four years. As these properties were handed over to buyers, they were reflected in transfer registration data, supporting overall transaction volume, particularly in the six major cities. The upcoming wave of property handovers is significant and should not be overlooked.

Among these, Taichung, one of the six special municipalities, has seen continued population growth. Its population reached 2.86 million in 2025, an increase of approximately 7,864 from 2024. It remains the second largest city nationwide, supporting the fundamentals of the regional housing market. Stable owner-occupancy demand has driven strong recent housing completion rates.

Looking ahead, regarding the international political and economic situation, US President Trump continued to emphasize the “America First” policy, advocating for the return of manufacturing to the US and prioritizing the development of AI technology and the semiconductor industry. His subsequent policies and the competitive and cooperative relationships with other countries have affected changes in the global financial market and economic situation, and consequently impacted raw material prices, construction costs, and real estate investment confidence.

In terms of domestic operations, continued increases in land acquisition costs and construction expenses have kept real estate prices relatively high. Simultaneously, with the government’s ongoing efforts to curb the housing market, the overall market has likely entered a consolidation period, and the market structure has shifted to prioritize owner-occupancy and essential demand. Subsequent policy adjustments and changes in market confidence require close monitoring.

The Company has continued to focus on the construction industry as its core business and has steadily promoted a diversified business layout to expand its sources of profit, in order to strengthen its foundation for sustainable operations. In the planning of its projects, it carefully evaluated changes in market demand and product positioning, and accurately grasped customer structure and regional characteristics, in order to create the greatest long-term value for the Company and all shareholders, and continue to extend its brand concept and deepen differentiated competitive advantages.

(I) Business Plan Implementation Results

The net revenue for 2025 was NT\$4,054,432 thousand, a decrease of 68.21% from NT\$12,753,660 thousand in the prior year. Operating expenses decreased by 26.6% compared to the previous year, and non-operating income decreased by 33.23% compared to the previous year. Profit before tax was NT\$640,548 thousand, a decrease of 76.43% from NT\$2,718,023 thousand in the

prior year, and net income for the year was NT\$515,346 thousand, a decrease of 76.46% from NT\$2,188,849 thousand in the prior year.

(II) Budget implementation: Not applicable.

(III) Analysis of financial performance and profitability

1. Financial revenues and expenditures

Unit: NTD thousands

Item	2025	2024	Percentage change
Net revenue	4,054,432	12,753,660	-68.21
Gross margin	893,254	3,055,754	-70.77
Operating income	591,952	2,645,242	-77.62
Interest income	68,002	37,970	79.09
Interest expense	35,907	21,022	70.81
Net profit before tax	640,548	2,718,023	-76.43

2. Profit analysis

Annual Analysis Item		2025	2024
Return on assets (%)		3.31	10.99
Return on equity (%)		5.82	27.63
Percentage of paid-in capital (%)	Operating income	12.31	74.31
	Income before tax	13.32	76.35
Net profit margin (%)		12.71	17.16
Earnings per share (NTD)		1.07	6.15

Note:

ROA (%) = {net profit after tax + interest expense x (1 - tax rate)}/average total assets.

Return on equity (%) = after-tax profit / average net equity.

(IV) Research and development status

1. Production policy:

(1) Proactive development and prudent investment.

Deepen professional expertise and analyze market context.

Expand development pipelines and strengthen diversification.

(2) Adapt to local conditions and put the concept into practice

Uphold our founding principles and realize our ideals; return to a human-centered approach and build with steadfast dedication.

We conduct in-depth architectural research, foster community building, and strive for shared prosperity and well-being.

(3) Project management and task allocation

Responsibilities are clearly defined, ensuring sound financial management, legal compliance, and internal operations while avoiding inflexible regulations.

(4) Brand commitment and implementation

Establish a brand declaration from the consumer's perspective, rigorously oversee its implementation, and actively enforce it.

2. Sales strategy:

(1) Architecture and the humanities, brand philosophy

A people-centric architectural philosophy and a brand ethos built on empathy.

(2) Public listing platform, integrity and transparency

The Company is publicly listed and operates with openness and transparency, and has earned recognition for its integrity and corporate credibility.

(3) Reflect policy and stabilize the housing market

Respond promptly to policy changes to minimize volatility, and operate with stability and prudence.

(4) Emotional marketing and cross-industry alliances

Create marketing that fosters identification, trust, and emotional connection, and explore opportunities for cross-industry alliances.

(5) Define Taichung, connect globally

Establish a foundational architectural vision to build sustainable cities and foster a culture of shared well-being.

II. Summary of the Business Plan for 2026

(I) Business Philosophy

The development goals for the construction business are divided into short-, medium-, and long-term phases:

1. Short-term goals:

(1) Project sales were successful.

2. Mid-term goals:

(1) Enhance corporate brand value.

(2) Expand commercial investment.

- (3) Development for land efficiency.
- (4) Strengthening resident brand identity.

3. Long-term goals:

- (1) Prudent management and transparent operations
Maintain sound finances and pursue sustainable development through a public platform characterized by openness and transparency.
- (2) Strengthen core businesses and pursue cross-industry alliances
Building on existing strengths, proactively expanding into other industries not only broadens revenue streams but also enhances brand value.
- (3) Corporate culture and brand assets
The Company has integrated an entrepreneurial spirit into its corporate culture, adopted a people-centric approach, and incorporated ESG sustainability principles to strengthen brand assets and forge a unique brand value.
- (4) Business diversification to generate multiple revenue streams
Advise the subsidiary "Zongtai Construction Co., Ltd." to leverage its professional expertise to expand its business beyond projects within the Group.

(II) Expected Sales Volume and Basis

Projects Launched and Sold:

- 1. The base of "Crossing the New Divide" is located at the intersection of Tunghua Road Sec. 2 and Jingmao East Road in Taichung City. It is a rare four-sided development in the heart of the city, situated on a complete block and comprising a large development project. Adjacent to the central green belt of Taichung Central Park, a high-end residential area attracting international professionals, the development plans include 190 units (including 4 stores) and 466 parking spaces. Total sales are approximately NT\$8.5 billion, and completion and handover are expected in 2027.
- 2. "Yun Guang" is located at the intersection of Taiyuan Road Section Three and Xiangshun East Road in the Beitun District of Taichung City. Situated within the multi-billion dollar Beitun Medical Special Zone, the property enjoys a prime waterfront position facing the Dali River. It benefits from dual MRT access via the Green Line extension and the

planned Purple Line, with the Highway 74 Taiyuan interchange accessible in approximately 5 minutes. Boasting the advantages of established commercial districts near Shuxiao, Dongshan, Shude, and Jungong, and situated adjacent to the Dakeng Scenic Area, this location blends urban convenience with premium greenery to create the ideal lifestyle for a new generation of families. This project features 138 units (including 1 storefront) and 138 parking spaces, with total sales of approximately NT\$1.86 billion and completion and delivery expected in 2029.

(III) Production and sales policies

1. Establish a digital land database and commission project evaluations to improve development efficiency.
2. The case operates under an independent profit center system and pursues horizontal performance expansion.
3. A digital platform for project folders to accumulate case histories and facilitate knowledge transfer.
4. Participate in building materials and furniture exhibitions, and visit featured building projects to gain knowledge and enhance product planning.
5. Established a digital construction 3D modeling department to enhance control over engineering management.
6. Pioneered the practice of commissioning independent third-party inspections to verify building quality, enhancing brand trust.
7. Friendly dining and rest areas on construction sites foster good neighborly relations and improve construction site culture.
8. Continue to participate in reputable architecture competitions to share accolades and pursue continuous improvement.
9. We adhere to legal construction practices, use approved building materials, and complete all public facilities before handover.
10. Integrating ESG principles into the brand and refining its mission statement, we are extending this commitment from our employees to our customers to build brand value.

III. Future Development Strategies

(I) Digitalization

1. Digital marketing enhancement

Expand the reach and effectiveness of information dissemination through digital tools, and position "environmental sustainability" as the central driver of digitalization. Reduce physical marketing materials to support our environmental brand vision, and actively adopt innovative digital marketing technologies to enhance the team's professional expertise.

2. Digital transformation of information management

To support the development and remote work requirements of each construction site, we have promoted the comprehensive digitization of data management. By optimizing the EIP system and establishing a cloud database, the company integrated land development and market intelligence to create a proprietary smart information platform, and combined it with mobile applications to significantly improve operational efficiency.

3. Service process digitization

Integrate the official website and a dedicated app to store handover procedures and related documents on a cloud platform. Customers can access and download statements anytime through their personal account credentials, reducing paper consumption and mailing costs while also improving the efficiency of administrative tasks like payment notifications, ensuring convenient and secure information access.

(II) Diversification

1. Construction and development are our core business

We focus on in-depth management in core areas, maintaining market sensitivity and operational flexibility to achieve sustainable development goals in response to industry trends.

2. Expand cross-industry business models

Actively broaden our reach through diversified strategic alliances and new development initiatives to create new brand value.

IV. Impacts of the competitive environment, the regulatory environment, and the overall business environment.

(I) External competition:

Under the growing trend of information transparency, the success of land development increasingly depends on the "efficiency" and "accuracy" of upfront assessments. The Company will leverage the Group's brand strength, integrate diverse intelligence sources and sharp market insights to secure a competitive edge in land acquisition; and establish a land acquisition policy based on a rigorous decision-making model, laying a solid foundation for the Company's long-term sustainability.

Currently, consumers place a high value on the integrity of construction companies, and this trust is built on comprehensive after-sales service. In addition to refining product planning for sophistication and uniqueness, the Company is dedicated to cultivating strong customer relationships. It achieves this through diverse resident engagement and community building initiatives, extending services beyond the point of handover. By providing high-quality customer care, the Company has increased brand loyalty and distinguished itself in the competitive housing market.

(II) Regulatory environment:

Over the past several years, domestic real estate regulations and policies have become increasingly stringent. Key changes include the implementation of pre-sale house real price registration and stricter land value increment tax rules in 2021; the formal enactment of the revised Land Act in 2023; the introduction of loan limits and the seventh round of credit controls in 2024; and the implementation of a revised property holding tax in 2025. These changes have significantly impacted consumer willingness to purchase homes. The Company will continue to conduct in-depth research on laws and regulations to ensure stable operations and protect shareholder rights.

(III) Overall business environment:

Due to the continuing impact of prior monetary policy adjustments and credit controls, the housing market has shifted from an expansionary phase to a period of rational consolidation, with market activity now driven by genuine demand.

From an international perspective, the global political and economic situation has become more complex with the rise of trade protectionism. Geopolitical conflicts, such as the evolution of the Russo-Ukrainian War, have continued to disrupt bulk commodity supply chains, leading to increased operating costs and volatile energy prices. In particular, carbon fees and green energy transition policies have been gradually reshaping industrial cost structures.

The Company continuously monitors developments in the international financial landscape and the structure of the global trade system, and closely assesses their indirect effects on the domestic construction sector and consumer confidence. In response to macroeconomic uncertainty, we have established an agile early warning system and continuously optimize our development timelines and asset allocation strategies. Through precise cost management and a steady pace of project launches, we deliver on our commitment to sustainable operations and protect long-term shareholder value in a changing market.

V. Outlook for the Year:

In retrospect, since the central bank initiated the seventh round of credit controls in 2023, Taiwan's housing market cooled in 2025. This largely dampened the enthusiasm sparked by the "New Youth Security" policy, and last year saw transaction volumes fall to a low of over 260,000 units. However, Taichung City has seen positive results in recent years from its ongoing development projects, significantly boosting new housing completions and attracting new residents. As a result, Taichung is poised to become a key area of international focus and a region of increasing public interest.

Guided by a "one step at a time" approach, Fu Hua Innovation embraces the philosophy of "sustainable cities and shared prosperity" as it considers the international trend toward net-zero carbon emissions by 2050. The company has integrated ESG sustainability principles into its brand development, shaping a corporate image defined by innovative intelligence, modern elegance, and a sense of warmth and quality. Through a commitment to humanistic values and a refined aesthetic, Fu Hua Innovation aims to establish product differentiation through long-term cultivation.

Regarding new projects and existing land holdings, Fu Hua Innovation shifted to a diversified operation in June 2023, recognizing the rapid changes in the housing market driven by recent policy adjustments. The company has since focused its construction business on the Shui-Nan Economic and Trade Park, and is currently building the "Fu Hua Innovation - Crossing the New Divide" project there. This new development covers 2,775 pings and is designed as a livable residential space, with over 50% of units already sold. Additionally, the company holds existing land reserves at Shui-Nan Wen-Shang No. 15 and Wen-Shang No. 53, which are currently in the planning stages.

In addition, the Company's Beitun construction project, "The Way Home," began delivering homes in the fourth quarter of 2024, with completion in the first half of 2025. The pre-sale project "Yun Guang" launched in the second half of 2025, located at the intersection of Taichung Road Section 3 and Xiangshun East Road Section 2. This project features river view residences, comprises a total of 138 units, caters to owner-occupiers, and has received a strong market response.

Zongtai Construction, a wholly-owned subsidiary of Fu Hua Innovation, has expanded beyond undertaking the company's construction projects to include external development in construction and factory building. Over the past three years, it has secured six contracts, including the "Dongguang Houshi" and "Songzhu Houshi" social housing projects, and the "Guozhong Junior High School" school building project in 2023; the "Chunshe Anju B" and "Yongfu Houshi" social housing projects in 2024; and the "Jungong Post Office" new construction project in 2025.

While continuing to expand its business, Fu Hua Innovation has extended its ESG sustainability principles to the construction industry, collaborating with partners from industry, government, and academia to foster innovation. The company has also cultivated strong ties with local communities, building positive relationships and open communication channels with residents. This initiative aims to revive the sense of community spirit characteristic of early Taiwanese society, creating a mutually supportive network that promotes sharing, mutual benefit, collaborative learning, and inclusivity—achieving sustainable development goals. Fu Hua Innovation focuses on energy efficiency, smart technology, health, and comfort to provide residents with modern, livable buildings that harmonize with green spaces and nature.

In the future, Fu Hua Innovation will continue to present a refreshed brand image as it drives product differentiation and elevates the quality of its services, translating these efforts into tangible results. All employees are committed to actively implementing sustainable practices and pursuing steady, pragmatic management. The company aims to build high-quality structures and enhance lifestyles with integrity, ultimately delivering strong business performance.

Finally, I wish all shareholders well.

May all your wishes be fulfilled, and may you enjoy good health and peace!

Chairman Hsi-Kun Wu



Two. Corporate Governance Report

I. Information on directors, the General Manager, Deputy General Managers, Assistant Vice Presidents, and department and branch heads.

(I) Directors' information

April 25, 2026

Title	Nationality or registered address	Name	Gender and Age	Date of assumption of office (election)	Term of office	Date of first appointment	Shares held upon election		Current shareholdings		Shares are currently held by a spouse and minor children.		Holding shares on behalf of another person.		Main academic background	Currently holds positions at this company and other companies.	Other executives, directors, or supervisors who are spouses or relatives within the second degree of kinship.			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Director and Chairperson	Republic of China (Taiwan)	Tso Jung Investment Co., Ltd.	-	2024.06.12	3 years	2014.05.20	35,395,403	10.34%	49,695,145	10.34%	-	-	0	0.00%	-	-	-	-	-	-
	Republic of China (Taiwan)	Representative: Hsi-Kun Wu	Male 61-70 years old	2024.06.12	3 years	2025.06.05	1,227,816	0.34%	8,110,551	1.69%	3,954,110	0.82%	0	0.00%	MBA, Feng Chia University Chairman of Zongtai Construction Co., Ltd. Chairman of Zongtai Properties	Chairman of Tso Jung Investment	None	None	None	
Director	Republic of China (Taiwan)	Chia-Chi Kuo	Female 51-60 years old	2024.06.12	3 years	2015.06.24	141,764	0.04%	199,035	0.04%	0	0.00%	0	0.00%	Bachelor of Accounting, National Taiwan University Kuo Chia-Chi CPA Firm	Accountant at Kuo Chia-Chi CPA Firm Chairman of Tsung Hung Investment Co., Ltd. Independent Director, Formosa Taffeta Co., Ltd. Independent Directors, FINE BLANKING & TOOL CO., LTD. Supervisor, Huibao Management Consulting	None	None	None	
Director	Republic of China (Taiwan)	Chih-Cheng Hung	Male 51-60 years old	2024.06.12	3 years	2024.06.12	200,000	0.06%	175,500	0.04%	0	0.00%	0	0.00%	Master of Science in Finance, National Yunlin University of Science and Technology Vice President at Taiwan Land Bank and General Manager at Qiao Yuan Investment Co. Ltd.	Director of the Fu Hua Education Foundation Chairman of Qiao Yuan Investment Co., Ltd.	None	None	None	Note 1
Director	Republic of China (Taiwan)	Wu-Kuo Zhou	Male 51-60 years old	2024.06.12	3 years	2024.06.12	182,000	0.05%	255,528	0.05%	0	0.00%	0	0.00%	MBA, Feng Chia University Director of Zhouxiang Dental Clinic	Director of Zhouxiang Dental Clinic	None	None	None	
Director	Republic of China (Taiwan)	Chao-Shu Chen	Female 51-60 years old	2024.06.12	3 years	2024.06.12	233,941	0.07%	328,452	0.07%	0	0.00%	0	0.00%	Master of Land Management, Feng Chia University Land Administration Agent, Zhaoshu Land Administration Agent Office	Land Administration Agent, Zhaoshu Land Administration Agent Office Chairman, YIN SHUN ENTERPRISE CO., LTD. Taichung City Government Municipal Advisor Chairman, Soroptimist International of Taichung	None	None	None	

Title	Nationality or registered address	Name	Gender and Age	Date of assumption of office (election)	Term of office	Date of first appointment	Shares held upon election		Current shareholdings		Shares are currently held by a spouse and minor children.		Holding shares on behalf of another person.		Main academic background	Currently holds positions at this company and other companies.	Other executives, directors, or supervisors who are spouses or relatives within the second degree of kinship.			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
																Chairperson, Taichung Girls' Senior High School Cultural and Educational Foundation Vice Chairman of the Chinese Education Foundation of National Chung Hsing University Executive Director, Nantou Senior High School Educational Foundation Director, National Alliance of Parents Organization				
Director	Republic of China (Taiwan)	Cheng-Young Lin	Male 51-60 years old	2024.06.12	3 years	2021.07.30	149,640	0.04%	210,093	0.04%	0	0.00%	0	0.00%	Electronics Department, Chiao Tai High School Special Assistant to the China Times President Chairman, SHENG HUA MANPOWER RESOURCE ENTERPRISE CO., LTD. Director, Kaison Green Energy CO., LTD.	Chairman, SHENG HUA MANPOWER RESOURCE ENTERPRISE CO., LTD. Chairman, SHENG HUA HUMAN CONSULTING ENTERPRISE CO., LTD. Chairman, Jinyucheng Investment Co., Ltd. Chairman, Huang Yue Enterprise Co., Ltd. Director, Shang Ding Construction Co., Ltd. Vice Chairman, Kaison Green Energy CO., LTD. Director, Hwa Fong Rubber (Thailand) Public Company Limited Director, Fuente International CO., LTD. Director, HWAN TAI SOLAR CO., LTD. Director, Everbrite Technology Co., Ltd. Director, C-LiFe Technologies, Inc. Chairman, Yuan Lu Director, Huan Tai Real Estate Director, Energy Composite Technology Co., Ltd. Director, Jiangao Green Material Aluminum Co., Ltd. Director, Golden Long Teng Development Co., Ltd. Supervisor, FULL BEST SERVICE CO., LTD. Supervisor, Sheng Fang Development Co., Ltd. Supervisor, Jintai Management Consulting Co., Ltd.	None	None	None	

Title	Nationality or registered address	Name	Gender and Age	Date of assumption of office (election)	Term of office	Date of first appointment	Shares held upon election		Current shareholdings		Shares are currently held by a spouse and minor children.		Holding shares on behalf of another person.		Main academic background	Currently holds positions at this company and other companies.	Other executives, directors, or supervisors who are spouses or relatives within the second degree of kinship.			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Independent director	Republic of China (Taiwan)	Yao-Chia Wen	Male 61-70 years old	2024.06.12	3 years	2021.07.30	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration, National Chung Hsing University Chairman, Shin Shin Management Consulting Co., Ltd.	Chairman, Shin Shin Management Consulting Co., Ltd. General Manager, Shin Shin Management Consulting Co., Ltd. CEO, Little ZhongXing Court Chairman, Taiwan Formosa Construction Development Association Faculty Member, National Chung Hsing University CEO, Chia-Jen TCM Clinic Director, Quteng Information Co., Ltd.	None	None	None	
Independent director	Republic of China (Taiwan)	Yung-Jen Tsao	Male 61-70 years old	2024.06.12	3 years	2015.06.24	0	0.00%	0	0.00%	1,993	0.00%	0	0.00%	Master of Accounting, Soochow University Head, EnWise CPA & Co. Director, Taiwan CPA Association	Partner CPA, EnWise CPA & Co. Independent Director, Ability Opto-Electronics Technology Co., Ltd. Supervisor, YUNG FA Steel & Iron Industry Co., Ltd. Chairman, Wharton Consultants Supervisor, Sinwell Tech Co., Ltd. Reorganizer, Wintek Corporation	None	None	None	
Independent director	Republic of China (Taiwan)	Ming-Hai Li	Male 51-60 years old	2024.06.12	3 years	2018.06.08	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Financial and Economic Law, Feng Chia University Taiwan Bar Association Vice Chair, Ethics Committee Advanced Member, Chartered Institute of Arbitrators Member of the Mediation and ADR Committee, Taiwan Bar Association Arbitrator, Chinese Arbitration Association, Taipei (CAA) Legal Counsel, Taichung Architects Association Honorary Director, Chinese Association of Legal Risk Management	Managing Partner at Harvard International Law Firm Part-time Assistant Professor at Feng Chia University Interior Design and Renovation Association of Taichung City Legal Counsel for the Commercial Association Legal Counsel for the Nantou County Police Bureau	None	None	None	

Note 1: Director Chih-Cheng Hung became General Manager on May 10, 2025, and resigned from the position on February 28, 2026.

(II) For corporate shareholders, the list of the top ten shareholders of the corporation and their respective shareholding percentages is as follows:

April 25, 2026

Name of institutional shareholder	Major shareholders of legal entity shareholders.
Tso Jung Investment Co., Ltd.	Hsi-Kun Wu (47.2%), Su-Ju Liu (34.8%), Zuo-Jung Wu (9.0%), Shun-Wen Wu (9.0%)

(III) If the major shareholder is a legal entity, the list of its major shareholders and their shareholding ratios is as follows: None.

(IV) Disclosure of Directors' Professional Qualifications and Independent Directors' Independence

Conditions Name	Professional qualifications and experience	Independence Situation	Number of concurrent directorships in other publicly listed companies
Hsi-Kun Wu	Capabilities in business, finance, operations, marketing, and the construction industry. Chairman of Zongtai Construction, Chairman of Zongtai Real Estate, Chairman of Yongfu Foundation, and Chairman of Xuri Dong Jian. He is currently Chairman of the Company and Chairman of Tso Jung Investment.	Not applicable.	0
Chia-Chi Kuo	Professionals and technicians with expertise in business management, accounting information, and financial analysis, and who hold a Certified Public Accountant license. Currently the head of Kuo Chia-Chi CPA Firm, Chairman of Tsung Hung Investment, independent director of Fu Mao Industrial, independent director of Chih Hsin Precision, and supervisor of Huibao Management Consulting.	Not applicable.	2
Cheng-Young Lin	Possesses skills in finance, market marketing, operations, management, and the construction industry. He/She is currently the Chairman of Jinyucheng Investment Co., Ltd., SHENG HUA HUMAN CONSULTING ENTERPRISE CO., LTD., SHENG HUA MANPOWER RESOURCE ENTERPRISE CO., LTD., and Huang Yue Enterprise, Vice Chairman, Kaison Green Energy Technology, Director, Shang Ding Construction, Chairman, Yuan Lu, Director, Feng Tai International, Director, HWAN TAI SOLAR,	Not applicable.	0

Name Conditions	Professional qualifications and experience	Independence Situation	Number of concurrent directorships in other publicly listed companies
	Director, Everbrite Technology Co., Ltd., Director, C-LiFe Technologies, Inc., Director, Huan Tai Real Estate, Energy Composite Technology Co., Ltd., Director, Jian Gao Green Materials, Director, Golden Long Teng Development Co., Ltd..		
Chih-Cheng Hung	Capabilities in commerce, finance, operations, and the construction industry. Served as Vice President at Taiwan Land Bank and General Manager at Qiao Yuan Investment Co., Ltd. He is currently Chairman of Qiaoyuan Investment Co., Ltd.	Not applicable.	0
Wu-Kuo Zhou	Possesses financial, operational, and management skills. Currently the director of Zhouxiang Dental Clinic.	Not applicable.	0
Chao-Shu Chen	Possess capabilities in asset development, operation, and construction. Former Directors of Joy Spring Currently, he is a licensed land surveyor at Zhaoshu Land Administration Agent Office, Chairman of Yinshun Enterprise, a Municipal Advisor to the Taichung City Government, Chairman of the Soroptimist International of Taichung, Chairman of the Taichung Women's Cultural and Educational Foundation, Vice Chairman of the SHCHU Educational Foundation, an Executive Director of the Nantou High School Cultural and Educational Foundation, and a Director of the National Parents Federation.	Not applicable.	0
Yung-Jen Tsao	Served as the convener of the Audit Committee and Remuneration Committee, and holds a Certified Public Accountant license with expertise in business management, accounting information, and financial analysis. Currently a partner at Jianzhi United Accounting Firm, Chairman of Wharton Consulting, Independent Director of Advanced Optoelectronic Technology, and Supervisor of both Yongfa Steel and Sinwell Technology Co., Ltd..	The three independent directors listed below met the qualifications set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act in the two years prior to their appointment and throughout their tenure. Furthermore, these independent directors have been granted the full	1

Name	Professional qualifications and experience	Independence Situation	Number of concurrent directorships in other publicly listed companies
Ming-Hai Li	<p>He serves as the Convener of the Remuneration Committee and is a member of the Audit Committee. He is a qualified lawyer with expertise in law, marketing, and business management.</p> <p>Currently, he is the director of Harvard International Law Firm and practices law. He also serves as legal counsel to the Taichung City Interior Design and Renovation Commercial Association, the Police Department and Fire Department of Nantou County Government, and is an adjunct assistant professor at Feng Chia University.</p>	<p>authority, as stipulated in Article 14-3 of the Securities and Exchange Act, to participate in decision-making and express their opinions, enabling them to perform their duties independently.</p>	0
Yao-Chia Wen	<p>Served on the audit and remuneration committee, demonstrating expertise in marketing, operations, and management.</p> <p>He is currently the Chairman of Xinxin Management Consulting, the General Manager of Xinxin Management Consulting, the CEO of Nianchi-Shianguyuan Cultural and Art Institution, a professor at National Chung Hsing University, and the Chairman of the Taiwan Construction Development Association.</p> <p>CEO of Jia-Ren-Tang Chinese Medicine Clinic and Director of Qu Teng Information Co., Ltd.</p>		0

Note: A review has found that none of the Company’s directors have any disqualifications as defined in Article 30 of the Company Act.

(V) Diversity and Independence of the Board of Directors

1. Board of Directors Diversity Policy:

The Company’s “Corporate Governance Best Practice Principles,” Chapter 3, “Strengthening the Board of Directors’ Function,” outlines a diversification policy that requires the Board of Directors to possess a range of capabilities. The composition of the board is determined by the Company’s business model and needs, and the Company recruits professionals with specialized knowledge, skills, and experience from diverse industries.

- (1) The 13th board of directors comprises nine directors, including three independent directors. All directors are citizens of Taiwan and possess

professional expertise in areas such as corporate management, finance, human resources, and law. The board's composition is 33.3% independent directors, exceeding the requirement of one-third of the seats and with less than three directors serving for more than three terms. No directors concurrently hold management positions or are employees of the Company. Furthermore, 2 directors are women, representing 22.2% of the board. The Company has continued to work towards increasing the proportion of female directors to over one-third (i.e., 33%). In the future, the company will continue to enhance the capabilities of its board members and their relevant industry experience as needed, based on the board's operations, business model, and development requirements.

- (2) The diversity, complementarity, and implementation of the board of directors met and exceeded the standards outlined in Article 20 of the Company's "Corporate Governance Best Practice Principles." The Company continues to refine its diversity policies as needed, based on board operations, business model, and evolving needs. These revisions include, but are not limited to, standards for fundamental qualifications and values, as well as professional knowledge and skills, to ensure all board members possess the necessary expertise and experience to effectively fulfill their responsibilities.

The composition of the 13th Board of Directors is as follows:

Directors' information			Basic skills					Professional skills				Industry experience								
Title	Name	Nationality	Gender	Also an employee of the Company:	Age				Length of service as an independent director			Law	Financial Accounting	Information technology	Business management	Marketing	Asset development	Industry expertise	International Market Perspective	Leadership decisions
					Under 40	41 to 50	51 to 60	61 to 70	3 to 6 years	6 to 9 years	Over 9 years of experience									
Chairman	Hsi-Kun Wu	Republic of China (Taiwan)	Male					✓				✓		✓	✓	✓	✓	✓	✓	✓
Director	Chia-Chi Kuo	Republic of China (Taiwan)	Female				✓					✓		✓			✓	✓	✓	✓
Director	Cheng-Young Lin	Republic of China (Taiwan)	Male				✓							✓	✓	✓	✓	✓	✓	✓
Director	Chih-Cheng Hung	Republic of China (Taiwan)	Male				✓						✓			✓	✓			✓
Director	Wu-Kuo Zhou	Republic of China (Taiwan)	Male				✓							✓			✓	✓		✓
Director	Chao-Shu Chen	Republic of China (Taiwan)	Female				✓							✓		✓	✓			✓
Independent director	Yung-Jen Tsao	Republic of China (Taiwan)	Male				✓			✓		✓		✓	✓	✓	✓	✓	✓	✓
Independent director	Ming-Hai Li	Republic of China (Taiwan)	Male			✓				✓		✓		✓	✓		✓	✓	✓	✓
Independent director	Yao-Chia Wen	Republic of China (Taiwan)	Male				✓	✓						✓	✓		✓			✓

2. Independence of the Board:

The Company employs a nomination system for director elections, and the procedures for electing all directors have been open and fair, in compliance with the Company's "Articles of Incorporation," "Rules of Election of Directors," "Corporate Governance Best Practice Principles," the "Act Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act," among other regulations. The current Board of Directors consists of 3 independent directors (33.3%) and 6 non-independent directors (66.7%). No directors share a spousal or second-degree familial relationship, as required by Article 26-3, Paragraph 3 of the Securities and Exchange Act; the board as a whole maintains independence (please refer to the information disclosure on directors' professional qualifications and independence on pages 15-17).

(VI) Information on the General Manager, Deputy General Managers, Assistant Vice Presidents, and department and branch heads.

April 25, 2026

Title	Nationality	Name	Gender	Date of assumption of office (election)	Shares held		Shareholding by spouse or minor children		Holding shares on behalf of another person.		Main academic background	Currently holds positions in other companies.	Manager with a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
General Manager	Republic of China (Taiwan)	Chih-Cheng Hung	Male	2014.05.10	-	-	-	-	-	-	Master of Science in Finance, National Yunlin University of Science and Technology Assistant Vice President, Land Bank of Taiwan Branch	-	None	None	None	Note 1
Customer Service Deputy General Manager, acting General Manager	Republic of China (Taiwan)	Feng-Chiu Lin	Female	2023.05.09	-	-	-	-	-	-	Department of International Trade, Taichung Commercial High School General Manager of Yongfu Real Estate	-	None	None	None	Note 2
Director of the Chairman's Office, Secretary to the Chairman, and Acting General Manager	Republic of China (Taiwan)	Yi-Chia Hou	Female	2026.03.11	11,222	0.00%	0	0.00%	0	0.00%	Department of Finance and Taxation, Tatung Commercial and Technological Institute Manager, Customer Service Department, Fu Hua Innovation	Chairman of Da-Shun Advertising Director, Inchao International Director of the Fu Hua Education Foundation	None	None	None	
Corporate Governance Officer	Republic of China (Taiwan)	Hui-Wen Ke	Female	2021.03.25	148,382	0.03%	0	0.00%	0	0.00%	MBA, Feng Chia University Finance Manager, Zongtai Real Estate	Director, Inchao International Zongtai Construction Supervisor	None	None	None	
Accounting and Finance Manager	Republic of China (Taiwan)	Ren Feng Wu	Male	2024.11.07	1,404	0.00%	0	0.00%	0	0.00%	Department of Financial Taxation, National Taichung University of Science and Technology Acting Head of Accounting, Fu Hua Innovation	Supervisor, Inchao International	None	None	None	Note 3
Financial Controller	Republic of China (Taiwan)	Wen-Ting Liao	Female	2026.03.11	0	0.00%	0	0.00%	0	0.00%	Professional Master of Business Administration, Feng Chia University Audit team of Crowe Global	None	None	None	None	
Accounting Supervisor	Republic of China (Taiwan)	Feng-Wei Huang	Male	2026.03.11	0	0.00%	0	0.00%	0	0.00%	Master of Accounting, Chinese Culture University Assistant Vice President of Accounting, Fu Hua Innovation	None	None	None	None	
Assistant Vice President	Republic of China (Taiwan)	Qing-Chuan Chen	Male	2017.12.01	8,729	0.00%	0	0.00%	0	0.00%	Hsinmin Vocational High School Director of Tsung Fu Construction Co., Ltd.	None	None	None	None	Note 4
Manager	Republic of China (Taiwan)	Chia-Hung Kang	Male	2024.10.01	-	-	-	-	-	-	Department of Architecture and Construction, Cheng Shiu University Manager of Sourcing at Fu Hua Innovation	-	None	None	None	Note 5
Chairman's Special Assistant	Republic of China (Taiwan)	Chen-Yu Tsung	Male	2025.08.13	-	-	-	-	-	-	Deputy General Manager, Distribution Management Group, Department of Business Administration, Kaohsiung University of Applied Sciences	-	None	None	None	Note 6
Chairman's Special Assistant	Republic of China (Taiwan)	Zuo-Chang Wu	Male	2026.03.10	7,676	0.00%	6,750	0.00%	0	0.00%	PhD in Materials Science and Engineering, University of North Texas Executive Engineer, Hon Hai Foxconn	Chairman, Inchao International	None	None	None	
Chairman's Special Assistant	Republic of China (Taiwan)	Tzu-Kuan Chen	Male	2026.04.22	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics, Fu Jen University Finance Manager, Da Ding Live Shrimp Restaurant	None	None	None	None	

Note 1: Appointed on May 10, 2024, and resigned on February 28, 2025.

Note 2: Appointed as Acting General Manager on March 1, 2025, and resigned on February 28, 2026.

Note 3: Appointed on November 7, 2024; concurrently served as financial head from March 12, 2025; and relieved of duties on March 10, 2026, following a job adjustment.

Note 4: Resigned on March 31, 2026.

Note 5: Resigned on May 31, 2025.

Note 6: Resigned on January 31, 2026.

II. Remuneration paid to directors, supervisors, general managers, and deputy general managers for the most recent fiscal year.

(I) Remuneration of Directors and Independent Directors (Individual Disclosure of Name and Remuneration)

Unit: NTD thousands

Title	Name	Directors' remuneration								I. The sum of A, B, C, and D represents a percentage of net income after tax.		Part-time employees receive relevant compensation.								I. The sum of A, B, C, D, E, F, and G represents a percentage of net income after tax.		Compensation received from equity investments in non-subsidiary companies or from the parent company.		
		Compensation (A)		Pension/retirement benefits (B)		Director Remuneration (C) (Note 3)		Service Expense (D)				Salary, bonus, and special allowances, etc. (E)		Pension and severance pay (F)		Employee Remuneration (G) (Note 4)								
		The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company		All companies within the financial statements.		The Company	All companies within the financial statements.			
Director	Tso Jung Investment Co., Ltd.	0	0	0	0	2,963	2,963	0	0	0.575%	0.575%	0	0	0	0	0	0	0	0	0	0	0.575%	0.575%	None
Chairman	Wei-Ju Liu (Note 1)	0	0	0	0	0	0	12	12	0.002%	0.002%	1775	1775	0	0	0	0	0	0	0	0	0.347%	0.347%	None
Chairman	Hsi-Kun Wu (Note 2)	0	0	0	0	0	0	24	24	0.005%	0.005%	2860	2860	0	0	0	0	0	0	0	0	0.560%	0.560%	None
Director	Cheng-Young Lin	0	0	0	0	180	180	36	36	0.042%	0.042%	0	0	0	0	0	0	0	0	0	0	0.042%	0.042%	None
Director	Chia-Chi Kuo	0	0	0	0	180	180	36	36	0.042%	0.042%	0	0	0	0	0	0	0	0	0	0	0.042%	0.042%	None
Director	Chih-Cheng Hung	0	0	0	0	180	180	36	36	0.042%	0.042%	344	384	0	0	0	0	0	0	0	0	0.109%	0.117%	None
Director	Chao-Shu Chen	0	0	0	0	180	180	36	36	0.042%	0.042%	0	0	0	0	0	0	0	0	0	0	0.042%	0.042%	None
Director	Wu-Kuo Zhou	0	0	0	0	180	180	36	36	0.042%	0.042%	0	0	0	0	0	0	0	0	0	0	0.042%	0.042%	None
Independent director	Yung-Jen Tsao	0	0	0	0	181	181	84	84	0.051%	0.051%	0	0	0	0	0	0	0	0	0	0	0.051%	0.051%	None
Independent director	Ming-Hai Li	0	0	0	0	181	181	84	84	0.051%	0.051%	0	0	0	0	0	0	0	0	0	0	0.051%	0.051%	None
Independent director	Yao-Chia Wen	0	0	0	0	181	181	84	84	0.051%	0.051%	0	0	0	0	0	0	0	0	0	0	0.051%	0.051%	None
Total		0	0	0	0	4,406	4,406	468	468			4,979	5,019	0	0	0	0	0	0	0	0			

1. Please detail the policies, systems, standards, and structure for independent director compensation. Specifically, explain the correlation between the amount of compensation paid and factors such as responsibilities, risks, and time commitment. According to the Company's Articles of Incorporation, directors' remuneration, regardless of the Company's profitability, is authorized to be determined by the Board of Directors based on their level of operational involvement and the value of their contributions, with reference to prevailing industry standards.

2. In addition to the above table, no remuneration was received by the Company's directors for providing services (such as serving as non-employee consultants of the parent company, all companies in the financial statements, or invested enterprises) during the most recent fiscal year.

Note 1: Resigned on June 5, 2025.

Note 2: Assumed office on June 5, 2025.

Note 3: This refers to the estimated amount of director remuneration approved by the Board of Directors prior to the 2025 shareholders' meeting for the earnings distribution proposal, calculated proportionally based on the actual distribution amount from last year.

Note 4: The amount of employee remuneration approved by the Board of Directors prior to the shareholders' meeting for the 2025 earnings distribution proposal was calculated based on the proportion of the actual distribution amount from last year.

(II) Remuneration of General Manager and Deputy General Managers (Individual Disclosure of Name and Remuneration)

Unit: NTD thousands

Title	Name	Salary (A)		Pension/retirement benefits (B)		Bonus and special expenses (C)		Employee Remuneration (D) (Note 1)				I. The sum of A, B, C, and D represents a percentage of net income after tax.		Compensation received from equity investments in non-subsidiary companies or from the parent company.
		The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company		All companies within the financial statements.		The Company	All companies within the financial statements.	
								Cash Amount	Share amount	Cash Amount	Share amount			
General Manager	Chih-Cheng Hung (Note 2)	300	340	0	0	44	44	0	0	0	0	0.07%	0.07%	None
Deputy General Manager, acting General Manager	Feng-Chiu Lin (Note 3)	1,440	1,440	87	87	270	270	74	36	74	36	0.37%	0.37%	

Note 1: The Board of Directors approved the distribution of employee remuneration to the General Manager and Deputy General Managers prior to the shareholders' meeting for the 2025 earnings distribution proposal. The proposed distribution amount for this year was calculated based on the ratio of the actual distribution amount from the first quarter of this year.

Note 2: Assumed the position of General Manager on May 10, 2024; became a director during the director election on June 12, 2024; resigned as General Manager on February 28, 2025.

Note 3: Appointed as Acting General Manager on March 1, 2025, and resigned as General Manager on February 28, 2026.

(III) Remuneration of the Top Five Highest-Paid Executives of Publicly Listed Companies (Individual Disclosure of Name and Remuneration) (Note 1)

Title	Name	Salary (A)		Pension/retirement benefits (B)		Bonus and special expenses (C)		Employee Remuneration (D) (Note 2)				The sum of A, B, C, and D represents a percentage of net income after tax.		Compensation received from equity investments in non-subsidiary companies or from the parent company.
		The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company	All companies within the financial statements.	The Company		All companies within the financial statements.		The Company	All companies within the financial statements.	
								Cash Amount	Share amount	Cash Amount	Share amount			
Deputy General Manager, acting General Manager	Feng-Chiu Lin (Note 3)	1,440	1,440	87	87	270	270	74	36	74	36	0.37%	0.37%	None
Corporate Governance Officer	Hui-Wen Ke	936	936	57	57	207	243	97	81	97	81	0.27%	0.27%	
Assistant Vice President	Ching-Chuan Chen (Note 4)	636	636	38	38	121	121	34	29	34	29	0.17%	0.17%	
Accounting and Finance Manager	Ren Feng Wu (Note 5)	877	877	48	48	235	251	88	28	88	28	0.25%	0.25%	
Manager	Chia-Hung Kang (Note 6)	340	340	21	21	136	136	0	0	0	0	0.10%	0.10%	

Note 1: The "top five highest-paid executives" refers to the managerial officers of the Company. The criteria for identifying such managers are based on the scope of application for "managerial officer" as stipulated in Letter No. 0920001301, issued by the former Securities and Futures Commission of the Ministry of Finance on March 27, 2003.

Note 2: The Board of Directors approved the distribution of employee remuneration to the General Manager and Deputy General Managers prior to the shareholders' meeting for the 2025 earnings distribution proposal. The proposed distribution amount for this year was calculated based on the ratio of the actual distribution amount from the first quarter of this year.

Note 3: Appointed as Acting General Manager on March 1, 2025, and resigned as General Manager on February 28, 2026.

Note 4: Resigned on March 31, 2026.

Note 5: Assumed the role of financial officer on March 12, 2025, and was relieved of duties as accounting and financial officer on March 10, 2026.

Note 6: Resigned on May 31, 2025.

(IV) The names of the managers distributing employee bonuses and the details of the distribution.

December 31, 2025

	Title	Name	Share amount	Cash Amount (Note 1)	Total	Percentage of net income after tax
Manager	Deputy General Manager, acting General Manager	Feng-Chiu Lin (Note 2)	0	74	74	0.01%
	Corporate Governance Officer	Hui-Wen Ke	0	97	97	0.02%
	Assistant Vice President	Ching-Chuan Chen (Note 3)	0	34	34	0.01%
	Accounting and Finance Manager	Ren Feng Wu (Note 4)	0	88	88	0.02%
	Chairman's Special Assistant	Chen-Yu Tsung (Note 5)	0	0	0	0.00%
	Manager	Chia-Hung Kang (Note 6)	0	0	0	0.00%

Note 1: The proposed distribution amount approved by the Board of Directors this year was calculated based on the ratio of actual distributions made through the first quarter of this year.

Note 2: Appointed as Acting General Manager on March 1, 2025, and resigned as General Manager on February 28, 2026.

Note 3: Resigned on March 31, 2026.

Note 4: Assumed the role of financial officer on March 12, 2025, and was relieved of duties as accounting and financial officer on March 10, 2026.

Note 5: Appointed on 13 August 2025; resigned on 31 January 2026.

Note 6: Resigned on May 31, 2025.

(V) An analysis of the total remuneration paid to the Company's directors, general managers, and deputy general managers over the most recent two years as a percentage of net income after tax in the individual financial statements, along with a description of remuneration policies, standards, and packages; the procedures for setting remuneration; and its association with business performance and future risks for the Company and all companies included in the consolidated statements.

Item Title	The Company				All companies within the consolidated financial statements.			
	2024		2025		2024		2025	
	Total amount	Percentage of net income after tax	Total amount	Percentage of net income after tax	Total amount	Percentage of net income after tax	Total amount	Percentage of net income after tax
Directors' remuneration	33,198	1.52%	9,853	1.91%	33,977	1.55%	9,893	1.92%
Compensation for the General Manager and Deputy General Manager	5,527	0.25%	2,251	0.44%	5,627	0.26%	2,291	0.44%
Net income after tax	2,188,849	-	515,346	-	2,188,849	-	515,346	-

Analysis and explanation: Remuneration for directors, the General Manager, and Deputy General Manager increased in 2025 compared to 2024 due to a lower net income in 2025 than in 2024, which resulted in a higher proportion of fixed compensation.

1. The policies, standards, and packages for remuneration:

Director's remuneration primarily consists of director's fees, transportation allowances, and compensation for concurrent employment. The remuneration of directors is determined in accordance with Article 18 of the Company's Articles of Incorporation, and may be up to 2% of the profit for the year. This remuneration is distributed to directors for the year, taking into account their contribution to the Company's performance, and is set at a reasonable level; Director's travel allowances are based on industry standards and paid according to directors' attendance at Board of Directors meetings. The remuneration policy for directors, the General Manager, and Deputy General Managers is based on the responsibilities associated with their respective positions within the company and their contributions to the company's operational goals. Furthermore, if the Company generates an annual profit, it shall allocate 0.1% to 5% as employee remuneration in accordance with Article 18 of the Articles of Incorporation; of this amount, no less than 25% shall be allocated as remuneration for rank-and-file employees. The Company has also established "Board of Directors Performance Evaluation Procedures" to regularly assess the performance of directors. This assessment includes internal board self-evaluation and individual director self-evaluation. Managers are assessed based on their target achievement rate. The evaluation scope includes key performance indicators such as new business development, product

planning, sales progress, and revenue management, which serve as the basis for salary adjustments and bonus distribution.

The remuneration package, as defined in the Remuneration Committee's organizational rules, includes cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances and other substantive incentive measures.

2. Procedures for determining remuneration:

The Company determines remuneration procedures based on the "Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managerial Officers," using this framework to evaluate compensation. This evaluation considers operational management capabilities (including participation in sustainable operations and the implementation of brand value), financial performance indicators (revenue and profitability, achievement of budgetary targets, growth, and market share), and adherence to applicable laws and regulations. These factors are comprehensively assessed to calculate appropriate remuneration percentages and ensure reasonable compensation is provided. The reasonableness of remuneration has been reviewed by the Remuneration Committee and the board of directors, and the remuneration system is reviewed periodically in light of actual operating conditions and relevant laws and regulations to balance the Company's sustainable operations with risk control.

3. Association with business performance and future risks:

The Company's compensation policies are based on overall business performance and determine payment standards according to performance achievement and contribution, to enhance the operational efficiency of the Board of Directors and management. In addition, we ensure the Company's management remuneration is competitive within the industry by referencing peer compensation standards, in order to retain top management talent. The compensation paid to the Company's and its subsidiaries' managers includes stock options, which are not fully vested in the year of grant. Their actual value is tied to the future stock price and, consequently, reflects the shared risk of the Company's future performance.

III. Corporate Governance Operations

(I) Information on Board Operations

1. The Board of Directors met six times (A) in the most recent year, and director attendance is as follows:

Title	Name	Number of actual attendances (B)	Number of proxy attendances	Actual attendance rate [B/A]	Remarks
Chairman	Tso Jung Investment Co., Ltd. Representative: Wei-Ju Liu	2	0	100.00%	Resigned on June 5, 2025.
	Tso Jung Investment Co., Ltd. Representative: Hsi-Kun Wu	4	0	100.00%	New appointee as of June 5, 2025.
Director	Chih-Cheng Hung	6	0	100.00%	
Director	Wu-Kuo Zhou	6	0	100.00%	
Director	Chao-Shu Chen	6	0	100.00%	
Director	Chia-Chi Kuo	6	0	100.00%	
Director	Cheng-Young Lin	6	0	100.00%	
Independent director	Yung-Jen Tsao	6	0	100.00%	
Independent director	Ming-Hai Li	6	0	100.00%	
Independent director	Yao-Chia Wen	6	0	100.00%	

Attendance of Independent Directors at Board Meetings in 2025

⊙: Attendance by proxy ✓: Attendance in person X: Leave of absence

Identity	Name	1st time 3/11	2nd time 5/7	3rd time 6/5	4th time 7/3	5th time 8/8	6th time 11/11
Independent director	Yung-Jen Tsao	✓	✓	✓	✓	✓	✓
Independent director	Ming-Hai Li	✓	✓	✓	✓	✓	✓
Independent director	Yao-Chia Wen	✓	✓	✓	✓	✓	✓

2. If any of the following circumstances arise during the operation of the Board of Directors, the date, session number, content of the proposal, all independent directors' opinions, and the Company's handling of those opinions must be stated:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act: Not applicable.

The Company has established an Audit Committee and therefore is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. Please refer to

page 30 of this annual report for information regarding the Audit Committee's operations.

- (2) In addition to the foregoing, there were no board resolutions opposed or reserved by independent directors that were recorded or stated in writing.
3. The implementation of directors' recusal from motions involving conflicts of interest should detail the directors' names, the content of the motions, the reasons for recusal, and their participation in voting.

Item	Date	Directors' Names	Content of the motion	Reasons for conflict of interest avoidance	Participation in the Vote
1	2025/03/11	Wei-Ju Liu	Proposal for the appointment of a representative for Ri Tai Asset Management Co., Ltd., a subsidiary and corporate shareholder.	This case concerns a resolution regarding its own interests.	Recused himself from voting in accordance with the law.
2	2025/07/03	All directors	The distribution of directors' remuneration for 2024	Because this case concerns the resolution of remuneration distribution as it relates to their own interests.	Recused himself from voting in accordance with the law.
		Hsi-Kun Wu	Proposal for Chairman's salary adjustment	This case concerns a resolution regarding its own interests.	Recused himself from voting in accordance with the law.
3	2025/11/11	Hsi-Kun Wu	The amendment to the "Authorization Table" and the Chairman's concurrent appointment as investment project manager	This case concerns a resolution regarding its own interests.	Recused himself from voting in accordance with the law.

4. Listed companies are required to disclose information on the cycle and period, scope, methods, and content of their board of directors' self-assessment (or peer assessment), and to complete the following table detailing the implementation of board evaluations:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From January 1, 2025, to December 31, 2025.	Board of Directors, individual directors, Audit Committee, and Remuneration Committee	<ol style="list-style-type: none"> 1. Self-evaluation of the Board of Directors' performance 2. Board Member Self-Evaluations 3. Self-evaluation of members of each functional committee 	<ol style="list-style-type: none"> 1. The Board of Directors' performance assessment covers the following five key areas: involvement in the Company's operations, enhancing the quality of Board decisions, Board composition and structure, director selection and ongoing development, and internal controls. 2. The self-evaluation of directors' performance covers the following six areas: understanding of the Company's goals and tasks, awareness of director responsibilities, level of participation in the Company's operations, internal relationship management and communication, directors' expertise and continuing education, and internal control. 3. The performance evaluation of functional committees covers the following five key areas: involvement in company operations, understanding of functional committee responsibilities, improvement of functional committee decision-making quality, functional committee composition and member selection, and internal controls.

The 2025 assessment was completed in February 2026, and the results were reported to the Board of Directors on March 10, 2026. The evaluation results are as follows: The Board of Directors' self-evaluation averaged 4.85 points, and individual board member self-evaluations averaged 4.88 points. The Audit Committee's self-evaluation averaged 4.83 points, and the Remuneration

Committee's self-evaluation averaged 4.91 points. Directors' ratings ranging from Good (Agree) to Extremely Good (Strongly Agree) indicate satisfaction with the current structure and operation of the Company's board of directors and its functional committees, and their effective functioning.

5. The objectives of enhancing the Board of Directors' functions in the current year and the most recent year (e.g., establishing an audit committee or improving information transparency) and the evaluation of their implementation:

(1) Continue to strengthen the Board of Directors structure

To promote sound corporate governance and enhance the Board's effectiveness, the Company nominates and elects directors with diverse backgrounds. Among the nine members of the Board of Directors, two are female directors (22.2%). The directors possess the professional knowledge and skills necessary to perform their duties, with backgrounds spanning industry, finance, legal affairs, and human resources management. The company has continued to work towards increasing the proportion of female directors to over one-third (i.e., 33%).

(2) Effectively exercising the functions of the Board of Directors

The Company has established the "Procedures for Board of Directors Performance Appraisal" and has evaluated the performance of the Board of Directors at least once a year.

(3) Enhance information transparency

The Company immediately publishes important resolutions on the MOPS following Board of Directors meetings to protect shareholder rights and regularly holds investor conferences to increase investor confidence in the Company.

(II) Audit Committee Operations Status

1. Four Audit Committee meetings were held in the past year (A), with the following attendance by independent directors:

Title	Name	Number of actual attendances (B)	Number of proxy attendances	Actual attendance rate (%) [B/A]	Remarks
Independent Director (Convener)	Yung-Jen Tsao	4	0	100%	
Independent director (member)	Ming-Hai Li	4	0	100%	
Independent director (member)	Yao-Chia Wen	4	0	100%	

2. If any of the following circumstances apply to the operation of the Audit Committee, the date of the Audit Committee meeting, the session number, the content of the proposal, any objections raised by independent directors, reservations or major recommendations, the Audit Committee's resolution, and the Company's handling of the Audit Committee's opinions shall be stated:

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

Date and session number of the Audit Committee	Content of the motion	Resolution of the Audit Committee	The Company's handling of Audit Committee feedback.
5th Session, 3rd Meeting March 11, 2025	<ul style="list-style-type: none"> ● Submitted the 2024 business report and financial statements. ● Issued new shares through a capitalization of earnings. ● Issuance of the Statement of Internal Control System ● Discussion of attesting CPA fees and evaluation of the independence and qualifications of the proposed CPAs. ● Amendment to the Articles of Incorporation. ● Amendment to the Employee Remuneration Regulations. ● Amendment to the "Audit Committee Organization Rules". ● Appointment of the CFO. ● Joint construction and subdivided sale development of Lot 53, Wenshang Section, Xitun District, Taichung City. ● The joint construction and subdivided sale development project for five lots – Nos. 110, 110-1, 111, 111-1, 111-2 – in the Ta-Yuan Section of Beitun District, Taichung City. 	All members in attendance approved without objection.	None, all directors in attendance unanimously approved the motion.

Date and session number of the Audit Committee	Content of the motion	Resolution of the Audit Committee	The Company's handling of Audit Committee feedback.
3rd Board 6th Meeting 2025/05/07	<ul style="list-style-type: none"> Submission of the consolidated financial report for Q1 2025. 	All members in attendance approved without objection.	None, all directors in attendance unanimously approved the motion.
3rd Board 7th Meeting 2025/08/08	<ul style="list-style-type: none"> Submission of the consolidated financial report for Q2 2025. Issued the first secured ordinary corporate bonds for 2025. 	All members in attendance approved without objection.	None, all directors in attendance unanimously approved the motion.
3rd Board 8th Meeting 2025/11/11	<ul style="list-style-type: none"> Submission of the consolidated financial report for Q3 2025. Submitted the 2026 audit plan for approval. Change of Chief Internal Auditor. 	All members in attendance approved without objection.	None, all directors in attendance unanimously approved the motion.

- (2) Content of objections, reservations, or material recommendations from independent directors: None.
 - (3) Except for matters listed in Article 14-5 of the Securities and Exchange Act, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.
3. The implementation of independent directors' recusal from conflict-of-interest proposals is as follows: the name of the independent director, the content of the proposal, the reason for recusal, and participation in voting: None.
4. Audit Committee's duties and annual work priorities:
- (1) Deliberation/Review of financial statements:
The Board of Directors has prepared the Company's 2024 business report, financial statements, and proposal for earnings distribution. The financial statements have been audited by Deloitte Taiwan, and an audit report has been issued. The aforementioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee, which found no discrepancies.
 - (2) Establish or revise internal control systems.
 - (3) Evaluation of internal control system effectiveness.
 - (4) Establishment or revision of procedures for handling asset acquisitions or disposals, derivative transactions, lending funds to others, providing endorsements or guarantees for others, and other major financial activities.
 - (5) Review of matters involving directors' self-interests.
 - (6) Review of significant asset and derivative transactions.
 - (7) Review of significant loan transactions, endorsements, or guarantees.

- (8) Review of the raising, issuance, or private placement of equity securities.
 - (9) Review of the appointment, dismissal, or compensation of Certified Public Accountants:
To ensure the independence of the attesting accounting firm, the independence and suitability of the appointed accountants were evaluated using Audit Quality Indicators (AQIs).
 - (10) Appointment and dismissal of the head of finance, accounting, or internal audit.
5. Communication between independent directors, the head of internal audit, and the CPA:
- (1) Independent directors and the internal audit officer and CPA hold regular meetings at least once a year. The CPA reports to the independent directors on the Company's financial condition, the financial and operational status of its subsidiaries, and the results of internal control audits. They also discuss whether the financial statements, the CPA's audit report, or amendments to laws and regulations have had an impact on accounting entries.
 - (2) The CPAs audited the Company's financial statements and issued an audit opinion report for the independent directors' consideration.
 - (3) Communication between the internal audit head and the audit committee:
 - A. Each month's audit report, completed as per the audit plan, is delivered to each independent director for review via email by the end of the following month.
 - B. The head of internal audit communicates audit report results to the Audit Committee members quarterly and presents the internal audit report at Audit Committee meetings.
 - C. In the event of a significant and unusual circumstance, the committee also immediately reports to the Audit Committee members. There were no such special circumstances in 2025.
 - (4) Communication between Accountants and the Audit Committee:
 - A. The Company's certifying accountants communicated matters required by applicable laws and regulations to the Audit Committee and fully shared their views.
 - B. The Audit Committee discussed the current financial statement audit status and results with the Company's certified public accountants, either in writing or in person.
 - C. Meetings may be held if significant discussion is needed. There were no such special circumstances in 2025.

(5) Summary of communications between the Independent Directors and the head of the Audit Department:

Date	Key communication points	Result
March 11, 2025 Audit Committee	From November 2024 to February 2025, a total of 14 audit items were completed according to the annual audit plan.	No objections.
	2. Evaluation of the effectiveness of the internal control system in 2024.	Following full communication and discussion, the Audit Committee approved that the design and implementation of the internal control system for 2024 was effective.
2025/05/07 Audit Committee	In March and April 2025, a total of six audit items were completed according to the annual audit plan.	No objections.
2025/08/08 Audit Committee	From May to July of 2025, a total of 10 audit items were completed according to the annual audit plan.	No objections.
2025/11/11 Audit Committee	1. From August to October 2025, a total of 10 audit items were completed according to the annual audit plan.	No objections.
	2. Report the 2026 internal audit plan.	After thorough communication and discussion, the Audit Committee approved the "2026 internal audit plan" and submitted it to the Board of Directors for a resolution.

(6) Summary of previous communications among independent directors, audit supervisors, and CPAs:

Date	Key communication points
<p>2025/03/11 10:10 am (Communication with the Audit Committee prior to the meeting)</p>	<p>Audit conclusion for 2024</p> <p>I. Participants: Independent directors: Yung-Jen Tsao, Ming-Hai Li, Yao-Chia Wen Chief Internal Auditor: Ai-Chen Huang Deloitte Taiwan: Lih-Dong Wu, Chien-Chih Huang, and Rue-Kuei Hung</p> <p>II. Matters for discussion:</p> <p>1. Group audit Description: Explanation of the audit of the Group’s financial statements. Conclusion: The independent directors had no objections.</p> <p>2. Key Audit Matters Description: The CPA explained the audit procedures for revenue recognition and inventory impairment assessment for fiscal year 2024. Conclusion: The independent directors had no objections.</p> <p>3. Annual issue tracking discussion Note: Tax deferral for subsidiary business segment reporting, transfer pricing, and pre-sale marketing expenses. Conclusion: The independent directors had no objections.</p> <p>4. Major updates to financial accounting laws and regulations. Description: Increase in base salary for junior employees under the Securities and Exchange Act. Conclusion: The independent directors had no objections.</p>
<p>2025/11/11 10:45 AM Post-meeting communication from the Audit Committee</p>	<p>2025 audit plan</p> <p>I. Participants: Independent directors: Yung-Jen Tsao, Ming-Hai Li, Yao-Chia Wen Chief Internal Auditor: Ai-Chen Huang Deloitte Taiwan: Lih-Dong Wu, Chien-Chih Huang, and Rue-Kuei Hung</p> <p>II. Matters for discussion:</p> <p>1. Scope and methods of verification Note: How materiality is determined – when auditing the consolidated financial statements for 2025, the CPAs selected the budgeted net income before tax as the reference, in accordance with the provisions of SAS No. 320, to determine the overall materiality of the financial statements. Group audit covers Fu Hua Innovation, Zongtai Construction, Jih Tai Asset, Fu Hua Construction, Sheng LinConstruction, and Da Shun Advertising. Conclusion: The independent directors had no objections.</p> <p>2. Major accounting policies, significant accounting estimates, and material events or transactions. Description: (1) Major accounting estimates – Inventory impairment assessment.</p>

	<p>(2) Significant Accounting Policies – Revenue Recognition.</p> <p>(3) Major Events or Transactions: Joint construction and sale (Ta-yuan Lot 110, Wen-Shang Lot 53), issuance of secured ordinary corporate bonds of NT\$1.5 billion in September 2025, and current period impairment of energy storage equipment assets at Shuo Yi Tai Energy Co., Ltd.</p> <p>(4) Annual Accounting Topic: The Xingangwei Building has been completed and is planned for lease (as investment property). The company also intends to invest in shares of Tron-e Technology Co., Ltd. and will evaluate the investment using the market approach, referencing value multiples of comparable publicly listed companies in the industry.</p> <p>Conclusion: The independent directors had no objections.</p> <p>3. Significant risks and key audit matters</p> <p>Note: The CPAs listed the significant risks for 2025 – revenue recognition, inventory valuation, and management override of internal controls. Revenue recognition and inventory valuation have been included as key audit matters.</p> <p>Conclusion: The independent directors had no objections.</p> <p>4. Introduction to upcoming standards and legislation.</p> <p>Description: Major updates to financial and tax accounting regulations for fiscal year 2028, aligning with IFRS 18, and key changes to the main financial statements and notes.</p> <p>Conclusion: The independent directors had no objections.</p>
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(III) The company’s corporate governance practices and their differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, along with the reasons for those differences.

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
	Yes	No	Summary Description	
I. Has the Company established and disclosed a corporate governance code based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	✓		The Company adopted the "Corporate Governance Best Practice Principles" following approval by the 8th Board of Directors at its 17th meeting on December 30, 2011, and it has been revised seven times since then. The most recent amendment was made during the 5th meeting of the 13th Board of Directors on December 23, 2024. The code of conduct is disclosed on the Market Observation Post System (MOPS) and in the “Governance” section of the company’s official website.	No significant difference.
II. Shareholding structure and shareholders’ rights				No significant difference.
(I) Does the Company have internal procedures for handling shareholder proposals, inquiries, disputes, and litigation? If so, have these procedures been implemented?	✓		(I) The Company has a spokesperson and a share affairs officer to address shareholder suggestions or disputes. A whistleblower mailbox (service@zongtai.com.tw) has been established in the related parties section of the Company’s official website. The process for handling shareholder reports is implemented according to the "Procedures for Reporting Illegal, Unethical, or Dishonest Behavior."	
(II) Does the Company possess a list of its major shareholders and the ultimate controlling parties of those major shareholders?	✓		(II) The Company identifies major shareholders and their ultimate controllers based on its shareholder roster and, in accordance with Article 25 of the Securities and Exchange Act, reports any changes in shareholdings by directors, managers, and shareholders holding more than 10% ownership interest on the MOPS website as required.	
(III) Has the Company established and implemented risk controls and firewall mechanisms between itself and related	✓		(III) The Company and its related companies operate independently and have established relevant regulations, such as the "Regulations Governing the Management of Subsidiaries" and the "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties," to govern financial	

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
<p>companies?</p> <p>(IV) Has the Company established internal rules prohibiting insiders from trading securities using non-public information?</p>	✓		<p>operations and matters subject to oversight.</p> <p>(IV) The Company has established the "Procedures for Handling Internal Material Information and Insider Trading Management" and Article 10 of the "Corporate Governance Best Practice Principles" clearly regulates restrictions on securities trading by insiders. Compliance with laws and regulations is regularly communicated and must be strictly confidential. The use of non-public information for insider trading is prohibited.</p>	
<p>III. The Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the board of directors established a diversity policy, specific management goals, and a plan for implementation?</p> <p>(II) Does the Company, in addition to establishing a Remuneration Committee and an Audit Committee as required by law, voluntarily establish any other functional committees?</p>	✓	✓	<p>(I) The Company's "Corporate Governance Best Practice Principles," Chapter 3, "Strengthening the Function of the Board of Directors," establishes a diversification policy that requires the board of directors as a whole to possess a range of capabilities. The composition of the board is based on the Company's business model and needs, and it recruits professionals with expertise, skills, and diverse industry experience. The Board of Directors has established a diversity policy for its membership, which has been disclosed on pages 17-19 of the Annual Report and the Company's website.</p> <p>(II) The Remuneration Committee and the Audit Committee are each composed of three independent directors. Other than the functional committees listed above, no other functional committees have been established.</p>	No significant difference.

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
(III) Has the Company established a Board of Directors performance evaluation system and methods for conducting such evaluations annually? Has it regularly evaluated performance under this system, reported the results to the Board, and used those results as a reference for director compensation and nominations for reappointment?	✓		(III) On March 25, 2020, the Board of Directors approved the "Board of Directors Performance Evaluation Measures" at its 12th meeting of the 11th term. The Board's performance has been evaluated at least once a year and completed before the end of the first quarter of the following year. The Company completed the self-performance evaluation of the Board of Directors, individual directors, the Audit Committee, and the Remuneration Committee for 2025 in February 2026. The evaluation results ranged from good (agree) to excellent (strongly agree). These results were submitted to the Board of Directors on March 10, 2026, and have been used as a reference for the selection or nomination of directors.	
(IV) Does the Company regularly assess the independence of CPAs?	✓		(IV) In accordance with Article 29 of the "Corporate Governance Best Practice Principles", the Company regularly evaluates the independence and suitability of the auditors on an annual basis. The auditors issue a "Declaration of Independence" and "Audit Quality Indicators (AQIs)", and auditor rotation is also handled in accordance with relevant regulations. On March 11, 2025, the Audit Committee and the Board of Directors passed a resolution approving the evaluation of the auditors' independence and suitability. The 2025 auditor independence and suitability evaluation form is detailed in Note 1.	
IV. Does the listed company (TWSE/TPEx) have an adequate number of qualified corporate governance personnel and appoint a corporate governance officer	✓		The Company's Board of Directors approved the appointment of Hui-Wen Ke as corporate governance officer on March 24, 2021. She has more than three years of experience as a manager in the finance or stock affairs department of a publicly traded company. Responsible for handling all matters related to corporate governance, including conducting Board of Directors and shareholders' meetings in compliance	No significant difference.

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
responsible for corporate governance matters? This officer's responsibilities include, but are not limited to: providing directors and supervisors with the information they need to perform their duties; assisting directors and supervisors in complying with applicable laws and regulations; handling board and shareholders' meeting affairs as required by law; and preparing minutes of board and shareholders' meetings.			<p>with applicable laws, preparing minutes of Board of Directors and shareholders' meetings, assisting directors with their appointment and ongoing professional development, providing directors with information needed to perform their duties, and assisting directors in complying with relevant regulations.</p> <p>2025 Business Implementation Highlights:</p> <ol style="list-style-type: none"> 1. The board meeting agenda should be prepared and distributed to directors seven days in advance. The meeting should be convened, and meeting materials provided. Directors should be notified in advance of any conflicts of interest, and the minutes of the board meeting must be completed within 20 days of the meeting. 2. Handling matters relating to the shareholders' meeting in compliance with applicable laws, preparing notices, handbooks, and minutes within statutory deadlines, and assisting with the registration of amendments to the articles of association. 3. Implement corporate governance and complete the annual self-performance evaluation of the Board of Directors, individual directors, and functional committees in accordance with the Company's "Board of Directors Performance Evaluation Measures." 4. Completed the annual corporate governance self-assessment. 5. To provide directors with the information needed to perform their duties and arrange training for them. 6. Report to the Board of Directors the results of the review regarding whether the qualifications of independent directors meet relevant laws and regulations at the time of nomination, election, and throughout their terms of service. 7. Handled matters related to the change of Chairman. <p>The Company's corporate governance officer completed 27 hours of continuing education in 2025.</p>	

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
V. Has the Company established communication channels with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Additionally, has the Company created a dedicated stakeholder section on its website and appropriately addressed key corporate social responsibility issues raised by stakeholders?	✓		The Company, respecting the rights of its stakeholders, identifies its stakeholder groups. Each department has responsibility for stakeholder communication, and a spokesperson has been designated. A dedicated stakeholder relations section has been established on the Company's website to disclose relevant stakeholders and understand their key concerns, serving as a communication channel. Stakeholders can learn about the Company's financial performance, corporate social responsibility initiatives, and feedback mechanisms through available communication channels. They can also access information related to finance, operations, and corporate governance. The Company reported to the Board of Directors on its communications with stakeholders on November 11, 2025.	No significant difference.
VI. Does the Company engage a professional share registrar to handle shareholder meeting affairs?	✓		The Company has appointed the Shareholders Service Department of President Securities Corporation as its agent for shareholder meeting affairs.	No significant difference.
VII. Information Disclosure				
(I) Does the Company have a website that discloses financial, business, and corporate governance information?	✓		(I) The Company has established a website where financial, business, and corporate governance information is disclosed. Information about the Company is also available through the Market Observation Post System (MOPS).	No significant difference.
(II) Has the Company adopted other information disclosure methods (such as an English website, designated personnel responsible for collecting and disclosing company	✓		(II) The Company has designated personnel to manage information disclosure on the Market Observation Post System (MOPS) and the Company's website. The spokesperson and deputy spokesperson positions have been established in accordance with regulations. The Company has held "Institutional Investors Conferences" periodically each year and discloses related information on the Company website.	

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
<p>information, implementation of a spokesperson system, and posting corporate information on its website following investor conferences)?</p> <p>(III) Does the Company announce and report its annual financial report within two months of the fiscal year-end, and announce and report the financial reports for the first, second, and third quarters, as well as monthly operating results, ahead of the prescribed deadline?</p>		✓	<p>With respect to corporate governance information disclosure, the Company has made important company announcements, financial information, details regarding shareholders' meetings and dividend distributions, information on its internal audit structure and operations, and its Articles of Incorporation available on the Company's website for investors' reference.</p> <p>(III) The Company has consistently announced and reported its quarterly and annual financial statements. Monthly operating results are announced earlier than required.</p>	
<p>VIII. Does the Company have other material information that helps to understand its corporate governance operations (including but not limited to employee rights, employee care, investor relations, supplier relations, the rights of stakeholders, the continuing education of directors and supervisors, the implementation of risk</p>	✓		<p>(I) Employee Rights: The Company has established "Work Rules" covering employee rights and obligations, occupational hazard compensation, labor safety regulations, retirement and insurance systems, and more. We also conduct regular employee health checkups, demonstrating our commitment to protecting employee rights and building a foundation of mutual trust and reliance.</p> <p>(II) Employee Care: The Company has an employee welfare committee that provides benefits and allowances, plans recreational activities, and subsidizes employee clubs. This allows employees to enrich their lives outside of work, connect with nature, and ensures their well-being and living standards are supported.</p> <p>(III) Investor Relations: A dedicated team member manages investor relations, handling investor inquiries, facilitating communication, and maintaining</p>	No significant difference.

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
management policies and risk measurement standards, the implementation of customer policies, and whether the Company has purchased liability insurance for directors and supervisors)?			<p>relationships. Moreover, to enhance the transparency and symmetry of information disclosure, in addition to disclosing the Company's financial and business information, as well as corporate governance information, on the designated public information platform and the Company's website as required, we also respond to shareholder questions and suggestions by holding institutional briefings and providing an investor relations service mailbox.</p> <p>(IV) Supplier Relations and Stakeholder Rights: The Company adheres to its operating procedures and fulfills the terms of its agreements to protect the legal rights of all parties involved.</p> <p>(V) Directors' Continuing Education: The Company's directors possess relevant professional knowledge and industry experience. In accordance with applicable laws and regulations and the Company's "Guidelines for Directors' Continuing Education," directors have been encouraged to participate in continuing education. Please refer to the MOPS website under Single Company > Corporate Governance > Attendance of Directors and Independent Directors at Board Meetings and Continuing Education, as well as Current Experience and Concurrent Positions of Independent Directors.</p> <p>(VI) Implementation of risk management policies and risk measurement standards: We have established internal regulations and conduct risk assessments and management in accordance with legal requirements. The Company's "Rules of Procedure for Board of Directors Meetings" clearly establishes and requires all directors to adhere to the principle of conflict of interest avoidance. Any proposal involving a director's personal interest is subject to recusal from discussion and voting. In addition, the Company has appointed three independent directors, and the Board of Directors fully considers their opinions when discussing any proposals, effectively protecting the Company's interests.</p>	

Evaluation item	Operational status			Differences and reasons compared to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
	Yes	No	Summary Description	
			<p>The Company's major operational policies, investment proposals, endorsements, guarantees, capital loans, and bank financing – and other significant matters – have been appropriately evaluated and analyzed by the relevant departments and executed according to resolutions passed by the Board of Directors. The audit office has also developed its annual audit plan based on risk assessment results and has diligently implemented it to ensure effective oversight mechanisms and control the execution of various risk management functions.</p> <p>(VII)Implementation of customer policy: The Company has established a customer service center webpage to provide customers with comprehensive after-sales service and is dedicated to quality improvement and enhanced technical expertise.</p> <p>(VIII)Liability Insurance for Directors and Supervisors: The Company has purchased liability insurance for its directors and reported this to the 10th meeting of the 13th term Board of Directors on November 11, 2025.</p>	
<p>IX. Please describe the improvements made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Taiwan Stock Exchange's Corporate Governance Center, and specify priority areas for further enhancement and planned measures for any remaining issues.</p> <p>(I) Improvements were made following the results of the 12th corporate governance evaluation for 2025 as follows:</p> <ol style="list-style-type: none"> 1. Voluntarily disclose the individual compensation of the General Manager and Deputy General Manager. 2. Regularly conduct employee satisfaction surveys and share the results, along with plans for improvement. 3. Formulate a personal data protection policy and disclose its contents and how it has been implemented. <p>(II) According to the results of the 2025 corporate governance evaluation, the following items and measures had not been improved and require prioritized attention:</p> <ol style="list-style-type: none"> 1. An English website has been established to disclose information regarding major shareholders, financials, business operations, and corporate governance. 2. Prepared the English version of the sustainability report. 				

Note 1: CPA Independence and Competency Assessment Form

Evaluation item	Evaluation results	Whether the independence and competency requirements are met.
1. The independent auditor's independence declaration.	Obtained	Yes
2. All audit or non-audit services provided by CPAs have been subject to prior review by the Audit Committee to ensure that non-audit services do not affect the results of the audit.	Compliant	Yes
3. The suitability of CPAs was evaluated based on the five major components and 13 indicators of the Audit Quality Indicators (AQIs).	Compliant	Yes
4. In the past seven years, appointed Certified Public Accountants (CPAs) have performed financial statement audits, and no CPA firm has remained unchanged for seven consecutive years.	Compliant	Yes
5. The CPA has not been subject to disciplinary action or experienced any impairment of independence.	Compliant	Yes

(IV) If the Company has established a Remuneration Committee, it shall disclose its composition, responsibilities, and operations:

1. Information on Remuneration Committee members:

Identity	Conditions Name	Professional qualifications and experience	Independence Situation	Number of concurrent memberships on the Remuneration Committee of another public company.
Independent Director (Chair)	Ming-Hai Li	Note	Note	0
Independent director	Yung-Jen Tsao	Note	Note	1
Independent director	Yao-Chia Wen	Note	Note	0

Note: Please refer to information regarding the professional qualifications of directors and the independence of independent directors on pages 15-17 (IV).

2. Operations of the Remuneration Committee:

- (1) The Company's Remuneration Committee has three members. For exercising due diligence as a prudent person and faithfully performing the following duties, and for submitting the suggestions made to the Board of Directors for discussion:
 - A. Review the regulations periodically and submit proposed amendments.
The regulations were last revised on March 14, 2024.
 - B. Establish and regularly review performance evaluation standards, annual and long-term performance goals, and policies, systems, standards, and structure for director and manager compensation.
 - C. Regularly evaluate the achievement of the Company's and managers' performance targets, and determine the content and amount of individual remuneration based on the evaluation results obtained according to the performance evaluation standards.
- (2) Term of Office: July 30, 2024 to June 11, 2027; the Remuneration Committee held 2 meetings (A) in 2025; the qualification and attendance of the members are as follows:

Title	Name	Number of actual attendances (B)	Number of proxy attendances	Actual attendance rate (B/A)	Remarks
Convener	Ming-Hai Li	2	0	100%	
Committee member	Yung-Jen Tsao	2	0	100%	
Committee member	Yao-Chia Wen	2	0	100%	

(3) Discussion and resolutions of the Remuneration Committee for 2025:

Date and session of the Remuneration Committee	Content of the motion	Resolutions of the Remuneration Committee	The Company's handling of the Remuneration Committee's feedback.
6th Session, 3rd Meeting March 11, 2025	1. Review of the proposal for distribution of directors' remuneration for the year 2024. 2. Please discuss and approve the salary for the Company's Chief Financial Officer.	All members present approved the proposal without objection.	None, all directors in attendance unanimously approved the motion.
6th Session, 4th Meeting on July 3, 2025	1. Review of the 2024 remuneration for individual directors. 2. Proposal for Chairman's salary adjustment.	All members present approved the proposal without objection.	None, all directors in attendance unanimously approved the motion.

(4) If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it must state the date, session number, content of the proposal, the results of the Board's resolution, and how the company addressed the Remuneration Committee's opinions (if the remuneration approved by the Board is more favorable than the Remuneration Committee's recommendation, the difference and its rationale must be stated): None.

(5) If any member of the Remuneration Committee dissented or expressed reservations, and these were recorded or submitted in writing, the date, session, subject matter, all members' opinions, and how those opinions were addressed must be stated: None.

(V) Implementation of sustainable development initiatives, differences and reasons for discrepancies from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and climate-related information of TWSE/TPEX Listed Companies:

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated unit—either full-time or concurrent—to drive these efforts? Has the Board of Directors authorized senior management to handle sustainable development initiatives and provided oversight? Listed companies are required to report their implementation status; this does not constitute compliance or interpretation.	✓		<p>The Company has established a "Sustainable Development Best Practice Principles" and formed a Sustainable Development Promotion Team, led by the Chairman and composed of first-level executives, to drive its implementation. Internally, the Sustainable Development Promotion Team regularly reports to the Board of Directors annually on the progress of sustainability initiatives. The Board of Directors oversees the identification of sustainability-related risks, as well as the development and achievement of various plans and goals. Externally, coordinate the preparation and review of the sustainability report, submit it to the Board of Directors for review and approval, and then release it on the official website and the Market Observation Post System (MOPS).</p> <p>The implementation of corporate sustainability for 2025 was reported to the Board of Directors on March 10, 2026. The Board of Directors provided advice and urged the management team to make adjustments when necessary as a basis for subsequent review and improvement. The relevant content is also disclosed on the company website.</p>	No significant difference.
II. Does the Company assess environmental, social, and governance (ESG) risks related to its operations based on materiality, and has it established related risk management policies or strategies? Listed companies are required to	✓		<p>The Company's 2025 Sustainability Report includes a dedicated chapter on materiality and the identification of risks related to sustainable operations. The Sustainable Development Promotion Team coordinates and formulates risk management policies and implementation guidelines, identifies potential risks affecting the Company's sustainable development, and coordinates various departments in risk management execution.</p> <p>The Company's risk assessment boundary includes its subsidiary, Zongtai Construction Co., Ltd., to mitigate potential risks of operational disruption. Its primary operating locations are in Taiwan.</p>	No significant difference.

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.	
	Yes	No	Summary Description		
report their implementation status; this does not constitute compliance or interpretation.			Based on the risk assessment, the following risk management strategies have been developed:		
			Important issues	Risk Assessment Items	Risk management policy or strategy
			Environment	Environmental protection and ecological conservation	<ol style="list-style-type: none"> 1. The Company supports environmental policies by prioritizing the purchase of energy-saving and carbon-reducing green building materials that are low-polluting, resource-saving, and recyclable, in order to reduce the excessive consumption of the earth's resources. 2. Regularly assess greenhouse gas emissions in accordance with "ISO 14064-1" to review the impacts on company operations. Based on the carbon inventory results, continue implementing carbon reduction measures.
			Society	Occupational safety	<ol style="list-style-type: none"> 1. The facility achieved ISO45001 and TOSHMS (CNS45001) occupational safety and health management system certification in 2023, valid from October 11, 2023, to October 11, 2026. 2. During the construction stage, occupational safety and health and quality self-inspections are implemented to ensure construction safety and quality requirements, and the results of each inspection are fully recorded and maintained. 3. Developed and patented a safety scaffold bracket to enhance construction safety. 4. Group injury insurance is provided for construction workers on construction sites to improve safety. 5. Installing fire detection and alarm systems reduces the hazards and risks associated with fire.
			Corporate governance	Socioeconomic factors and legal compliance	Comply with all applicable laws and regulations, strictly maintain the confidentiality of business secrets, and implement ethical conduct and internal control systems.
Strengthening Directors' Capabilities	<ol style="list-style-type: none"> 1. Plan continuing education for directors and have provided them with the latest regulatory information annually. 2. The Company obtains directors and officers (D&O) liability insurance to protect its directors from lawsuits or claims. 				
Stakeholder communication	<ol style="list-style-type: none"> 1. To mitigate the risk of operational or legal issues arising from differing perspectives, the Company has established a Stakeholder Relations section on its official website. This section discloses external communication channels and dedicated contacts for each stakeholder group, facilitating constructive engagement. 2. Establish various communication channels, communicate proactively, and reduce conflict and misunderstandings. An investor mailbox has been established, and responses are handled by the spokesperson. 				
III. Environmental Issues				No significant	

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
(I) Has the Company established an environmental management system appropriate to its industry?	✓		<p>(I) The Company has formulated environmental, health, and safety management procedures in accordance with environmental protection laws and regulations stipulated by the Ministry of Environment (such as the Air Pollution Control Act, the Water Pollution Control Act, and the Waste Disposal Act) to ensure the complete operation and long-term effectiveness of its environmental management system. In addition, the Company contracts its operations to construction contractors. These contractors handle the maintenance of the construction site environment and waste disposal, while the Company is responsible for oversight. We prioritize purchasing materials with green building material, water conservation, or energy-saving certifications to protect the environment and conserve resources.</p> <p>The environmental management system promoted in 2025 included the following aspects:</p> <ol style="list-style-type: none"> 1. Energy and Resource Conservation: Take the stairs instead of the elevator, use company pool vehicles for business trips, and promote energy management throughout the company. 2. Waste management: Implement waste sorting and management practices, and reduce paper use. <p>Overall, the Company’s environmental management system performed well in 2025. The “The Way Home” project obtained a qualified green building label, and the company adopted 2,607 electronic invoices and 15,381 eNotice stock electronic notifications in 2025, reducing paper consumption and carbon emissions from mail delivery. This aimed to effectively control pollution of air, noise, water, and waste.</p>	difference.

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
(II) Is the Company committed to improving energy efficiency and using renewable materials with a low environmental impact?	✓		(II) The Company has established and implemented a comprehensive energy management plan. Through a systematic assessment of energy consumption, the Company has continuously promoted energy reduction and energy efficiency improvements. The company has adopted BIM technology for new construction projects, enabling precise quantity calculations and construction schedule control to minimize building material waste. A construction materials selection system has been implemented, prioritizing locally-produced products and green building materials. The proportion of scrap steel used in the main steel reinforcement materials has also been increased. Give preference to green building materials in material management, such as paints, wooden flooring, calcium silicate boards, low-carbon concretes to significantly reduce safety concerns and health impacts from building materials, and minimize their potential environmental impact. In product development, new projects are required to meet green building standards as a minimum design target. The Company also applies for green building, smart building, and low-carbon building certifications for new projects. “Crossing the New Divide” construction project is currently undergoing green building assessment. In 2025, the Company’s power consumption was approximately 798.165 MWh. In accordance with its energy management plan, the Company continuously inventories energy use. Total energy consumption and energy use per unit of output have been incorporated into annual management and review processes as a basis for subsequent energy-saving improvements and optimization of the energy structure. The Company established clear energy management goals and achieved a 5% reduction in electricity use compared to the base year by 2030. Energy-saving results are regularly collected and evaluated by the dedicated unit based on electricity consumption data, serving as the foundation for the ongoing review and continuous improvement of the energy management plan.	

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.															
	Yes	No	Summary Description																
(III) Does the Company assess potential risks and opportunities associated with climate change, both currently and in the future, and take measures to address	✓		<p>To achieve SDG 12, "Responsible Consumption and Production," our company implements a green procurement policy and prioritizes the use of green products or services. During procurement, we favor products with domestic and international certifications, including environmental labels, energy-saving labels, water-saving labels, and green building material labels. In 2024, the Company received recognition as an excellent manufacturer for achieving NT\$50 million in green procurement spending. Green procurement totaled \$78,044,337 for fiscal year 2025. Below is a statistical analysis of the Company's green procurement data for 2025, showing the items and amounts of green products purchased as detailed in the following table:</p> <p>Items and amounts of products purchased in 2025</p> <table border="1"> <thead> <tr> <th>Preface</th> <th>Type of Label</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Green Building Materials Label</td> <td>36,667,349</td> </tr> <tr> <td>2</td> <td>Water Conservation Label</td> <td>7,341,157</td> </tr> <tr> <td>3</td> <td>Energy Saving Label</td> <td>17,414,973</td> </tr> <tr> <td>4</td> <td>Environmental Label</td> <td>16,620,858</td> </tr> </tbody> </table> <p>Note: The data covers the scope of the Company and its subsidiary, Zongtai Construction Co., Ltd.</p>	Preface	Type of Label	Amount	1	Green Building Materials Label	36,667,349	2	Water Conservation Label	7,341,157	3	Energy Saving Label	17,414,973	4	Environmental Label	16,620,858	
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			(III) The Company followed the TCFD recommendations to assess the risks and opportunities for the Company posed by climate change. Building on the climate risk assessment completed at the end of 2022, the Company focused on five risks and four opportunities from the climate risk change items. In terms of climate change mitigation, the Company has developed projects in green operations, energy management, materials management, and green																

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.																								
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<p>climate-related issues?</p> <p>(IV) Has the Company tracked greenhouse gas emissions, water consumption, and total waste weight over the past two years and established policies for greenhouse gas reduction, water conservation, or other waste management practices?</p>	✓		<p>buildings. In terms of climate change adaptation, the Company has implemented enhanced basic measures, built sustainable operational capabilities, and made 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 Sustainability Report.</p> <p>(IV) Please refer to the 1-1-1 greenhouse gas inventory information description in the climate-related information for publicly listed companies for the Company's greenhouse gas emissions for the past two years. Water consumption and waste inventory data are as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Type</th> <th>Description</th> <th>2025</th> <th>2024</th> <th>Comparison with the same period last year</th> </tr> </thead> <tbody> <tr> <td>Water consumption</td> <td>Total water consumption for the year (m³)</td> <td style="text-align: center;">39,792</td> <td style="text-align: center;">74,459</td> <td style="text-align: center;">-46.56%</td> </tr> <tr> <th>Type</th> <th>Description</th> <th>2025</th> <th>2024</th> <th>Comparison with the same period last year</th> </tr> <tr> <td rowspan="2">Waste</td> <td>Total Weight (m³) of Non-Hazardous Waste</td> <td style="text-align: center;">7,807</td> <td style="text-align: center;">35,949</td> <td style="text-align: center;">-78.28%</td> </tr> <tr> <td>Total weight of non-hazardous waste (tons)</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td></td> </tr> </tbody> </table> <p>Note: The data covers the scope of the Company and its subsidiary.</p> <p>The Company's greenhouse gas reduction policy includes a target of reducing emissions by 5% every five years, as well as initiatives such as using public transportation for business travel, turning off office lights for 1.5 hours during lunch breaks, and choosing stairs over the elevator. Water-saving measures include promoting water conservation, regularly inspecting and repairing pipelines to reduce leakage, and designing car washing facilities</p>	Type	Description	2025	2024	Comparison with the same period last year	Water consumption	Total water consumption for the year (m ³)	39,792	74,459	-46.56%	Type	Description	2025	2024	Comparison with the same period last year	Waste	Total Weight (m ³) of Non-Hazardous Waste	7,807	35,949	-78.28%	Total weight of non-hazardous waste (tons)	-	-		
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Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.				
	Yes	No	Summary Description					
			within construction zones with sedimentation ponds to prevent road dirt and pollution from spreading. Waste generated from operations primarily consists of construction site earth and rock and other construction and demolition waste. Waste is collected for removal and disposal by professional and qualified waste management operators, and is entirely taken off-site for processing.					
<p>IV. Social issues</p> <p>(I) Has the Company established management policies and procedures in compliance with relevant laws and international human rights conventions?</p>	✓		<p>(I) To support and uphold basic human rights, the Company is committed to adhering to internationally recognized human rights standards, including the UN Global Compact, the UN Universal Declaration of Human Rights, and the International Bill of Human Rights. On March 14, 2024, the Board of Directors approved the establishment of a “Human Rights Policy” and ensures compliance with labor laws and regulations in its operating locations, prohibiting any acts that infringe upon or violate human rights. A dedicated unit has been assigned to promote sustainable development, with employee appointments, dismissals, and compensation managed according to the Internal Control System Management Regulations to protect employees’ basic rights and interests. The Company also provides group insurance for its employees and requires business partners to carry accident insurance for their own employees. In 2025, “Labor-Management Rights Sharing” courses were held, with a total of 145 participants.</p> <p>Human rights management policies and specific plans are summarized below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Human Rights Management Policy</td> <td style="width: 50%; text-align: center;">Concrete plan</td> </tr> <tr> <td style="text-align: center;">Provide a safe and healthy</td> <td style="text-align: center;">For details, please refer to pages 76–77 for</td> </tr> </table>	Human Rights Management Policy	Concrete plan	Provide a safe and healthy	For details, please refer to pages 76–77 for	No significant difference.
Human Rights Management Policy	Concrete plan							
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Project Initiative	Implementation status		Summary Description	The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No		
(II) Has the Company established and implemented reasonable employee benefits (including compensation, time off, and other benefits), and appropriately reflected operating performance or results in employee compensation?	✓		work environment. information on “Working Environment and Employee Safety Protection Measures” related to labor relations.	No significant difference.
			Prohibition of forced labor; compliance with local labor laws. Implement a vacation policy and encourage employees to prioritize work-life balance.	
			Protection of employee rights and handling of violations There is a dedicated mailbox for submitting reports and a confidential process for handling them. The Company promises to protect whistleblowers from any adverse actions taken against them for making a report.	
			(II) <u>Employee benefits:</u> The Company’s leave system complies with the Labor Standards Act. A staff welfare committee has been established to plan and provide high-quality benefits for employees each year, funded by Company allocations. These benefits include: employee travel subsidies, birthday gifts, marriage subsidies, childbirth subsidies, funeral subsidies, and club subsidies. The office also provides a lactation room, a coffee and snack bar, and regular team lunches.	
			<u>Diversity and inclusion in the workplace:</u> The Company is committed to gender equality, offering equal pay and promotion opportunities. In 2025, women made up 35% of the workforce and 29% of management	

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
(III) Does the Company provide a safe and healthy work environment for employees and conduct regular safety and health training?	✓		<p>positions.</p> <p><u>Business performance is reflected in employee compensation:</u></p> <p>The Company participates in the annual market remuneration survey and adjusts salaries based on market salary levels, economic trends, and individual performance to maintain overall remuneration competitiveness. There are also the "Performance Evaluation Regulations" and the "Employee Rewards and Punishments Management Regulations," which establish a reward and discipline system for employee conduct and performance. In accordance with Article 18 of the Company's Articles of Incorporation, if the Company generates a profit in a year, it must allocate 0.1% to 5% as employee bonuses (with at least 25% allocated to frontline employees). In 2024, the Company allocated 0.6%, or NT\$16,482 thousand, as employee bonuses, which were fully distributed in 2025. The Company plans to allocate 0.3%, or NT\$1,888 thousand, as employee bonuses in 2025 (with 25%, or NT\$472 thousand, allocated to frontline employees). The Company's pension contributions for 2025 totaled NT\$6,302 thousand.</p> <p>(III) The Company is committed to providing a safe and healthy work environment for its employees. To support employee health, the Company regularly provides health checkups, enabling employees to understand their health status. A general health check was carried out for all employees in 2026.</p> <p>To ensure work safety, the Company has implemented regular quality control, work safety training, and awareness campaigns. These efforts cultivate employees' emergency response skills and promote a safety-conscious culture, strengthening their understanding of potential hazards and reducing incidents caused by unsafe behaviors. There was 1 work-related injury</p>	No significant difference.

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
(IV) Has the company established an effective career development training program for employees?	✓		<p>in 2025 (a traffic accident during commuting) (accounting for 0.005% of the total number of employees at the end of 2025). The Company continues to aim for zero work-related injuries.</p> <p>There was 1 fire incident in 2025 with no injuries. Improvement measures for this incident: Install a visual fire detection system, implement smoke control on the construction site, and strengthen nighttime security patrols.</p> <p>Occupational safety audit</p> <p>Subsidiaries have annual work plans for their occupational safety inspection teams. The occupational safety inspection team conducts periodic inspections and provides each unit with records of recommended improvements and their implementation for reference. These recommendations are reported and reviewed for deficiencies at the monthly works meeting.</p> <p><u>Company Verification Status</u></p> <p>In 2023, the subsidiary, Zongtai Construction, achieved ISO 45001 and TOSHMS (CNS45001) occupational safety and health management system certification, valid from October 11, 2023, to October 11, 2026.</p>	No significant difference.

Project Initiative	Implementation status		Summary Description	The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.								
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			<p>In addition to the monthly meetings the Company arranges for all employees' work-related training, professional development subsidies of approximately NT\$103 thousand have been made available for 2025.</p> <p>Common Training: Core Functions and Company Values</p> <table border="1"> <thead> <tr> <th>Training course</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>New Hire Training</td> <td> <ul style="list-style-type: none"> ◆Company Culture/Organizational Structure/Business Philosophy ◆Employees' Handbook/Benefits/Internal Systems (including Rules and Regulations) ◆EIP Application/Use of 070 Business Telephone ◆Company Website/FB Tour ◆Construction Case Tour </td> </tr> </tbody> </table> <p>Professional training: Strategic talent development to meet future challenges.</p> <table border="1"> <thead> <tr> <th>Type of plan</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Greenhouse Gas Inventory and Corporate Sustainability</td> <td> <p>Through the integration of sustainable corporate governance principles and greenhouse gas inventories, the Company has enhanced employees' understanding of the impacts of climate change. It also encourages interested employees to pursue training and obtain relevant ESG certifications.</p> <p>The training content for 2025 was as follows:</p> <ol style="list-style-type: none"> 1. "Corporate Sustainability and Corporate Governance": Two colleagues participated in the 8-hour course. 2. One employee participated in the "iPAS Low Carbon Precision Repair A" course, which totaled 12 hours. 3. "Construction Industry ESG Energy Saving and Carbon Reduction Explanation" was </td> </tr> </tbody> </table>	Training course	Description	New Hire Training	<ul style="list-style-type: none"> ◆Company Culture/Organizational Structure/Business Philosophy ◆Employees' Handbook/Benefits/Internal Systems (including Rules and Regulations) ◆EIP Application/Use of 070 Business Telephone ◆Company Website/FB Tour ◆Construction Case Tour 	Type of plan	Description	Greenhouse Gas Inventory and Corporate Sustainability	<p>Through the integration of sustainable corporate governance principles and greenhouse gas inventories, the Company has enhanced employees' understanding of the impacts of climate change. It also encourages interested employees to pursue training and obtain relevant ESG certifications.</p> <p>The training content for 2025 was as follows:</p> <ol style="list-style-type: none"> 1. "Corporate Sustainability and Corporate Governance": Two colleagues participated in the 8-hour course. 2. One employee participated in the "iPAS Low Carbon Precision Repair A" course, which totaled 12 hours. 3. "Construction Industry ESG Energy Saving and Carbon Reduction Explanation" was 	
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Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
(V) Does the Company comply with relevant laws and international standards concerning customer	✓		<p>attended by 140 colleagues, with a course duration of 0.5 hours.</p> <p>4. A total of 144 employees participated in "ISO 14064-1 Greenhouse Gas Inventory and Global Sustainability," with a course duration of 1 hour.</p>	No significant difference.
			<p>The company is committed to promoting AI applications and has been enabling employees to understand and utilize AI tools through training courses to improve work efficiency.</p> <p>The training content for 2025 was as follows:</p> <p>1. Eleven colleagues participated in "Starting from Zero with AI," a course lasting 2 hours.</p> <p>2. Three colleagues participated in "Use AI to Create a Sustainable Future," a 4-hour course.</p> <p>3. Two colleagues participated in "Auditing Ethics and Professional Choices in the Age of AI: Technological Risks, Ethical Dilemmas and New Governance Challenges," for a total of 12 course hours.</p> <p>4. A total of 147 colleagues participated in the "Above the Intellectuals: From the Stone Age to the AI Era" course, which was 2.5 hours long.</p>	
			(V) The Company complies with all applicable laws and regulations and international standards in the marketing and labeling of its products and services. This includes adhering to standardized contract terms for customer purchase agreements and implementing	

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
<p>health and safety, customer privacy, marketing, and product and service labeling? Furthermore, has the Company established policies and complaint procedures to protect consumer and customer rights?</p> <p>(VI) Does the Company have a supplier management policy that requires suppliers to comply with relevant standards regarding environmental protection, occupational safety and health, or labor rights, and how is it implemented?</p>	✓		<p>performance guarantees. The Company prohibits any deceptive, misleading, fraudulent, or other practices that could undermine customer trust or harm customer rights. The Company provides customer service hotlines and an email address for handling consumer rights issues and complaints. It has also established a "Privacy Policy" that clearly outlines the legal use of personal data, data retention practices, how individuals can exercise their rights, and complaint procedures.</p> <p>(VI) The Company's responsible unit has implemented a supplier management mechanism with three stages: pre-supplier evaluation, mid-term supplier training, and post-supplier audits. Suppliers are also required to provide building materials compliant with legal standards, and their suitability is regularly assessed. Supplier contracts require compliance with the "Occupational Safety and Health Management Regulations" clause, and all supplier contracts have been reviewed by legal counsel to help achieve shared goals of improved public safety, environmental health, and broader sustainability objectives. In 2025, we conducted 3 actual inspections, 11 vendor evaluations, and 54 safety and health consultative meetings.</p>	No significant difference.
<p>V. Does the Company prepare reports disclosing its non-financial information, such as sustainability reports, with reference to internationally accepted reporting standards orguidelines? Has the aforementioned report received</p>		✓	<p>The Company prepares its sustainability reports primarily in accordance with the GRI Standards published by the Global Reporting Initiative (GRI). It also references the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB) of the United States, and relevant domestic and international laws and regulations in its disclosures. Relevant sustainability report information and contact details are also disclosed on the Company's official website to provide stakeholders with effective channels for feedback and communication, and to strengthen corporate sustainability practices. This report has not been</p>	In the future, assurance will be obtained from third-party verification bodies as needed.

Project Initiative	Implementation status			The differences between actual practices and the Principles for Sustainable Development of Listed Companies, and the reasons for those differences.
	Yes	No	Summary Description	
assurance or an opinion from a third-party verification unit?			independently verified.	
<p>VI. If the Company has established its own sustainability guidelines in accordance with "The Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies," please describe any differences between their operation and the provisions of those guidelines.</p> <p>The Company has established a Sustainable Development Code of Conduct, most recently revised on March 10, 2026, as approved by the Board of Directors. The Company manages risks and impacts to the economy, environment, and society in accordance with this Code, and uses it to drive sustainable development initiatives. There are no discrepancies.</p>				
<p>VII. Other important information to help understand the implementation of sustainable development:</p> <p>(I) The implementation of corporate sustainability for 2025 has been disclosed in the "Stakeholder Center - Corporate Social Responsibility" section of the Company's official website, including:</p> <ol style="list-style-type: none"> 1. Environmental protection: \$812,000 has been spent on maintenance of the Dakeng Trail and landscape plant upkeep at Liyuan Park. 2. Community Engagement: A total of NT\$1.267 million was spent on activities including community markets, seasonal festivals, yoga classes, tea tastings, aromatherapy workshops, singing bowl sessions, and stress-relieving herbal compress treatments. 3. Social Welfare: Full Moon Stray Animal Sanctuary, Hsiang Shang Social Welfare Foundation, Huei-Ming Blind Welfare Foundation of Christian, Soroptimist International, Ganlin Social Welfare Foundation, Taiwan Benevolent Association, Da Jia Charity Association, Infertility Foundation of the Republic of China (Taiwan), Oldyes! Social Welfare Foundation, and Taiwan Fund for Children and Families - The corporation has donated NT\$1.345 million to these public welfare organizations. 4. Educational Empowerment: A total of NT\$1.039 million was contributed to Chun An Elementary School, Du-Xing Elementary School, Chang-An Elementary School, Chungming Senior High School, sports teams at Wufeng Agricultural and Industrial High School, the Chinese Hope Badminton Association, and the Taichung City Sports Education Development Foundation. 				

Climate-related information for listed companies

1. Implementation of climate-related information disclosure

Item	Implementation status								
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>Climate change has become one of the most serious global risks. Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has enhanced its disclosure of the financial impacts of climate change to help stakeholders understand the associated materiality and our strategic approach to addressing it.</p> <p>1. Board of Directors: Given the increasingly significant impact of climate change on business operations, the Board of Directors now prioritizes professional knowledge and experience in sustainable operations when considering its composition. Therefore, in selecting independent directors, the Board considers not only practical experience in management, financial accounting, legal affairs, and corporate governance, but also strengthens its focus on practical experience and expertise related to climate change issues. In addition, directors have prioritized climate-related courses for their annual continuing education.</p> <p>2. Management: The Sustainable Development Promotion Team is the highest-level body for climate change management, led by the Chairman and comprised of senior managers. It is responsible for developing and implementing sustainable development policies, systems, management guidelines, and specific plans. In accordance with the Sustainable Development Best Practice Principles, the Sustainable Development Promotion Team reports the implementation status to the Board of Directors on an annual basis. The report for the 2025 fiscal year was presented to the Board of Directors on March 10, 2026.</p>								
2. Describe how the identified climate risks and opportunities have affected the Company's business, strategy, and finance (short-, medium-, and long-term).	<p>The Company identifies climate-related risks and opportunities and inventories material climate risks and opportunities based on different time horizons and issues, assessing their impact on the Company's operations and outlining corresponding response strategies. The management period is defined as follows: short-term impacts last less than three years; mid-term impacts last three to five years; and long-term impacts last more than five years. The Company has identified five climate change risks and four climate change opportunities.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Impact timeline</th> <th style="text-align: center;">Climate Risk Issues</th> <th style="text-align: center;">Potential impact on company operations.</th> <th style="text-align: center;">Response strategies and action plans</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Short-term</td> <td>The severity of extreme weather events, such as typhoons and floods, has increased.</td> <td>Natural disasters can easily lead to property losses and project delays. Examples include collapsed scaffolding, falling debris from construction sites causing property damage, flooding, and wall cracks.</td> <td> <ol style="list-style-type: none"> 1. Pay attention to the increasing typhoon intensity and conduct site patrols. In preparation, remove advertising canvases from the site, prepare water pumps to prevent basement flooding, and reinforce materials and equipment. Also, remove any loose items from scaffolding. 2. Purchase construction site accident insurance to mitigate losses from minor incidents. 3. Set up emergency response teams to implement specific measures and tasks for various emergencies, such as reporting to the police, engineering rescue, and personnel rescue, and allocate corresponding responsible individuals, responsible vendors, and establish communication directories. </td> </tr> </tbody> </table>	Impact timeline	Climate Risk Issues	Potential impact on company operations.	Response strategies and action plans	Short-term	The severity of extreme weather events, such as typhoons and floods, has increased.	Natural disasters can easily lead to property losses and project delays. Examples include collapsed scaffolding, falling debris from construction sites causing property damage, flooding, and wall cracks.	<ol style="list-style-type: none"> 1. Pay attention to the increasing typhoon intensity and conduct site patrols. In preparation, remove advertising canvases from the site, prepare water pumps to prevent basement flooding, and reinforce materials and equipment. Also, remove any loose items from scaffolding. 2. Purchase construction site accident insurance to mitigate losses from minor incidents. 3. Set up emergency response teams to implement specific measures and tasks for various emergencies, such as reporting to the police, engineering rescue, and personnel rescue, and allocate corresponding responsible individuals, responsible vendors, and establish communication directories.
Impact timeline	Climate Risk Issues	Potential impact on company operations.	Response strategies and action plans						
Short-term	The severity of extreme weather events, such as typhoons and floods, has increased.	Natural disasters can easily lead to property losses and project delays. Examples include collapsed scaffolding, falling debris from construction sites causing property damage, flooding, and wall cracks.	<ol style="list-style-type: none"> 1. Pay attention to the increasing typhoon intensity and conduct site patrols. In preparation, remove advertising canvases from the site, prepare water pumps to prevent basement flooding, and reinforce materials and equipment. Also, remove any loose items from scaffolding. 2. Purchase construction site accident insurance to mitigate losses from minor incidents. 3. Set up emergency response teams to implement specific measures and tasks for various emergencies, such as reporting to the police, engineering rescue, and personnel rescue, and allocate corresponding responsible individuals, responsible vendors, and establish communication directories. 						

Item	Implementation status			
	Impact timeline	Climate Risk Issues	Potential impact on company operations.	Response strategies and action plans
	Short-term	Extreme changes in rainfall patterns and climate model extremes.	Extended periods of rain can delay the construction schedule. It's important to note that construction delays can easily lead to postponed move-in dates and require compensation to customers.	<ol style="list-style-type: none"> 1. Plan ahead to adjust the project schedule to account for the rainy season, and closely monitor rainfall during construction. 2. Set up emergency response teams to implement specific measures and carry out tasks in response to various emergencies. 3. Incorporate the impact of rainy season weather into the timing of customer contracts. 4. Landscape project schedules are planned to avoid the rainy season or typhoon season, with construction timing adjusted as needed. 5. A recessed area was added to the landscape engineering on the first floor to capture stormwater runoff, reducing the risk of flooding. 6. Improve the wind resistance of exterior wall railings and metal fences, and enhance window water tightness.
	Short-term	Average temperature increase	The hot weather has frequently caused heatstroke among workers, leading to construction delays. It also contributes to power shortages and outages in Taiwan, forcing construction sites and businesses to suspend operations, resulting in delays, losses, and increased labor costs.	<ol style="list-style-type: none"> 1. Based on regulations, identify the corresponding heat index value for the work site by referencing temperature and relative humidity information released by the Central Weather Bureau of the Ministry of Transportation and Communications. Assess the heat hazard risk level by comparing this value to established criteria, and then implement appropriate measures based on the determined risk level. Based on the assessed thermal hazard risk levels, the corresponding regulations are provided, and the following hazard prevention and management measures should be implemented: <ul style="list-style-type: none"> • Reduce worker exposure to temperature extremes. • On-site inspection of employee work. • Provide adequate rest areas. • Provide shade in the work area and showers for workers. • Cooling snacks are provided to workers during the summer months, along with education on hydration and the importance of adequate rest. • Temperature sensors have been installed to notify contractor personnel to stop work when the temperature exceeds a safe level. 2. In the event of a heat-related emergency, immediately remove the person's clothing, wipe their body with water, and fan them. Provide cool water with a small amount of salt or a diluted electrolyte beverage, and then seek medical attention and notify your supervisor as soon as possible.

Item	Implementation status			
	Impact timeline	Climate Risk Issues	Potential impact on company operations.	Response strategies and action plans
	Long-term	Changes in customer behavior	In recent years, customers in the real estate market have placed increasing emphasis on services and corporate image, and green buildings have become a key component of the latter. Failure to adapt to evolving customer behavior could negatively impact product sales and market share, leading to decreased revenue.	<ol style="list-style-type: none"> 1. Except for necessary driveways and pedestrian walkways paved with permeable materials, the base's open spaces feature high-density, multi-layered landscaping. Roofs, terraces, and facades are also being greened to reduce building heat gain. 2. Solar power facilities have been installed on the building's roof to power the community's stairwell lighting and sprinkler system motors. 3. A rainwater harvesting system has been installed to collect rainwater from the roof and ground level. After filtration, the water flows into an underground rainwater collection pool for irrigating community landscaping. 4. When feasible and cost-effective, prioritize the use of green building materials such as paint, lightweight gypsum partition boards, and green paving materials. 5. In 2025, the total value of green procurement reached NT\$78,044,337.
	Short-term	Rising raw material costs	Interruption of the supply chain or material scarcity caused by extreme weather events may lead to project delays or the cancellation of some construction projects. Rising raw material prices have significantly increased construction costs.	<ol style="list-style-type: none"> 1. The procurement and construction departments track project costs monthly, evaluating actual costs incurred and projected costs for subsequent work. They monitor fluctuations and adjust accordingly. 2. For materials heavily used in the construction industry, such as cement, sand, and steel, we have both increased the number of contractors to reduce reliance on single manufacturers and proactively planned usage with bulk purchasing to mitigate the risk of shortages. 3. The procurement department regularly conducts market price surveys, and raw materials showing a significant upward trend are purchased proactively.

Item	Implementation status			
	Impacts	Climate opportunities	Potential impact on company operations.	Response strategies and action plans
	Mid-term	Development or expansion of low-carbon products and services	With the growing emphasis on sustainability in the construction industry, consumers are increasingly choosing green building products. To pursue a higher quality of life, they are opting for more energy-efficient and environmentally friendly green buildings when making selections. Therefore, sustainable design should be incorporated into construction planning from the outset, including energy-efficient features, landscaping, and the use of sustainable building materials, to boost consumer demand and increase revenue.	<ol style="list-style-type: none"> 1. Except for necessary lanes and pedestrian walkways paved with permeable materials, the open spaces within the base utilize a high-density, multi-layered greening approach. Roofs, terraces, and facades are also enhanced with vertical greenery to reduce building heat gain. 2. Solar power facilities have been installed on the building's roof to power the community's stairwell lighting and sprinkler system motors. 3. When feasible and cost-effective, prioritize the use of green building materials such as paint, lightweight gypsum partition boards, and green paving materials.
	Mid-term	Respond to evolving consumer preferences.		

Item	Implementation status			
	Impacts	Climate opportunities	Potential impact on company operations.	Response strategies and action plans
	Mid-term	Towards more efficient buildings	Implementing energy-efficient designs in new buildings and improving the energy performance of existing ones can reduce carbon emissions across the construction industry chain. Energy-efficient design in new buildings can increase consumer purchasing interest and boost sales revenue. Implementing energy-saving measures in existing buildings, such as offices, has reduced operating costs.	<p>Energy-saving and carbon reduction measures for new construction projects:</p> <ol style="list-style-type: none"> 1. Except for necessary driveways and pedestrian walkways paved with permeable materials, the base's open spaces feature high-density, multi-layered landscaping. Roofs, terraces, and facades are also being greened to reduce building heat gain. 2. Solar power facilities have been installed on the building's roof to power the community's stairwell lighting and sprinkler system motors. 3. A rainwater harvesting system has been installed to collect rainwater from the roof and ground level. After filtration, the water flows into an underground rainwater collection pool for irrigating community landscaping. 4. When feasible and cost-effective, prioritize the use of green building materials such as paint, lightweight gypsum partition boards, and green paving materials. <p>Community carbon reduction measures for construction projects:</p> <ol style="list-style-type: none"> 1. To support community recycling efforts. 2. Lighting in community common areas is adjusted to different levels based on the time of day, or utilizes infrared motion sensors to prevent unnecessary power waste. <p>Office energy conservation and carbon reduction measures: Turn off lights for 1 to 1.5 hours during lunch break to save energy.</p>
	Mid-term	Use more efficient production and distribution processes.	Using BIM to improve yield rates reduces construction errors and lowers operating costs.	<ol style="list-style-type: none"> 1. Adopting BIM technology and 3D visualization of drawings improves construction accuracy and reduces resource and material waste. 2. Before each process begins, conduct relevant training. Focus training on common error points to improve yield. 3. Prepare a white paper on itemized construction methods to establish a standard for management and improve construction efficiency.
3. Describe the financial impacts of extreme climate events and transition actions.	<ol style="list-style-type: none"> (1) For the financial impact of extreme weather and transition actions, please refer to the description of potential impacts on the Company's operations in item 2 above. (2) The Company is diversifying its operations to reduce the impact of climate risk factors on its finances. The Company also integrates climate change risks into its operational decisions. (3) Construction material procurement aims for environmental sustainability, carbon reduction, and energy efficiency. 			

Item	Implementation status
4. Describe how climate risk identification, assessment, and management processes have been integrated into the overall risk management system.	The Company has established a Sustainable Development Promotion Team, led by the Chairman and composed of first-level executives. The team is responsible for promoting, coordinating, and formulating risk management policies and implementation guidelines; identifying the likelihood, severity, and timeframe of climate change risks; and coordinating risk management responses across all departments. Risk assessments, policies, and action plans are presented to the Board of Directors at least once a year to strengthen the company's organizational resilience.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used have been described.	The Company has not employed scenario analysis to assess its resilience to climate change risks.
6. If a transition plan is in place to manage climate-related risks, describe the plan's content, as well as the indicators and targets used to identify and manage physical risks and transition risks.	In line with the global 2050 net-zero emissions pathway, the Company complies with environmental, energy, and resource-related policies and regulations, and continuously monitors new domestic and international climate change policies and initiatives. Adherence to these laws and regulations is a key performance indicator. The Company incorporates the findings of cross-departmental assessments of climate-related material risks and opportunities into its operational strategy and establishes corresponding climate-related development goals to facilitate regular performance evaluations. Furthermore, performance evaluation results are subject to ongoing revisions to ensure continuous improvement in environmental performance. Guided by the philosophy of "Sustainable Cities, Shared Prosperity," the Company integrates the spirit of ESG sustainability into its brand identity, striving to be a driving force in the pursuit of net-zero emissions. The "The Way Home" construction project completed in 2025 received Green Building certification. The sales development of "Crossing the New Divide" is currently undergoing green building assessment.
7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	The Company has not yet implemented internal carbon pricing as a planning tool, but is actively assessing industry characteristics and emissions profiles to establish a foundation for its future use.

Item	Implementation status
<p>8. If climate-related targets have been set, the following information should be specified: the activities covered, the scope of greenhouse gas (GHG) emissions, the planned schedule, and progress made each year. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, the source and quantity of carbon offsets or the number of RECs should be specified.</p>	<p>The Company plans to complete the inventory of its consolidated subsidiaries in 2026; accordingly, the base year has been reset to 2026. The scope will cover the office and operational areas of the Company and its consolidated subsidiaries. 2025 Scope 1 and 2 emission intensity (tCO₂e/TWD 1 million): 13.759%. The target for Scope 1 and 2 emission intensity (tCO₂e/TWD 1 million) for 2030 is lower than 9%.</p>
<p>9. Status of greenhouse gas inventory and verification, reduction targets, strategies, and concrete action plans (detailed separately in 1-1 and 1-2).</p>	<ol style="list-style-type: none"> 1. Greenhouse Gas Inventory and Assurance: The Company initiated its greenhouse gas inventory in 2021, with relevant information disclosed in the Sustainability Report. Assurance is conducted in accordance with the Sustainable Development Roadmap for Listed Companies. The greenhouse gas inventory for the individual company (i.e., the parent company) is to be verified by 2028, while the consolidated subsidiaries are to be verified by 2029. 2. Greenhouse Gas Emission Reduction Target: A 5% reduction from the baseline year by 2030. 3. Strategy and Concrete Action Plan: Energy-saving action plans have been developed for offices and construction sites. Sustainable concepts are integrated into the planning and design of projects, with green building materials and digital and modular construction technologies adopted to reduce waste. Additionally, green building certifications have been sought for selected projects.

1-1 Greenhouse gas inventories and verification status for the Company over the past two years.

1-1-1 Greenhouse Gas Inventory Information

Specify greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e per \$1 million in revenue), and data coverage for the most recent two years.

According to the sustainable development roadmap for TWSE-listed companies, the parent company began its inventory in 2025; subsidiaries included in the consolidated financial statements began their inventory in 2026.

Since 2025, the Company has implemented organization-wide greenhouse gas (GHG) inventories in accordance with ISO 14064-1. Using the financial control approach, the Company has consolidated GHG emissions for itself and all subsidiaries included in the consolidated financial statements, as detailed below:

		2025		2024	
		Emissions tons of CO ₂ e)	Intensity (Tons CO ₂ e per NT\$ 1 million in revenue)	Emissions tons of CO ₂ e)	Intensity (Tons CO ₂ e per NT\$ 1 million in revenue)
The Company	Scope 1 Direct greenhouse gas emissions	49.33	/	10.89	/
	Scope 2 Indirect greenhouse gas emissions	371.95		759.45	
	Subtotal	421.28		770.34	
All subsidiaries in the consolidated financial statements	Scope 1 Direct greenhouse gas emissions	42.38		25.77	
	Scope 2 Indirect greenhouse gas emissions	94.17		145.19	
	Subtotal	136.55		170.96	
Total		557.83	13.759%	941.30	7.381%

Note 1: Direct emissions (Scope 1, i.e., direct emissions from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from purchased electricity, heat, or steam) and other indirect emissions (Scope 3, i.e., emissions generated from the Company's activities that are not energy indirect emissions and are from sources owned or controlled by other companies).

Note 2: The scope of direct emissions and energy-related indirect emissions data must comply with the schedule stipulated by the competent authority per Paragraph 2 of Article 10 of these Standards. Information on other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standards: the Greenhouse Gas Protocol (GHP Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emission intensity can be calculated per unit of product/service or revenue, but figures based on revenue (NT\$1 million) must be disclosed at a minimum.

1-1-2 GHG assurance information

Describe the assurance circumstances for the two most recent fiscal years up to the annual report's publication date, including the scope of assurance, the assurance provider, the assurance criteria, and the assurance opinion.
According to the sustainable development roadmap for TWSE-listed companies, the parent company completed disclosure of its assurance status in 2028; subsidiaries included in consolidated financial statements completed disclosure of their assurance status in 2029. The Company has not yet confirmed this.

1-2 Greenhouse gas reduction targets, strategies, and concrete action plans

Describe the base year and data for greenhouse gas reductions, reduction targets, strategies, and specific action plans, as well as the status of achieving those reduction targets.
<p><u>Base year and greenhouse gas reduction target</u></p> <p>To develop a greenhouse gas reduction strategy, the consolidated company completed an inventory in 2027 based on the boundaries of the consolidated financial reports; therefore, the base year is 2026. In 2025, Scope 1 and Scope 2 emissions were 91.71 tons of CO₂e and 466.12 tons of CO₂e, respectively. We aim to further implement the following specific actions to achieve a 5% reduction of the 2030 target from the base year.</p> <p><u>Greenhouse gas reduction strategies and action plans</u></p> <p>Scope 1: Promote the adoption of electric vehicles for company cars/scooters and the use of eco-friendly coolant equipment, etc.</p> <p>Scope 2: Promote turning off office lights during lunch breaks, adopting energy-saving lighting, and using Class 1 energy-efficient refrigeration equipment, etc.</p> <p>Scope 3: To address embodied carbon in building materials—which accounts for the highest proportion of emissions—we continue to reduce carbon through precast construction, replacing traditional wooden formwork with system formwork, and utilizing low-carbon concrete.</p>

Note 1: Processing must be completed according to the schedule stipulated in the order issued pursuant to Paragraph 2 of Article 10 of the Standards.

Note 2: The base year should be the year in which the consolidated financial statements inventory was completed. For example, companies with a capital of NT\$10 billion or more were required to complete the inventory of their 2024 consolidated financial statements in 2025, making 2024 the base year. If a company completed the inventory earlier, that earlier year may be used as the base year. Data for the base year may be calculated based on a single year or the average of multiple years.

(VI) The performance of ethical management practices and any differences from, and the reasons for, the ethical conduct guidelines for Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) listed companies:

Evaluation item	Operational status			Differences from and reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>I. Establish ethical conduct policies and plans.</p> <p>(I) Has the Company established an ethical management policy approved by the Board of Directors, and does it clearly state this policy and related practices in its regulations and public disclosures? Furthermore, has the Board of Directors and senior management demonstrated a commitment to actively implementing this policy?</p> <p>(II) Does the Company have a risk assessment mechanism in place to identify dishonest conduct, and does it regularly analyze and evaluate business activities with a higher risk of such conduct? Furthermore, has the Company formulated a plan to prevent dishonest conduct that includes, at a minimum, preventive measures for the behaviors outlined in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed</p>	<p>✓</p> <p>✓</p>		<p>(I) The Company has established a "Ethical Corporate Management Best Practice Principles," "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct," and "Insider Trading Prevention and Management Plan" to clearly define its ethical management policies and practices, and to demonstrate the Board of Directors' and management's commitment to actively implementing these policies. The Company held an internal training on "Overview of Corporate Governance and Insider Trading" in 2025, with 140 participants.</p> <p>(II) In accordance with Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" or for other business activities within its scope that carry a higher risk of unethical conduct, the Company has established effective accounting systems and implemented internal controls. These activities are governed by the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct."</p>	No significant difference.

Evaluation item	Operational status			Differences from and reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>Companies"?</p> <p>(III) Does the company have clearly defined procedures, a code of conduct, disciplinary measures for violations, and an appeals process within its integrity program? Has the company implemented this program and regularly reviewed and updated it?</p>	✓		<p>(III) The Company has established “Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct,” which was last amended by the 12th Board of Directors at its 12th meeting on March 14, 2023.</p>	
<p>II. Implementation of ethical business practices</p> <p>(I) Does the Company assess the integrity of its business partners and include clauses related to ethical conduct in its contracts with them?</p> <p>(II) Has the Company established a dedicated unit under the Board of Directors to promote corporate integrity, and does it regularly (at least annually) report to the Board on its corporate integrity policy, its plan for preventing unethical conduct, and the oversight of its implementation?</p>	✓		<p>(I) The Company maintains records and performance evaluations for clients and vendors, and contracts are reviewed and signed by legal counsel, including clauses requiring good faith conduct. 3 on-site inspections of suppliers were conducted in 2025.</p> <p>(II) To fulfill its responsibility for overseeing ethical management, the Company’s Board of Directors has established various organizations and channels, such as the Audit Committee and the Remuneration Committee. The Company designated the administrative service center as the Integrity Management Promotion Team and reported on the implementation of its 2025 Integrity Management efforts to the Board of Directors on March 10, 2026. Its functions and implementation status are disclosed on the company’s official website (website address: https://www.fuhua-inno.com.tw/investors/csr) Path: Related Persons Center > Sustainable Corporate Development > Promotion of</p>	No significant difference.

Evaluation item	Operational status			Differences from and reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(III) Does the Company have policies and procedures in place to prevent conflicts of interest, provide appropriate reporting channels, and ensure effective implementation?	✓		Ethical Corporate Management. (III) When a director of the Company has a conflict of interest with a proposal listed on the Board of Directors, either with themselves or with the entity they represent, they may state their opinion and answer questions, but may not participate in discussion or voting, and must recuse themselves from both.	
(IV) Has the Company established effective accounting and internal control systems to support ethical corporate management? Does the internal audit unit develop relevant audit plans based on its assessment of the risk of unethical conduct, and use these plans to verify compliance with preventative measures, or does it engage a certified public accountant to perform the audits?	✓		(IV) In response to changes in the operating environment and amendments to relevant laws and regulations, the Company modifies its accounting system and internal control system in a timely and effective manner. Its internal auditors are able to conduct audits independently and regularly attend the Board of Directors and the Audit Committee to present audit reports. When auditing the annual financial statements, CPAs evaluate the Company's internal control system on a sampling basis and provided a letter of recommendations based on the evaluation results.	
(V) Does the Company regularly conduct internal and external training on ethical conduct?	✓		(V) Directors, managers, and employees enhance their understanding of ethical management through continued education and training to ensure the implementation of ethical management policies and commitments. In 2025, the Company held an online training course on "Integrity Management" for 102 employees and managers, covering topics including procurement risks and trade secrets.	

Evaluation item	Operational status			Differences from and reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>III. Operation of the Company's Whistleblower System</p> <p>(I) Has the Company established a clear whistle-blowing and reward system, created accessible reporting channels, and designated appropriate personnel to handle reports?</p> <p>(II) Has the Company established standard operating procedures for investigating reported concerns, follow-up actions after an investigation is completed, and related confidentiality mechanisms?</p> <p>(III) Has the Company implemented measures to protect whistleblowers from adverse action following a report?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's Code of Ethical Conduct encourages reporting any illegal or unethical behavior. The Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct detail various reporting channels and the responsible units. Additionally, a whistleblowing email inbox is available on the Company's website and intranet to provide a reporting channel for both external and internal parties.</p> <p>(II) The Company's "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct" govern the report acceptance process and related confidentiality mechanisms. If violations are found, submit a report to management immediately and administer disciplinary action based on the severity of the offense.</p> <p>(III) The Company's "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct" commit to protecting whistleblowers from adverse action for making a report.</p>	No significant difference.
<p>IV. Strengthen information disclosure</p> <p>Has the Company disclosed the content of its code of ethics and the results of its implementation on its website and the Market Observation Post System (MOPS)?</p>	<p>✓</p>		<p>The Company has established a website to provide shareholders and stakeholders with information on its finances, business operations, and corporate governance.</p>	No significant difference.
<p>V. If the company has established its own code of ethical conduct based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the differences in its operation and the provisions of its code.</p>				

Evaluation item	Operational status			Differences from and reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
<p>The Company has established a code of business ethics and its internal operations have generally been in compliance with the requirements of the business integrity guidelines for Taiwan Stock Exchange and Taipei Exchange listed companies. To date, there have been no material discrepancies:</p> <p>VI. Other important information for understanding the Company's ethical operations:</p> <p>(I) The Company's "Management Procedures for Board of Directors Meetings" establishes a director conflict of interest system. Directors with interests, or those of legal entities they represent, that relate to proposals on the Board of Directors' agenda and potentially harm the Company's interests may state their views and respond to questions, but they are prohibited from participating in discussion or voting. They must recuse themselves from discussion and voting and may not exercise voting rights on behalf of other directors.</p> <p>(II) The Company has established "Procedures for Handling Internal Material Information and Insider Trading Management" that stipulate Directors, managers, and employees must not disclose any internal material information to others. They also must not inquire about or collect any non-public internal material information of the Company unrelated to their duties, nor disclose any non-public internal material information obtained outside of their job responsibilities.</p> <p>(III) The Company has established the "Ethical Corporate Management Best Practice Principles," which were most recently revised on March 25, 2020.</p>				

(VII) Other material information that enhances understanding of corporate governance operations may also be disclosed:

The Company has also established "Procedures for Handling Internal Material Information and Insider Transactions" as a code of conduct for its directors, managers, and employees. These procedures are fully disclosed on the Company website in the "Related Parties Center – Corporate Governance" section.

(VIII) The implementation status of the internal control system should disclose the following:

1. Statement of Internal Control: Approved by the Board of Directors on March 10, 2026, and filed as required. The statement is available on the MOPS website (<https://mops.twse.com.tw/mops/#/web/t06sg20>) at the following path: Please select Single Company > Corporate Governance > Company Rules/Internal Control > Internal Control Statement Announcement. Enter "TPEX" for the market category, "2025" for the year, and "3056" for the company code to search.

2. If an accountant was commissioned to review the internal control system, the accountant's review report should be disclosed: None.

(IX) Major decisions made by shareholders and the Board of Directors in the most recent fiscal year and up to the date of this annual report's publication:

1. Important resolutions from the shareholders' meeting

Meeting name and date	Important resolution
2025 General shareholders' meeting June 17	<p>(1) Approved 2024 business report and financial statements.</p> <p>(2) Approved 2024 earnings distribution plan. Implementation: August 15, 2025, was established as the ex-dividend date, and September 12, 2025, was established as the date for cash dividend distribution and the listing date for new shares. (Cash dividend of NT\$2 per share and stock dividend of NT\$3.5 per share)</p> <p>(3) Approved the issuance of new shares through a stock dividend. Implementation: 350 shares were issued for every 1,000 shares held. Registration was approved by the Ministry of Economic Affairs on August 28, 2025, and the new shares began trading on September 12, 2025.</p> <p>(4) Approved the amendment to the Articles of Incorporation. Implementation: The registration was approved by the Ministry of Economic Affairs on June 30, 2025, and announced on the Company's website.</p>

2. Important resolutions of the Board of Directors

Meeting name and date	Important resolution
6th Session The 13th Board of Directors 2025/03/11	<p>(1) The Remuneration Committee has reviewed the proposal for employees' and directors' remuneration for 2024.</p> <p>(2) Approved the 2024 business report and financial statements.</p> <p>(3) Approved the proposal for earnings distribution for fiscal year 2024.</p> <p>(4) Approved the issuance of new shares through a capitalization of surplus.</p> <p>(5) Approved the issuance of the Statement on Internal Control Systems.</p> <p>(6) Approved discussion of attesting CPA fees and evaluation of the independence and qualifications of the proposed CPAs.</p> <p>(7) Approved the amendment to the Articles of Incorporation.</p> <p>(8) Approved amendment to the Employee Remuneration Regulations.</p> <p>(9) Approved amendment to the "Audit Committee Organization Rules".</p> <p>(10) Approved the appointment of representatives of the corporate shareholder, Jih Tai Asset Management Co., Ltd..</p> <p>(11) Approved the bank credit financing.</p> <p>(12) Approved the appointment of the Chief Financial Officer.</p> <p>(13) Approved joint construction and subdivided sale development of Lot 53, Wenshang Section, Xitun District, Taichung City.</p> <p>(14) Approved the joint construction and subdivided sale development project for five lots – Nos. 110, 110-1, 111, 111-1, 111-2 – in the</p>

Meeting name and date	Important resolution
	Ta-Yuan Section of Beitun District, Taichung City. (15) Approved the delegation of authority for the appointment of key managers of subsidiaries. (16) Approved the motion to convene the 2025 annual shareholders' meeting.
7th Session The 13th Board of Directors 2025/05/07	(1) Approved the submission of the Company's self-prepared financial statements for the first quarter of 2025. (2) Approved the change of spokesperson.
13th Term 1st meeting Extraordinary Board of Directors Meeting on June 5, 2025	(1) Approved the appointment of the new Chairman. (2) Approved the personnel change for the manager of the Taichung Branch.
8th Session The 13th Board of Directors 2025/07/03	(1) Discussion of the cash dividend ex-date and the stock dividend record date for the 2024 earnings distribution. (2) Approved the amendment to the "Authorization Table". (3) Approved the distribution of directors' remuneration for 2024. (4) Approved the Chairman's salary adjustment proposal.
9th Session The 13th Board of Directors 2025/08/08	(1) Approved the submission of the Company's self-compiled financial statements for the second quarter of 2025. (2) Approved the bank credit financing. (3) Approved the issuance of the first secured ordinary corporate bonds for 2025. (4) Approved the 2024 Sustainability Report. (5) Approved the capital reduction and shareholder refund for subsidiary Zongtai Construction Co., Ltd..
10th Session The 13th Board of Directors 2025/11/11	(1) Approved the consolidated financial report for Q3 2025. (2) Approved the 2026 audit plan. (3) Approved real estate development projects with a land purchase authorization of up to NT\$3 billion for the Chairman. (4) Approved the company's 2026 operating plan and budget. (5) Approved the amendment to the "Authorization Table" and the Chairman's concurrent appointment as investment project manager. (6) Approved the change of the chief auditor. (7) Approved the establishment of a new restaurant company through a joint venture. (8) Approved the proposal to establish a medical aesthetics-related industry through reinvestment.
11th Session	(1) Approved the distribution of employees' remuneration (including

Meeting name and date	Important resolution
<p>The 13th Board of Directors 2025/03/10</p>	<p>base-level employees' remuneration) and directors' remuneration for 2025.</p> <ol style="list-style-type: none"> (2) Approved the 2025 business report and financial statements. (3) Approved the proposal for earnings distribution for fiscal year 2025. (4) Approved the issuance of the Statement on Internal Control Systems. (5) Approved the purchase of a residence through a related-party home purchase program. (6) Approved the amendment to the "Regulations on Endorsements and Guarantees". (7) Approved the proposal to amend the "Guidelines for Preparation and Reporting of Sustainability Reports". (8) Approved the amendment to the "Sustainable Development Best Practice Principles". (9) Approved the amendment to the Articles of Incorporation. (10) Approved the change of audit agent. (11) Approved the motion regarding the CFO change. (12) Approved the change of accounting officer. (13) Approved the termination of the joint construction and resale development agreement for Lot 53, Wenshang, Inchao International Co., Ltd. (formerly Sheng-Lin Construction Co., Ltd.). (14) Approved the capital reduction and refund of share capital for the subsidiary, Inchao International Co., Ltd. (formerly Sheng-Lin Construction Co., Ltd.). (15) Approved the capital increase for subsidiary Fu Hua Construction Co., Ltd.. (16) Approved the amendment to the "Authorization Table". (17) Approved the proposal to remove the non-compete restriction for the Company's directors. (18) Approved the motion to convene the 2026 annual shareholders' meeting.
<p>12th Session The 13th Board of Directors 2026/05/12</p>	<ol style="list-style-type: none"> (1) Approved discussion of attesting CPA fees and evaluation of the independence and qualifications of the proposed CPAs. (2) Approved the submission of the Company's self-prepared consolidated financial report for the first quarter of 2026. (3) Approved the amendment to the "Authorization Table". (4) Approved the The Company Chairman's salary adjustment proposal. (5) Approved the amendment to the "Regulations for Transferring Repurchased Shares to Employees". (6) Approved the proposal for the Company's first share repurchase of 2026 for transfer to employees. (7) Approved the motion regarding the 2026 Annual General Meeting of Shareholders (newly added motion).

- (X) During the most recent fiscal year and up to the date of this annual report's publication, there were no instances of directors dissenting from material resolutions passed by the Board of Directors with a recorded or written statement.

IV. Information on Attesting CPA Fees

- (I) The amounts of audit fees and non-audit fees paid to the attesting certified public accountants, their firm, and affiliated enterprises, as well as the details of non-audit services provided:

Information on Attesting CPA Fees

Unit: NTD thousands

Accounting firm name	CPA Name	CPA audit period	Audit fees	Non-audit fees (Note)	Total	Remarks
Deloitte Taiwan	Lih-Dong Wu	2025/01/01~2025/12/31	1,660	1,188	2,848	
	Dung-Yun Tseng	2025/01/01~2025/12/31				

Note: Non-audit fees included tax certification of NT\$250 thousand, earnings transfer to capitalization fees of NT\$95 thousand, transfer pricing report of NT\$170 thousand, agreement procedure report of NT\$450 thousand, business and income tax provisional certification of NT\$150 thousand, and other fees totaling NT\$73 thousand.

- (II) There were no changes to the accounting firm during which the audit fees paid for the year were less than those paid in the previous year: This did not occur.
- (III) Any reduction in audit fees of 10% or more compared to the previous year should be disclosed, including the amount of the reduction, the percentage, and the reason for the decrease: None.

V. Information on Changing Accountants

If the Company has changed external accountants within the most recent two fiscal years and up to the reporting date, it should disclose the following:

(I) About the Former CPA

Change Date	First quarter of 2026		
Reason for change and explanation.	Due to the internal rotation policy at Deloitte Taiwan, the Board of Directors approved a change in the certifying accountants for the first quarter of 2026, replacing Li-Dong Wu and Dong-Yu Tseng with Li-Dong Wu and Jui-Lung Hsu.		
Description of the client's or CPA's termination of the appointment or refusal to accept it.	Situation	Party	CPA
	Voluntarily end the appointment.		-
	No longer accepting (or continuing) the appointment.		-
Audit report opinions other than unqualified opinions, and the reasons for them, issued within the past two years.	Not applicable.		
Whether there are any disagreements with the issuer.	Yes	-	Accounting principles or practices
		-	Disclosure of financial reports
		-	Audit scope or steps
		-	Others
	None	✓	
Description: Not applicable.			
Other disclosures (Items 1-4 to 1-7 of paragraph 6 of Article 10 of this Regulation should be disclosed.)	Not applicable.		

(II) About the successor auditors

Firm name	Deloitte Taiwan
CPA Name	CPAs Lih-Dong Wu and Ruei-Lung Hsu
Date of commission	From the first quarter of 2026
Consultations and results regarding the accounting treatment or accounting principles for specific	Not applicable.

transactions, and opinions that may be issued with the financial statements, prior to appointment.	
Written opinion of the successor auditor regarding differing opinions of the predecessor auditor.	Not applicable.

(III) The former accountant's response regarding items 1 and 2-3 of Paragraph 6, Article 10 of these Regulations:

Not applicable.

VI. If the Company's Chairman, General Manager, or manager responsible for financial or accounting affairs has been employed by a certified public accounting firm or its affiliates within the past year, the names, titles, and employment period at the certified public accounting firm or its affiliates must be disclosed: None.

VII. Details of share transfers and pledges by directors, managers, and shareholders holding more than 10% ownership interest during the most recent fiscal year and up to the date of publication of this annual report.

(I) Changes in shareholdings of directors, managers, and major shareholders

Title	Name	2025		As of April 25 of the current year	
		Change in shareholding	Change in the number of pledged shares	Change in shareholding	Change in the number of pledged shares
Director and major shareholder	Tso Jung Investment Co., Ltd.	12,883,926	0	0	0
Corporate director and Chairperson	Tso Jung Investment Co., Ltd. Representative: Wei-Ju Liu (Note 1)	0	0	-	-
Corporate director and Chairperson	Tso Jung Investment Co., Ltd. Representative: Hsi-Kun Wu (Note 2)	429,735	0	6,453,000	0
Director	Chia-Chi Kuo	51,601	0	0	0
Director	Cheng-Young Lin	54,468	0	0	0
Director	Wu-Kuo Zhou	66,248	0	0	0
Director	Chao-Shu Chen	85,154	0	0	0
Director	Chih-Cheng Hung (Note 3)	(14,500)	0	0	0
Independent director	Ming-Hai Li	0	0	0	0
Independent director	Yung-Jen Tsao	0	0	0	0
Independent director	Yao-Chia Wen	0	0	0	0

Title	Name	2025		As of April 25 of the current year	
		Change in shareholding	Change in the number of pledged shares	Change in shareholding	Change in the number of pledged shares
Deputy General Manager, acting General Manager	Feng-Chiu Lin (Note 4)	0	0	-	-
Director of the Chairman's Office, Secretary to the Chairman, and Acting General Manager	Yi-Chia Hou (Note 5)	-	-	0	0
Corporate Governance Officer	Hui-Wen Ke	(29,531)	0	0	0
Accounting and Finance Manager	Ren Feng Wu(Note 6)	364	0	-	-
Financial Controller	Wen-Ting Liao (Note 7)	-	-	0	0
Accounting Supervisor	Feng-Wei Huang (Note 7)	-	-	0	0
Chairman's Special Assistant	Chen-Yu Tsung (Note 8)	0	0	-	-
Chairman's Special Assistant	Zuo-Chang Wu (Note 9)	-	-	0	0
Chairman's Special Assistant	Tzu-Kuan Chen (Note 10)	-	-	0	0
Assistant Vice President	Ching-Chuan Chen (Note 11)	(6,811)	0	-	-
Manager	Chia-Hung Kang (Note 12)	-	-	-	-

Note 1: Resigned on June 5, 2025. The shareholding change period for 2025 was from January 1 to June 5, 2025.

Note 2: Assumed office on June 5, 2025, and the shareholding period for 2025 was from June 5 to December 31, 2025.

Note 3: Assumed the position of General Manager on May 10, 2024; became a director during the director election on June 12, 2024; resigned as General Manager on February 28, 2025.

Note 4: Appointed as Acting General Manager on March 1, 2025, and resigned as General Manager on February 28, 2026.

Note 5: Appointed as Acting General Manager on March 1, 2026.

Note 6: Assumed the role of financial officer on March 12, 2025, and was relieved of duties as accounting and financial officer on March 11, 2026.

Note 7: Appointed on March 11, 2026.

Note 8: Appointed on 13 August 2025; resigned on 31 January 2026.

Note 9: Appointed on March 10, 2026.

Note 10: Appointed on April 22, 2026.

Note 11: Resigned on March 31, 2026.

Note 12: Resigned on May 31, 2025.

(II) Information on share transfers by directors, managers, and shareholders holding more than 10% of the shares to related parties: None.

(III) Information on related parties among the counterparties to equity pledges by directors, managers, and shareholders holding more than 10% ownership interest: None.

VIII. Information on whether the top ten shareholders are related to each other, or are spouses or relatives within the second degree of kinship.

Information on relationships among the top ten shareholders.

APRIL 25, 2026

Name (Note 1)	Shares held		Shareholding by spouse or minor children		Holding shares in aggregate under other people's names.		The names and relationships of the top ten shareholders who are related to each other, or who are spouses or relatives within the second degree of kinship. (Note 2)		Remarks
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
Tso Jung Investment Co., Ltd. Representative: Hsi-Kun Wu	49,965,145 8,110,551	10.34% 1.69%	0 3,954,110	0.00% 0.82%	0 0	0.00% 0.00%	Su-Ju Liu Zuo-Jung Wu Shun-Wen Wu	Supervisor Director Director	The Company's Directors
Yi-Fang Cheng	11,899,475	2.48%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Dian Jiang Jia Investment Co., Ltd. Representative: Ching-Sung Chen	9,260,109 0	2.60% 0.00%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Hsi-Kun Wu	8,110,147	1.69%	3,954,110	0.82%	0	0.00%	Su-Ju Liu Zuo-Jung Wu Shun-Wen Wu	Spouse Father and son Father and daughter	
Zuo-Jung Wu	4,991,292	1.04%	0	0.00%	0	0.00%	Hsi-Kun Wu Su-Ju Liu Shun-Wen Wu	Father and son Mother and child Brother and sister	
Standard Chartered Trust Vestas New Emerging Markets High Dividend Fund	4,916,000	1.02%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
Su-Ju Liu	3,954,110	0.82%	8,110,147	1.69%	0	0.00%	Hsi-Kun Wu Zuo-Jung Wu Shun-Wen Wu	Spouse Mother and son Mother and daughter	
Shun-Wen Wu	3,320,036	0.69%	0	0.00%	918,884	0.19%	Hsi-Kun Wu Su-Ju Liu Zuo-Jung Wu	Father and daughter Mother and daughter Brother and sister	
Standard Chartered Trust Vestdene Emerging Markets Small Cap Dividend Fund Investment Account	2,009,000	0.42%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	
HSBC Bank (Taiwan) Company Limited serves as trustee for the Global Delta Emerging Markets Fund Limited Partnership Investment Account.	1,876,000	0.39%	Note 3	Note 3	Note 3	Note 3	Note 3	Note 3	

Note 1: List the top ten shareholders. For corporate shareholders, include the name of the corporation and the name of its representative.

Note 2: The shareholders listed above, including both corporations and individuals, must have their relationships with each other disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 3: As this shareholder is an insider of the Company, information regarding their spouse, minor children, or shares held through nominee accounts is unavailable.

IX. The number of shares held by the Company, its directors, and managers, as well as by businesses directly or indirectly controlled by the Company, in the same investee, together with the consolidated shareholding ratio, is calculated as follows:

Unit: shares; %

Reinvestment (Note 1)	The Company's investment		Investment by directors, managers, and those directly or indirectly controlling the business.		Comprehensive investment	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Zongtai Construction Co., Ltd. (Note 2)	60,000,000	100.00%	-	-	60,000,000	100.00%
Jih Tai Asset Management Co., Ltd.	30,000,000	100.00%	-	-	30,000,000	100.00%
Fu Hua Construction Co., Ltd.	10,000,000	100.00%	-	-	10,000,000	100.00%
Da Shun Advertising Co., Ltd.	2,000,000	100.00%	-	-	2,000,000	100.00%
Inchao International Co., Ltd. (Note 3)	10,000,000	100.00%	-	-	10,000,000	100.00%

Note 1: This represents the Company's investments accounted for using the equity method.

Note 2: Reduced capital by 40,000,000 shares in August 2025.

Note 3: Sheng-Lin Construction Co., Ltd. was renamed in February 2026, reduced capital by 50,000,000 shares in April 2026.

Three. Funding Status

I. Capital and Stock

(I) Sources of equity

1. History of Share Capital Issuance

Unit: NT\$ thousands; thousands of shares

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of equity	Those who contribute non-cash assets to share capital.	Other
1997.11	10.00	2,000	20,000	1,050	10,500	Rights offering	None	
1998.06	10.00	2,000	20,000	1,890	18,900	Rights offering	None	1998.06.06 Jing(87)-Chien-San-Yi Letter No. 175591
1998.11	10.00	8,000	80,000	3,500	35,000	Rights offering	None	1998.12.18 Jing(87)-Shang No. 087141472
1999.12	10.00	8,000	80,000	5,000	50,000	Rights offering	None	1999.06.14 Construction Project(88) No.185190
2000.04	10.00	16,000	160,000	10,000	100,000	Rights offering	None	2000 Jing(89)-Shang No. 089116984
2000.06	10.00	16,000	160,000	15,000	150,000	Rights offering	None	2000.06.23 Jing(89)-Shang No. 089120398
2001.07	10.00	49,000	490,000	24,458	244,580	Turned a loss into a profit	None	2001.07.02 (90) Taitzheng (I) No. 142144
2002.05	10.00	59,000	590,000	30,789	307,887	Turned a loss into a profit	None	2002.04.29 (91) Taitzheng (I) No. 119612
2003.08	10.00	59,000	590,000	32,606	326,062	Turned a loss into a profit	None	2003.07.04 (91) Taitzheng (I) No. 0920129813
2004.10	10.12	59,000	590,000	32,663	326,632	Conversion of stock warrants	None	2004.11.11, Ministry of Justice Letter No. 09332987850
2006.12	10.00	59,000	590,000	16,863	168,632	Capital reduction	None	2007.11.23, Jing-Shou-Zhong Letter No. 09631605430
2006.12	8.00	59,000	590,000	16,988	169,882	Private placement and capital increase	None	2007.11.23, Jing-Shou-Zhong Letter No. 09631605430
2007.03	7.84	59,000	590,000	33,988	339,882	Private placement and capital increase	None	2007.04.10, Jing-Shou-Zhong Letter No. 09631924880
2007.10	10.95	70,000	700,000	43,375	433,751	Corporate bonds and warrant conversion	None	2007.10.05, Jing-Shou-Zhong Letter No. 09632861310
2007.10	11.80	70,000	700,000	43,376	433,761	Conversion of stock warrants	None	2007.10.30, Jing-Shou-Zhong Letter No. 09632977140
2008.12	10.00	120,000	1,200,000	32,532	325,321	Capital reduction	None	2008.10.31, Jing-Shou-Zhong Letter No. 09701327530

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of equity	Those who contribute non-cash assets to share capital.	Other
2008.12	7.00	120,000	1,200,000	62,532	625,321	Private placement and capital increase	None	2008.10.31, Jing-Shou-Zhong Letter No. 09701327530
2009.09	7.70	120,000	1,200,000	62,557	625,571	Conversion of stock warrants	None	2009.09.15, Jing-Shou-Zhong Letter No. 09801211800
2009.11	7.70	120,000	1,200,000	62,656	626,561	Conversion of stock warrants	None	2009.11.10, Jing-Shou-Zhong Letter No. 09801259910
2010.02	9.15	120,000	1,200,000	63,123	631,226	Conversion of stock warrants	None	2010.10.22, Jing-Shou-Zhong Letter No. 09901033410
2010.05	10.35	120,000	1,200,000	64,434	644,345	Conversion of stock warrants	None	2010.05.05, Jing-Shou-Zhong Letter No. 09901090890
2010.07	20.00	120,000	1,200,000	89,434	894,345	Rights offering	None	2010.07.06, Jing-Shou-Zhong Letter No. 09901144220
2010.08	7.70	120,000	1,200,000	89,474	894,741	Conversion of stock warrants	None	2010.08.16, Jing-Shou-Zhong Letter No. 09901184910
2010.12	10.19	120,000	1,200,000	89,563	895,631	Conversion of stock warrants	None	2010.12.02, Jing-Shou-Zhong Letter No. 09901267160
2011.03	10.69	120,000	1,200,000	89,705	897,050	Conversion of stock warrants	None	2011.03.11, Jing-Shou-Zhong Letter No. 10001046540
2011.05	10.91	120,000	1,200,000	90,194	901,940	Conversion of stock warrants	None	2011.05.27, Jing-Shou-Zhong Letter No. 10001109130
2011.11	20.00	120,000	1,200,000	110,194	1,101,940	Rights offering	None	2011.11.24, Jing-Shou-Zhong Letter No. 10001265860
2012.03	10.83	120,000	1,200,000	110,327	1,103,268	Conversion of stock warrants	None	2012.03.30, Jing-Shou-Zhong Letter No. 10101056470
2012.09	10.00	200,000	2,000,000	133,537	1,335,372	Dividends and bonuses	None	2012.09.11, Jing-Shou-Zhong Letter No. 10101189080
2013.08	10.00	200,000	2,000,000	140,824	1,408,240	Dividends and bonuses	None	2013.08.08, Jing-Shou-Zhong Letter No. 10201160320
2013.11	26.10	200,000	2,000,000	144,912	1,449,120	Conversion of corporate bonds	None	2013.11.28, Jing-Shou-Zhong Letter No. 10201242480
2014.03	26.10	200,000	2,000,000	149,763	1,497,625	Conversion of corporate bonds	None	2014.10.25, Jing-Shou-Zhong Letter No. 10301046480
2014.06	26.10	200,000	2,000,000	149,946	1,499,464	Conversion of corporate bonds	None	2014.06.03, Jing-Shou-Zhong Letter No. 10301098140
2014.08	21.00	200,000	2,000,000	172,946	1,729,464	Rights offering	None	2014.08.15, Jing-Shou-Zhong Letter No. 10301160320

Year and Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of equity	Those who contribute non-cash assets to share capital.	Other
2015.09	10.00	200,000	2,000,000	199,347	1,993,471	Dividends and bonuses	None	2015.08.16, Jing-Shou-Zhong Letter No. 10401193280
2016.01	10.50	500,000	5,000,000	229,347	2,293,471	Rights offering	None	2016.07.06, Jing-Shou-Zhong Letter No. 10501001910
2016.07	18.90	500,000	5,000,000	230,485	2,304,847	Conversion of corporate bonds	None	2016.07.18, Jing-Shou-Zhong Letter No. 10501157460
2018.04	8.70	500,000	5,000,000	231,689	2,316,895	Conversion of stock warrants	None	2018.04.02, Jing-Shou-Zhong Letter No. 10701035910
2018.11	10.00	500,000	5,000,000	208,521	2,085,205	Capital reduction	None	2018.10.23, Jing-Shou-Zhong Letter No. 10701149140
2019.04	8.30	500,000	5,000,000	209,215	2,092,153	Conversion of stock warrants	None	2019.04.19, Jing-Shou-Zhong Letter No. 10801044230
2019.11	7.70	500,000	5,000,000	209,288	2,092,877	Conversion of stock warrants	None	2019.11.27, Jing-Shou-Zhong Letter No. 10801166170
2021.04	13.55	500,000	5,000,000	210,791	2,107,907	Conversion of stock warrants	None	2021.04.28, Jing-Shou-Zhong Letter No. 11001062270
2022.04	12.20	500,000	5,000,000	211,717	2,117,167	Conversion of stock warrants	None	2022.04.08, Jing-Shou-Zhong Letter No. 11101052600
2022.08	23.50	500,000	5,000,000	242,717	2,427,167	Rights offering	None	2022.08.23, Jing-Shou-Zhong Letter No. 11101154590
2022.11	11.30	500,000	5,000,000	242,749	2,427,487	Conversion of stock warrants	None	2022.11.17, Jing-Shou-Zhong Letter No. 11101220710
2023.09	10.00	1,000,000	10,000,000	342,276	3,422,757	Dividends and bonuses	None	2023.09.11, Jing-Shou-Zhong Letter No. 11230171010
2024.09	10.00	1,000,000	10,000,000	355,967	3,559,667	Dividends and bonuses	None	2024.09.10, Jing-Shou-Zhong Letter No. 11330160890
2025.08	10.00	1,000,000	10,000,000	480,555	4,805,551	Dividends and bonuses	None	2025.08.28, Jing-Shou-Zhong Letter No. 11430136870

2. Share types

Share types	Authorized capital			Remarks
	Outstanding shares (listed)	Unissued shares	Total	
Common stock	480,555,051	519,444,949	1,000,000,000	6,000,000 shares are reserved for employee stock options.

3. Information regarding the aggregate reporting system: Not applicable.

(II) List of major shareholders

April 25, 2026

Name of major shareholder	Stock	Number of shares held	Shareholding percentage
Tso Jung Investment Co., Ltd.		49,695,145	10.34%
Yi-Fang Cheng		11,899,475	2.48%
Dian Jiang Jia Investment Co., Ltd.		10,800,147	2.25%
Hsi-Kun Wu		8,110,551	1.69%
Zuo-Jung Wu		4,991,292	1.04%
Standard Chartered Trust Vestas New Emerging Markets High Dividend Fund		4,916,000	1.02%
Su-Ju Liu		3,954,110	0.82%
Shun-Wen Wu		3,320,036	0.69%
Standard Chartered Trust Vestdene Emerging Markets Small Cap Dividend Fund Investment Account		2,009,000	0.42%
HSBC Bank (Taiwan) Company Limited serves as trustee for the Global Delta Emerging Markets Fund Limited Partnership Investment Account.		1,876,000	0.39%
Total		101,571,756	21.14%

(III) Company dividend policy and implementation status

1. The Company's dividend policy:

Article 18	<p>If the Company makes a profit in a year, it must allocate 0.1% to 5% as employee remuneration and no more than 2% as director remuneration. However, if accumulated losses exist, funds must be reserved to cover the deficit. In the aforementioned employee compensation, at least 25% should be allocated for distribution to rank-and-file employees. Employee remuneration may be paid in stock or cash, with eligible recipients including employees of qualifying subsidiary companies. However, director's remuneration must be paid in cash only.</p> <p>The distribution of employee and director remuneration must be approved by the Board of Directors and reported to the shareholders' meeting.</p>
Article 18-1	<p>When the Company has no profits, no dividends or distributions may be made.</p> <p>If a surplus exists in the Company's annual final accounts, distributable surplus shall be calculated in the following</p>

order. After retaining a portion based on business conditions and capital needs, the Board of Directors will prepare a surplus distribution proposal for approval by the shareholders' meeting.

- (I) Pay taxes.
- (II) To make up for accumulated losses.
- (III) Allocate statutory surplus.
- (IV) Appropriation or reversal of special reserves as required by law.
- (V) The accumulated undistributed earnings at the beginning of the period, together with the undistributed earnings adjustment for the year, are carried forward.

If all or part of the dividends and bonuses are distributed in cash, the Board of Directors is authorized to approve the distribution with the attendance of more than two-thirds of the directors and the affirmative vote of a majority of those present, and to report to the shareholders' meeting. The requirement for a shareholders' meeting resolution outlined in the preceding paragraph does not apply.

The Company's dividend policy is determined by its operating performance, capital needs, and changes in the internal and external environment, while also considering shareholder interests, and may be distributed in full or in part. Earnings may be distributed as cash or stock dividends. The dividend distribution amount is maintained between 20% and 100% of distributable earnings for the current year, with cash dividends representing at least 10% of the total dividend.

Note: The Board of Directors approved the amendment to Article 18-1 of the Company's Articles of Incorporation on March 10, 2026 (previous omitted) ... The distribution of surplus may be made in the form of cash dividends or stock dividends, and the dividend distribution amount will be maintained between 10% and 100% of the distributable earnings for the current year, provided that cash dividends will not be less than 10% of the total dividend. It was

submitted to the regular shareholders' meeting on June 23, 2026 for discussion and resolution.

2. Proposed dividend distribution at this shareholder meeting: On March 10, 2026, the Board of Directors resolved to distribute cash dividends totaling NT\$293,138,581 for the year 2025 (NT\$ 0.61 per share). This distribution is subject to report by at the meeting on June 23, 2026.
3. When a material change in dividend policy is expected, an explanation should be provided: There has been no material change in the dividend policy.

(IV) Impact of the proposed stock dividend at the shareholder meeting on the Company's business performance and earnings per share: N/A; no proposal for bonus share issuance at the Shareholders' Meeting.

(V) Employee and director remuneration

1. The percentages or ranges of employee and director remuneration as stated in the Company's Articles of Incorporation:

If the Company makes a profit in a year, it must allocate 0.1% to 5% as employee remuneration and no more than 2% as director remuneration. However, if accumulated losses exist, funds must be reserved to cover the deficit.

In the aforementioned employee compensation, at least 25% should be allocated for distribution to rank-and-file employees. Employee remuneration may be paid in stock or cash, with eligible recipients including employees of qualifying subsidiary companies. However, director's remuneration must be paid in cash only.

The distribution of employee and director remuneration must be approved by the Board of Directors and reported to the shareholders' meeting.

2. The basis for estimating the current period's employee and director remuneration, the calculation basis for the number of shares distributed as employee remuneration, and the accounting treatment for any differences between the estimated amount and the actual amount distributed:
The basis for estimating employees' and directors' remuneration for 2025 was the profit before tax, prior to any distribution of employee and director bonuses, with consideration given to statutory retained earnings and other

relevant factors. The final estimate was calculated based on the percentages stipulated in the Articles of Incorporation (0.3% for employees' remuneration and 0.7% for directors' remuneration) and recognized as operating expenses for 2025.

The number of shares used to calculate employee remuneration distributed as stock is based on the closing price on the day before the Board of Directors' resolution.

If the actual distribution amount approved by the Board of Directors differs from the estimated amount, the difference is recognized as profit or loss in the year of the Board's resolution.

3. Remuneration distributions approved by the Board of Directors:

(1) Employees' and directors' remuneration paid in cash or stock:

On March 10, 2026, the Board of Directors resolved to distribute NT\$1,888,252 in employee remuneration and NT\$4,405,920 in director remuneration, both paid in cash. The proposed distribution amount matched the estimated amount expensed for the fiscal year.

(2) The percentage of employee remuneration distributed in the form of stock relative to the standalone or individual financial statement net income after tax and total employee remuneration: The Board of Directors has resolved to distribute the entire employee remuneration in cash.

4. Actual distribution of remuneration to employees, directors, and supervisors for the previous fiscal year:

The Company distributed \$16,482,045 as employee remuneration and \$27,470,076 as director remuneration for 2025; this was the same as the employee and director remuneration recognized in 2024.

(VI) The Company's repurchase of its own shares: During the most recent fiscal year and as of the date of this annual report's publication, the Company has not repurchased any of its own shares.

II. Corporate bond offerings:

Types of Corporate Bonds	The first secured ordinary corporate bonds issued in 2025. (Code: B87502)	
Issue date	2025.9.24	
Face value	NT\$1 million	
Place of issuance and trading (Note)	Not applicable.	
Issue price	Issued at face value	
Total amount	NT\$1.5 billion	
Interest rate	Coupon rate: 2% fixed annual rate.	
Expiration	Five-year term. Maturity date: 2030.9.24.	
Guaranteeing institution	First Commercial Bank Co., Ltd.	
Trustee	Land Bank of Taiwan	
Underwriting firm	First Securities Co., Ltd.	
Attesting attorney	Attorney Ya-Wen Chiu, Louis & Charles Attorneys at law	
CPA	CPA Lih-Dong Wu, Deloitte Taiwan	
Repayment method	Principal is due in a single payment five years after the issue date.	
Outstanding principal	NT\$1.5 billion	
Redemption or early repayment provisions	Not applicable.	
Restrictive clauses	None	
Name of credit rating agency, rating date, corporate bond rating result	Not applicable.	
Other rights reserved.	Amount of common stock, overseas depositary receipts, or other marketable securities converted (exchanged or subscribed).	Not applicable.
	Issuance and Conversion (Exchange or Subscription) Procedures	Please refer to the Company's offering memorandum for its first secured ordinary corporate bonds issued in 2025.
Issuance and conversion, exchange, or subscription procedures, issuance terms, potential dilution of equity, and impact on existing shareholders' rights.	Please refer to the Company's offering memorandum for its first secured ordinary corporate bonds issued in 2025.	
Name of the Exchange Custodian Institution	Not applicable.	

Note: Complete this section for offshore corporate bonds.

III. Issuance of preferred shares: Not applicable.

IV. Overseas depository receipts: Not applicable.

V. Employee stock option certificates:

(I) The Company must disclose its unexpired employee stock warrants as of the annual report publication date, along with their impact on shareholders' equity:

May 12, 2026

Types of Employee Stock Options	2024 Employee Stock Warrants
Date of effect and total unit count	January 9, 2024 3,000 units (Each unit entitles the holder to subscribe for 1,000 common shares)
Issue (process) date	April 24, 2024
Number of units issued	3,000 units
A limited number of units remain available for issuance.	-
Percentage of shares offered for subscription relative to total issued shares.	0.62%
Subscription term	April 24, 2024 to April 23, 2028
Method of fulfillment	New share issuance
Restricted subscription period and ratio	Stock options become 60% exercisable after two years. After three years, 100% of stock options are vested and exercisable.
Number of shares acquired	0 shares
Executed subscription amount	\$0
Unsubscribed shares	1,999,000 shares
The subscription price per share for non-subscribers.	\$20.50
Ratio of unexercised subscription rights to total issued shares.	0.42%
Impact on shareholders' equity	The impact on equity dilution for existing common stockholders is minimal.

(II) As of the annual report's publication date, the names of managers who have been granted employee stock warrants and the top ten employees with warrants to subscribe, along with details of their acquisition and subscription, are as follows:

May 12, 2026

	Title	Name	Number of subscription shares acquired	Percentage of subscribed shares to total issued shares	Completed				Not executed.			
					Number of warrant shares	Subscription price	Subscription amount	Percentage of subscribed shares to total issued shares	Number of warrant shares (Note 1)	Subscription price	Subscription amount	Percentage of subscribed shares to total issued shares
Manager	Deputy General Manager	Feng-Chiu Lin (Note 2)	306,000 shares	0.06%	-	-	-	-	175,000 shares	20.50	3,587,500	0.04%
	Chief Secretary to the Chairman	Yi-Chia Hou (Note 3)										
	Corporate Governance Officer	Hui-Wen Ke										
	Assistant Vice President	Ching-Chuan Chen (Note 4)										
	Finance and Accounting Manager	Ren-Feng Wu (Note 5)										
	Manager	Chia-Hung Kang (Note 6)										
Employee	General Manager of Subsidiary	Chien-Chung Lu	683,000 shares	0.14%	-	-	-	-	498,000 shares	20.50	10,209,000	0.10%
	Deputy General Manager of Subsidiary	Wen-Yan Han										
	Special Assistant	Chin-Jung Tsai										
	Manager	Hui-Ching Wu										
	Chairman of the subsidiary	Chi-Sheng Tsai										
	Assistant General Manager of Subsidiary	Chin-Chun Lin										
	Audit	Ai-Chen Huang										
	Legal affairs	Chung-Hsin Huang										
	Deputy Manager	Yi-Ching Fu										
	Manager	Mei-Ling Hung										

Note 1: The number of unexercised stock options excludes those of former employees.

Note 2: Appointed as Acting General Manager on March 1, 2025, and resigned as General Manager on February 28, 2026.

Note 3: Appointed as Acting General Manager on March 1, 2026.

Note 4: Resigned on March 31, 2026.

Note 5: Assumed the role of financial officer on March 12, 2025, and was relieved of duties as accounting and financial officer on March 11, 2026.

Note 6: Resigned on May 31, 2025.

VI. Restricted employee stock grants: Not applicable.

VII. Issuances of new shares related to mergers or acquisitions of other companies' shares: None.

VIII. Implementation status of capital utilization plans: As of the date of this annual report, the Company has not had any capital utilization plans that remained uncompleted or were completed but have not yet yielded apparent benefits.

Four. Operational Overview

I. Business operations

(I) Business scope

1. Scope of Operation: The Group primarily commissions construction contractors to build residential and commercial buildings for lease or sale, and undertakes domestic and overseas civil and hydraulic engineering construction projects.

2. Main business contents and their business proportion (Unit):

NTD thousands; %

Business operations	2025 Revenue	Revenue share
Property sales revenue	3,209,396	79.16%
Construction revenue	726,684	17.92%
Other	118,352	2.92%
Total	4,054,432	100.00%

3. Our current main products include residential and retail sales, as well as construction contracting.

4. New products under development:

In the future, considering the global financial environment and domestic housing market trends, the Company adopted a prudent approach to project launches and initiated public sales of key area developments at the appropriate time. To effectively reduce investment risk and accelerate capital circulation, the Company continuously optimizes its product positioning, focusing on locations with development potential and launching products that meet market demand. By precisely managing the development timeline, we ensure financial resilience. Deepen product differentiation to strengthen competitive advantages, and comprehensively implement digital transformation across marketing and after-sales service. Leverage technology-driven precision marketing to enhance overall operational synergy, enabling the Company to maintain competitiveness in a dynamic industry environment and achieve long-term growth goals.

(II) Industry overview

1. Current conditions and development in the construction industry:

Looking back at the performance of the domestic real estate market, the number of registered building transactions nationwide has remained stable above 300,000 units for several years, indicating sustained overall demand supported by ample funding and strong underlying need. In 2025, continuing effects from prior financial policy adjustments and credit controls have led the housing market to gradually transition from overheating to a period of rational observation and consolidation, with trading momentum stabilizing. In the international environment, shifts in the global political and economic landscape and the rise of trade protectionism have led countries to adopt more assertive tariff policies and energy transition strategies. This is particularly evident in the intensifying competition for key strategic industries and raw materials, which has directly impacted the stability of the global supply chain. Geopolitical conflicts, such as the Russia-Ukraine war, have also put pressure on international commodity prices, further increasing uncertainty in construction material and carbon costs. The Company closely monitors global financial volatility and shifts in the international trade system, carefully evaluating their effects on domestic real estate construction costs and investor confidence. We are adjusting development schedules and procurement strategies on a rolling basis to ensure stable operations in the evolving macroeconomic environment.

2. The relationships between upstream, midstream, and downstream players in the industry.

- (1) The real estate development process encompasses a wide range of players, from landowners and land brokers to scriveners and financial institutions. It extends to surveying, design, construction, plumbing, building materials, advertising, and interior finishing, as well as asset and property management. This broad scope makes real estate a key driver for various industries and a significant indicator of economic development.
- (2) Real estate development begins with land acquisition, followed by development based on its intended use. This process requires land

transfer registration and financing, typically handled by a conveyancer and a financial institution. In addition, survey companies conduct on-site measurements, and drilling companies perform geological investigations. During the planning and design phase, architectural firms, interior design companies, or landscape design companies handle the building's structural and interior design, as well as apply for relevant permits.

- (3) At the sales stage, both the sales department and the advertising company conduct sales operations, while the interior design industry handles the design and construction of the sales center, model homes, and actual units. Promotion also involves utilizing a variety of media channels throughout this process.
- (4) In the construction stage, construction firms, along with the electromechanical and fire protection industries, provide a substantial workforce and materials. A wide range of industries are involved. After completion and handover of the building, ongoing property management, as well as mechanical (plumbing), electrical, and fire safety services are required to maintain its functionality. Occupancy drives demand for furniture, home décor, and appliances, and this comprehensive process effectively stimulates economic activity, positively contributing to economic growth.

3. Product development trends

As Taiwanese people place increasing emphasis on quality of life, the planning of housing projects and efficient use of space have become key considerations for homebuyers. Convenient access to amenities and desirable school districts remain important factors, and construction quality is crucial for establishing a strong reputation. Sophisticated, human-centered design, functional versatility, and locations with excellent amenities are expected to shape the future of housing development.

In addition, growing environmental awareness has led to the gradual integration of energy efficiency and sustainability concepts into all stages of building development—from land development and building planning to construction and the operation of completed buildings. Driven by environmental concerns, ecological principles, and government policies, green building practices have become an increasingly forward-looking

direction for the construction industry. Driven by government initiatives, green building has become a widespread trend, and encouragement of private sector participation has naturally fostered a market mechanism and environment for the industry. This has enabled broad public adoption of green building practices to achieve effective resource utilization, energy conservation, and reduced carbon dioxide emissions. As green building aligns with concepts of energy efficiency, ecology, and environmental protection—and promotes healthier, more comfortable living—it has become the prevailing trend.

4. Competition

The Company's management team has demonstrated strong business resilience, leveraging its established brand strength in key markets. In the face of market competition, the Company has maintained its information advantage in land development and carefully evaluated strategic locations with long-term growth potential. Furthermore, it has differentiated itself from competitors to avoid price wars. In recent years, the Company has actively pursued brand transformation and upgrading, integrating international architectural trends and a commitment to sustainability into its core values. It has focused on developing high-value, forward-looking landmark buildings and enhancing product value and brand recognition through lifestyle aesthetics and cross-industry collaborations.

Looking ahead, the Company will pursue a targeted development strategy in key high-potential locations, establishing market differentiation through superior spatial planning and strong branding. In response to subsequent construction costs and market fluctuations, the Company has continued to improve operational efficiency through streamlined management processes. Simultaneously, it is integrating brand identity into product development by adopting smart and modern design concepts. By fostering a strong connection between brand strength and product innovation over the long term, the Company aims to establish a robust competitive advantage and achieve sustained corporate growth and value maximization.

(III) Overview of Technology and R&D

Our company is dedicated to integrating building technology applications and management performance. We leverage digital modeling technology to seamlessly connect the design phase with construction sites,

enhancing project control rigor. The planning and procurement teams continuously monitor market trends in building materials and new design innovations, integrating these insights into practical product planning to ensure development projects are competitive and offer high-quality living spaces.

In project execution, the Company leverages group synergy. A subsidiary has introduced the BIM architectural information modeling system to achieve precise control over project schedules and materials through accurate simulation. The system facilitates pre-construction collision detection and process optimization, effectively reducing resource consumption, precisely controlling development costs, and ensuring project quality. Leveraging proven technologies establishes a solid foundation for sustainable business operations.

The Company and its subsidiaries have invested considerable human resources and costs over the years to continuously launch new services and systems to meet public demand for real estate transactions. However, the Company and its subsidiaries currently focus primarily on housing development and construction services, and research and development investment is not applicable to their current operations. Therefore, they have not yet established future R&D plans or estimated R&D expenses.

(IV) Long- and short-term business plans

1. Short-term goal: Successful project sales.

2. Mid-term goals:

- (1) Enhance corporate brand value.
- (2) Expand commercial investment.
- (3) Development for land efficiency.
- (4) Strengthening resident brand identity.

3. Long-term goals:

(1) Prudent management and transparent operations

We maintain sound financial health and leverage the advantages of our public listing to strengthen corporate governance and ensure the Company's sustainable development.

(2) Strengthening its core business through cross-industry collaboration:

Rooted in its construction expertise, the Company has actively pursued partnerships with businesses in other sectors. Beyond expanding revenue

streams, these collaborations leverage lifestyle aesthetics and external resources to enhance brand value and create added value.

(3) Resource integration and diversified expansion

Deepen integration of internal group resources and strengthen the group's competitiveness through precise process control and quality management. Simultaneously, evaluate opportunities for business diversification to create diversified and stable revenue streams.

II. Market and Sales Overview

(I) Market analysis

1. Main product sales regions

Currently, the Company's primary land development and sales activities are focused on Taichung City.

2. Market share

The Company launched "Crossing the New Divide" and "Yun Guang" in 2023 and 2025, respectively, based on projects in the Taichung area, and calculated the market share as follows:

Unit: NT\$100 million

Item/Year	2022	2023	2024	2025
Fu Hua Innovation (A)	0	86	0	19
Taichung area project launches (B)	3,158	3,534	3,891	2,515
Market share (A/B)	0.00%	2.43%	0.00%	0.76%

Source: Cathay Real Estate Index Quarterly Report, 2022–2025

3. Future market supply and demand and growth prospects

(1) Supply Situation:

According to research data on the domestic real estate market compiled by Cathay Construction and the Taiwan Real Estate Research Center of National Chengchi University, the total launch value of new projects nationwide in 2025 reached NT\$1.3575 trillion, a decrease of 27.38% compared to 2024. Transaction prices in all counties and cities experienced slight growth, averaging a 6.51% increase. In Taichung City, the average transaction price exceeded NT\$539,500 per ping.

Due to the impact of the "Sound Real Estate Market Program", the effects of the "Average Land Rights Act" and "House Hoarding Tax 2.0"

continue to develop. As the central bank has maintained its credit controls without easing them, market speculation has cooled. Although inflationary pressure has eased compared to previous years, policy controls and capital costs remain key variables affecting market growth. The housing market is expected to be driven primarily by owner-occupancy demand, and the construction industry has entered a period of stable growth focused on reducing existing inventory and competing on quality. Continued monitoring of the Central Bank's policies is necessary.

Project launch status by quarter nationwide for 2024 and 2025.

Item	Year	2024					2025				
		Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Number of cases		169	264	245	246	924	177	207	176	187	747
Total Saleable Units (Units)		14,917	27,645	25,068	21,996	89,626	15,654	18,758	13,871	17,212	65,495
Total saleable value (NT\$100 million)		2,739	5,575	5,682	4,698	18,694	3,233	3,584	2,920	3,839	13,576

Source: Cathay Real Estate Index press releases for 2024 and 2025 (Cathay Construction Co./Taiwan Real Estate Research Center, National Chengchi University)

Estimated launch volume and possible transaction prices per ping by district for 2025.

Item		Nationwide	Taipei City	New Taipei City	Taoyuan-Hsinchu Area	Taichung City	Tainan City	Kaohsiung City
Proposed case volume (NT\$100 million)	Amount	13,576	2,405	3,942	2,343	2,515	1,077	1,292
	Annual change (%)	-27.38	-34.27	-0.57	-32.38	-35.36	-20.48	-45.24
Possible transaction price per ping (NT\$10,000)	Amount	57.85	126.83	67.72	50.02	53.95	36.81	35.46
	Annual change (%)	6.51	7.47	4.21	7.76	9.70	2.33	3.39

Source: 2025 Cathay Real Estate Index press release (Cathay Construction Co./Taiwan Real Estate Research Center, National Chengchi University)

(2) Demand situation:

The main demand in the real estate market can be divided into two main categories: owner-occupiers and investors. Owner-occupied buyers have consistently demonstrated stable demand for real estate. As national income has risen and the population has grown, people have continued to seek larger homes and improved facilities, and increasingly prioritize quality of life. Furthermore, demand for home replacement and the natural attrition of older housing stock have remained ongoing factors, meaning owner-occupied buyers will continue to be the primary driver of

demand. Investment demand is more sensitive to real estate market cycles, political stability, policy adjustments, investor sentiment, and inflation.

According to statistics from the Department of Statistics, Ministry of the Interior, the total number of households nationwide reached 9,851 thousand by the end of 2025. With a nationwide population of approximately 23,299 thousand, the average household size was about 2.37 people. As the economy continued to grow, the effects of urbanization intensified, further accelerating the trend toward smaller family structures. Consequently, while the population has declined since 2020, the number of households has grown steadily, indicating a continuing basic demand for the real estate market.

Number of households and population in Taiwan from the end of 2020 through the end of 2025.

Year	Number of households	Annual household growth rate (%)	Population (persons)	Annual population growth rate (%)	Mean size of household (persons/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
End of 2025	9,851,532	3.84	23,299,132	-0.43	2.37

Source: Department of Statistics, Ministry of the Interior

(3) Growth:

The housing market weather vane score for January 2026 was 35 points, triggering a yellow-blue light signal—an indicator of a potential downturn—and marking a four-and-a-half-year low. With no sign of a market rebound yet, and no direct housing-related stimulus measures announced to date, the indicator suggests continued caution regarding demand.

Under ongoing credit controls from the Central Bank, home buyers face restrictions on capital, and investors have yet to find incentives to enter the market in the short term. The market is now supported

primarily by owner-occupiers and those purchasing for asset accumulation. As a result, the general residential market has returned to fundamental supply and demand principles, with buying interest focused on lower-priced, smaller units.

4. Competitive niche

(1) Superior land development capabilities

With years of construction experience and a wealth of land information sources, the Company has been able to identify prime locations with development potential in advance. It actively analyzes urban development trends and launches projects tailored to market demand based on its operational status.

(2) Understanding market demand, refined design, and meticulous planning

The Company is fully informed about property values and consumer preferences. As a result, we are able to develop products that effectively meet the needs of homebuyers, leading to strong sales for our current projects.

(3) Accurate management of project quality, schedule, and cost

The Company undertakes careful planning before launching each project, proactively estimating funding needs and maintaining strong banking relationships. The majority of primary contractors are government-approved and have established reputations. We rigorously monitor construction progress, product quality, and building costs, ensuring on-time delivery and consistent quality that meets customer expectations, resulting in stable profitability.

5. Factors favoring and hindering future development, and corresponding strategies

Influencing factors	Positive factors	Adverse factors	Responsive measures
Policy	<ol style="list-style-type: none"> 1. Major public construction projects. 2. The government is promoting social housing, the reconstruction of older housing, and smart green buildings. 3. The "Action Plan for Welcoming Overseas Taiwanese Businesses to Invest in Taiwan" has been extended to 2027, continuing to encourage overseas Taiwanese businesses to return to invest in Taiwan, create employment opportunities, and stimulate economic growth, thereby increasing demand for commercial and residential real estate. 	<ol style="list-style-type: none"> 1. The Russia-Ukraine war, the Israel-Palestine conflict, and the potential re-election of former U.S. President Trump are closely watched by markets, adding to the uncertainties surrounding the future of U.S.-China relations and the international political landscape. 2. As the Central Bank has not eased credit controls, tighter funding conditions have persisted, continuing to dampen homebuying interest. 3. House Hoarding Tax 2.0 has been implemented. 	<ol style="list-style-type: none"> 1. Strengthen land development, differentiate products, and build brand reputation by launching products that meet consumer needs and pursuing green building practices. 2. Engage qualified construction companies that meet quality standards and cost controls to enhance product competitiveness. 3. A healthy housing market and reasonable housing prices. 4. Five rigorous inspection processes and independent third-party certification ensure the rights of every resident. 5. Continue to enhance the accessibility of digital services and further deepen community building and brand management.
Economy	<ol style="list-style-type: none"> 1. Improvement in economic indicators. 2. Improvement in the manufacturing outlook. 	Inflation is rising, geopolitical conflicts are ongoing, and the economic outlook remains uncertain.	
Fundamentals of the housing market	<ol style="list-style-type: none"> 1. Driven by prevailing home-buying attitudes and the expectation of price increases, real estate continues to be seen as a stable investment that preserves value. 2. The Youth Housing Security Program 2.0 aims to ease the financial burden of homeownership for young people. 	<ol style="list-style-type: none"> 1. Rising raw material and labor costs, along with increasing land expenses. 2. The government's carbon tax is expected to impact the building materials supply chain. 3. ESG carbon pricing disclosure, and the implicit inclusion of carbon in costs, has led to higher costs. 	

(II) Important uses and manufacturing processes of major products.

1. Important uses of the main products: Residential buildings, including residential units and parking spaces.
2. Product manufacturing process:



(III) Supply status of major raw materials

1. Land: The Company has been actively seeking suitable locations for development, focusing on the central region as its primary market, with Taichung City as a key hub. It has purchased land and collaborated with landowners through joint ventures as needed to ensure an adequate supply.
2. Construction projects: We primarily collaborate with leading construction firms.
3. Materials: To enhance flexibility and control over the overall procurement process, we have progressively transitioned to a labor and materials contracting method, ensuring a stable supply of construction materials.

(IV) Names of customers accounting for at least 10% of total sales in either of the past two years, along with the amounts and percentages of their sales.

1. Information on major suppliers for the past two years

Unit: NTD thousands

Item	2024				2025				Up to the previous quarter of 2026 (Note)			
	Name	Amount	As a percentage of annual net purchases	Relationship with the Issuer	Name	Amount	As a percentage of annual net purchases	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases for the Current Year up to the End of the Preceding Quarter	Relationship with the Issuer
1	Hongsheng Water and Electrical Engineering Co., Ltd.	342,413	9.43%	None	Tung Ho Steel Enterprise Corp.	175,567	8.81%	None	Tung Ho Steel Enterprise Corp.	31,290	6.60%	None
2	Dian Zhang Engineering Co., Ltd.	230,554	6.35%	None	Dian Zhang Engineering Co., Ltd.	85,560	4.29%	None	jung-xin Enterprise Co., Ltd.	27,551	5.82%	None
3	Others	3,058,283	84.22%	None	Others	1,732,746	86.90%	None	Others	415,009	87.58%	None
	Net sales	3,631,250	100.00%		Net sales	1,993,872	100.00%		Net sales	473,850	100.00%	

Note: The data for 2026 up to the previous quarter has been reviewed by CPAs.

Reason for the change: In 2024, the large scale of the construction project “The Way Home” resulted in a higher proportion of purchases from panel, plumbing, and electrical machinery manufacturers. In 2025 and 2026, the construction project “Crossing the New Divide” was in the structural construction phase, so suppliers were primarily engineering contractors.

2. Information on Main Customers in the Past Two Years

Unit: NTD thousands

Item	2024				2025				Up to the previous quarter of 2026 (Note)			
	Name	Amount	Percentage of annual net sales	Relationship with the Issuer	Name	Amount	Percentage of annual net sales	Relationship with the Issuer	Name	Amount	As a percentage of net sales through the prior quarter.	Relationship with the Issuer
1	Others	12,753,660	100.00%	None	Others	4,054,432	100.00%	None	Others	284,525	100.00%	None
	Net sales	12,753,660	100.00%		Net sales	4,054,432	100.00%		Net sales	284,525	100.00%	

Note: The data for 2026 up to the previous quarter has been reviewed by CPAs.

Reason for the change: The products are primarily sold to the general public; therefore, for 2024 and 2025, the primary customers for "The Way Home" products were the general public, with no single customer accounting for more than 10% of total sales. Revenue for the first quarter of 2026 was primarily derived from the engineering, leasing, and catering income of subsidiaries.

III. Employees

Employee headcount, average tenure, average age, and educational attainment distribution for the past two years and as of the annual report's publication date.

Year		2024	2025	May 12, 2026
Number of employees	Directors and executives	15	19	17
	Regular staff	158	155	158
	Total	173	174	175
Average age		37.38	37.97	37.78
Average length of service		4.92	4.64	4.27
Education distribution rate	Ph.D.	—	0.57%	0.57%
	Master's degree	8.67%	8.05%	8.57%
	College or university	74.57%	75.29%	70.86%
	Senior high school	9.83%	9.77%	9.14%
	High school or below	6.93%	6.32%	10.86%

IV. Information on environmental expenditure

- (I) To minimize environmental impact, all construction work is contracted to construction companies. These companies are responsible for maintaining the construction sites and handling waste disposal, while our company provides oversight. Construction contractors regularly send personnel to inspect and maintain the cleanliness of surrounding roads and sidewalks.
- (II) Losses suffered as a result of environmental pollution (including compensation and fines for violations of environmental regulations) in the most recent financial year and up to the date of annual report publication:
There were two violations of the Waste Disposal Act in 2025; details are shown in the following table:

Date of violation	Document Number	Law violations	Violation of laws and regulations	Disciplinary actions
2025/07/31	Taichung City Environmental Inspection No. 20250111585	Waste Disposal Act	Paragraph 2 of Article 27	NTD 4,500
2025/10/31	Taichung City Environmental Protection Bureau Document No. 20260002370	Waste Disposal Act	Paragraph 2 of Article 27	NTD 4,800

Improvement measures: Set up temporary drainage ditches and sediment traps to prevent mud and water runoff. Wheel washing facilities are installed at the construction site entrance and exit to ensure vehicles are clean before departing. Additional fencing and silt control measures were installed to prevent mud from flowing onto the road.

(III) Estimated current and future amounts and response measures:

In the construction contracts between the Company and the contractors, environmental pollution during construction is the contractors' responsibility, while the Company is responsible for oversight. The following measures have been taken to prevent pollution:

1. Choose an appropriate construction method based on geological and adjacent building conditions to minimize noise and vibration.
2. Protective netting has been installed around the buildings to prevent dust and debris from falling.
3. Waste is to be placed in designated locations. Waste incineration is prohibited during construction, and workers are responsible for its regular removal.

The Company currently has no significant pollution, and therefore does not anticipate significant environmental capital expenditures.

V. Labor relations

(I) The Company's employee benefits programs, continuing education, training, and retirement plans—along with their implementation—as well as labor-management agreements and measures to protect employee rights.

1. Employee benefits

- (1) Hold irregular domestic and international travel events.
- (2) Festival and birthday cash gifts.
- (3) The company regularly hosts social gatherings to foster camaraderie among employees.
- (4) For each capital increase, 10% of the shares are allocated to employees as stock options, with the subscription rate determined by employee performance reviews.
- (5) Performance bonus: Paid based on employee performance reviews.
- (6) Employee remuneration: Are allocated based on annual profits in accordance with the Articles of Incorporation.

- (7) Provide a lactation space to support employees in continuing lactation.
 - (8) Subsidize employee clubs to encourage a healthy lifestyle with exercise outside of work.
 - (9) Free coffee and snacks are provided.
2. Training: The Company has established employee training regulations. Employees may proactively propose training opportunities, or managers may assign them to relevant courses based on business needs. Additionally, the employee welfare committee provides a training subsidy each year. Education and training expenses for 2025 were NT\$103 thousand.
3. Retirement System and Implementation
- The Company has established the following retirement plan for permanent employees:
- (1) The old pension system under the Labor Standards Act: The Company has no employees covered by the old system.
 - (2) New labor pension system: Implemented on July 1, 2005.
The Company contributes 6% of each employee's monthly wages to their labor pension fund on a monthly basis. These funds are deposited into individual pension accounts established by the Bureau of Labor Insurance, and the employee retains full ownership of the account. NT\$6,302 thousand has been appropriated for 2025.
4. Circumstances of labor-management agreements and employee rights protection measures:
- The Company's policies and procedures comply with the relevant provisions of the Labor Standards Act. An employee welfare committee has been established to promote various benefits, fostering a harmonious labor-management relationship and ensuring no labor disputes or losses have occurred.
- (II) Losses incurred in the most recent fiscal year and up to the annual report publication date as a result of labor disputes (including violations of the Labor Standards Act identified during labor inspections), along with disclosure of current and potential future estimated amounts and corresponding measures. If a reasonable estimate cannot be made, the reasons for this should be stated: None.

(III) Work environment and employee safety measures:

1. The Company strictly requires all contractors and subcontractors involved in its construction projects to comply with all provisions of the “Occupational Safety and Health Act,” the “Labor Standards Act,” and other applicable labor laws and regulations. Workers must also possess relevant licenses and have completed professional training.
2. The Company’s wholly-owned subsidiary, Zongtai Construction Co., Ltd., is a comprehensive Class A construction company. To prevent occupational hazards, we provide a safe and friendly working environment for our employees and workers, and continuously establish an autonomous safety and health management system while improving safety facilities. This enables effective self-management and, in 2023, resulted in successful verification to ISO 45001 and TOSHMS (CNS45001) occupational safety and health management system standards (valid from 2023/10/11 to 2026/10/11). The system fully leverages autonomous management functions to effectively control occupational hazard risks, enhance occupational safety and health management performance, and achieve the dual goals of protecting worker safety and health and promoting competitiveness.
3. Construction site:
 - (1) Personal protective equipment: Helmets must be worn when entering any company worksite. Safety harnesses must be worn when working at heights greater than 2 meters or on scaffolding.
 - (2) Implement access control measures.
 - (3) Set up site toilets and showers.
 - (4) Tidying and cleaning work areas: Workplaces should be kept tidy and clean, and work areas should be tidied and cleaned before the end of each workday. Waste and domestic refuse should be collected in designated areas.
 - (5) An occupational safety inspection team conducts checks on construction conditions at each site. Furthermore, monthly reports on inspection findings and improvement recommendations are presented and deficiencies reviewed at engineering meetings.

- (6) Regularly inspect safety protection equipment and conduct safety education and training.
 - (7) Researched, developed, and patented an anti-fall tension lever for work platforms.
 - (8) Installing fire detection and alarm systems reduces the hazards and risks associated with fire.
4. Back office location:
- (1) The company has surveillance and access control systems in place to ensure employee safety.
 - (2) Water fountain equipment is updated regularly, and filter cartridges are replaced periodically to ensure the hygiene and quality of drinking water.
5. The Company has provided group insurance coverage for all employees.

VI. Cybersecurity management

- (I) Information and communication security risk management framework, information and communication security policies, specific management plans, and resources dedicated to information and communication security management:

1. Cybersecurity risk management framework:

The information security authority is the IT Department, which has appointed an information security manager and an information security specialist to formulate internal information security policies, plan and implement information security operations, and promote information security policies, and presented the information security policy and its implementation programs to the Board on March 11, 2025;. The Audit Office oversees information security monitoring. If audits identify any deficiencies, the audited unit is required to submit a corresponding improvement plan with specific corrective actions, and the results of these improvements are regularly tracked to reduce internal information security risks.

2. Cybersecurity policy and specific management plan:

- (1) Computer Equipment Security Management
- (2) Network Security Management
- (3) System Access Control

- (4) Ensure the system operates sustainably.
- (5) Information Security Awareness and Training

Information security management measures are divided into four main parts.

- (1) Privilege management (staff accounts, permission management, and management of system operation behavior)
- (2) Access management (control of access to internal and external systems, data transmission pipelines)
- (3) External threats (internal system vulnerabilities, malware information, and protective measures)
- (4) System availability (system status, service interruption procedures)

3. Resources dedicated to information and communication security management:

A dedicated computer room is equipped with UPS and voltage regulation to ensure uninterrupted operation of computer application systems during power outages. The entrance for external connections is equipped with an enterprise-grade firewall to block illegal hacking attempts. A disaster recovery drill is conducted annually, and daily and off-site backups are performed. Information security awareness is also regularly promoted among company employees.

This year, NT\$234 thousand was invested in software licensing fees for information and communication security. Weekly monitoring of cybersecurity line intrusions reported 51 incidents. We conduct awareness campaigns on phishing emails periodically and have organized at least one information security training course for our staff annually.

- (II) Losses resulting from significant cybersecurity incidents, potential impacts, and countermeasures taken over the past year up to the annual report's publication date (if the amount cannot be reasonably estimated, disclose that fact): Not applicable.

VII. Important Contracts: Material contracts that remained in effect as of the date of this annual report’s publication and expired during the most recent fiscal year.

(I) Fu Hua Innovation Co., Ltd.

Contract type	Party	Contract term	Main Content	Restrictive clauses
Construction contracts (Note 1)	Zongtai Construction Co., Ltd.	From April 1, 2021, through the warranty expiration date.	The Way Home Hypothesis, New Structure Construction Project	None
	YA TUNG READY MIXED CONCRETE CO., LTD. Taichung Plant	From November 15, 2021, through the warranty expiration date.	Crossing the New Divide to Concrete Materials (Structural Engineering)	None
	Tong Wen Fa Engineering Firm	From March 3, 2022, until the warranty expired.	The Way Home Waterproofing Engineering	None
	You Hsin Aluminum Engineering Co., Ltd.	March 16, 2022, until the warranty expired.	The Aluminum Doors and Windows Construction for the The Way Home	None
	Baolai Interior Design Co., Ltd.	March 24, 2022, until the warranty expired.	Dry Lightweight Partition Project – The Way Home	None
	Taiwan Sakura Corporation	From May 3, 2022, until the warranty expired.	The Way Home Kitchen Project	None
	You-Mei Engineering Co., Ltd.	From May 20, 2022, until the warranty expired.	Mud work for The Way Home	None
	Dian Zhang Engineering Co., Ltd.	From May 25, 2022, until the warranty expired.	Mechanical and electrical engineering for The Way Home	None
	Shang Yi Engineering Co., Ltd.	From May 30, 2022, until the warranty expired.	Mud work for The Way Home	None
	Chang Ming Engineering	From May 30, 2022, until the warranty expired.	Mud work for The Way Home	None
	Otis Elevator Company (Taiwan) Limited	From June 6, 2022, until the warranty expired.	Elevator Equipment Materials – The Way Home	None
	Kai Liang Engineering Co., Ltd.	From June 25, 2022, until the warranty expired.	Mud work for The Way Home	None
	Jun Han Enterprise Co., Ltd.	From August 29, 2022, until the warranty expired.	Entrance door and fire door construction for "The Way Home" project.	None
	Chengyuan Landscape Engineering Co., Ltd.	From January 16, 2023, through the warranty expiration date.	“The Way Home” Planting Project – Phase 4	None
	CHUNG KE OPTICOELECTRON SCIENCE & TECHNOLOGY INC.	From February 5, 2023, through the warranty expiration date.	Low-Voltage Engineering for The Way Home	None
	Chi-Hui Metal Co., Ltd.	From March 7, 2023, through the warranty expiration date.	Aluminum cladding work for the exterior wall of “The Way Home”	None
Kais Metal Building Materials Co., Ltd.	From Apr 26, 2023, through the warranty expiration date.	Roof Grille Project: "The Way Home" Design	None	

Contract type	Party	Contract term	Main Content	Restrictive clauses
	Zongtai Construction Co., Ltd.	From November 15, 2023, through the warranty expiration date.	Crossing the New Divide Hypothesis, New Structure Construction Project	None
	Zongtai Construction Co., Ltd.	From November 15, 2023, through the warranty expiration date.	Headquarters Hypothesis, New Structure Construction Project	None
	Tung Ho Steel Enterprise Corp.	November 24, 2023, to project completion	Reinforcing steel materials – structural members “Crossing the New Divide” project	None
	Yumao Engineering Firm	From June 30, 2024, through the warranty expiration date.	Mud work for Crossing the New Divide	None
	Zhong Xin Enterprise Co., Ltd.	From June 4, 2024, through the warranty expiration date.	Crossing the New Divide Kitchen Project	None
	Dian Zhang Engineering Co., Ltd.	From August 20, 2024, through the warranty expiration date.	Mechanical and electrical engineering for Crossing the New Divide	None
	Kais Metal Building Materials Co., Ltd.	From Apr 16, 2025, through the warranty expiration date.	Aluminum cladding work for the "Crossing the New Divide".	None
Joint construction contract	Fu Hua Construction Co., Ltd.	April 18, 2025 ~ Property handover completed.	Land parcels 2021 and five others in Taiyuan Section, Beitun District, Taichung City are being jointly developed and sold.	None
Land right	Central Region Office, National Property Administration, Ministry of Finance	2023/05/22-2093/05/21	Land Use Rights Contract for State-Owned Non-Public Land	Note 2
	Finance Bureau, Taichung City Government	2024/04/22-2074/04/21	Land use rights contract for non-public municipally owned land in Taichung City.	Note 3

Note 1: Only construction contracts with a total contract price (before tax) of NT\$50 million or more have been listed.

Note 2: (1) Land rent is payable monthly from the date this contract is signed.

(2) The above-ground structure shall be constructed on the land lot awarded in the land use rights tender, with the Company as the developer. However, this does not apply with Party A’s written consent.

(3) The Company may not lease or lend the land use right to others for construction purposes. If leased or lent for non-construction purposes, the use period must end no later than the expiration of the land use right period.

Note 3: (1) The above-ground structure shall be constructed on the land lot awarded in the land use rights tender, with the Company as the developer. However, this does not apply with Party A’s written consent.

(2) Floor area ratio may not be transferred for land subject to a land lease.

(3) Within 3 years from the date of the original successful bidder’s signature of this contract, the construction license and building permit for all land subject to the land right established in accordance with the Building Act must be obtained and construction commenced.

(II) Zongtai Construction Co., Ltd.

Contract type	Party	Contract term	Main Content	Restrictive clauses
Contractor Agreement	Taichung Branch of Fu Hua Innovation Co., Ltd.	From April 1, 2021, through the warranty expiration date.	The Way Home Hypothesis, New Structure Construction Project	None
	Taichung Branch of Fu Hua Innovation Co., Ltd.	From November 15, 2023, through the warranty expiration date.	Crossing the New Divide Hypothesis, New Structure Construction Project	None
	Taichung Branch of Fu Hua Innovation Co., Ltd.	From November 15, 2023, through the warranty expiration date.	Headquarters Hypothesis, New Structure Construction Project	None
	National Housing and Urban Regeneration Center	From June 30, 2023, through the warranty expiration date.	The comprehensive construction package for the "Dongguang Haoshi Social Housing" and "Songzhu Haoshi Social Housing" projects in Beitun District, Taichung City.	None
	Taichung Municipal Xiaozhong Junior High School	From January 15, 2024, through the warranty expiration date.	The first phase of construction for the new building at Taichung Municipal Xiaozhong Junior High School.	None
	National Housing and Urban Regeneration Center	From July 4, 2024, through the warranty expiration date.	The new construction package for the "Chunshe Anyu B" social housing project in Nantun District, Taichung City.	None
	National Housing and Urban Regeneration Center	From August 1, 2024, through the warranty expiration date.	The new construction turnkey project for "Yongfu Hao Shi Social Housing" in Taiping District, Taichung City.	None
	Recount Construction Corp./Omexey Construction Development Co., Ltd.	From August 30, 2024, through the warranty expiration date.	New construction project for the "Recount DOS" Building	None
	Fu Hua Construction Co., Ltd.	From December 29, 2025, through the warranty expiration date.	New construction project for the Yun Guang residential building	None
Construction contracts (Note)	Chia Xi Engineering Co., Ltd.	From December 20, 2023, through the warranty expiration date.	Template engineering for the "Crossing the New Divide" project.	None
	You Mao Wang Ye Co., Ltd.	From July 10, 2024, through the warranty expiration date.	Scaffolding Erection for "Crossing the New Divide" project	None
	Chen Song Engineering Co., Ltd.	July 18, 2024, to project completion	"Dongguang Houshi" template project	None
	Yi-Jun Engineering	July 18, 2024, to project completion	"Songzhu Haoshi Social Housing" template project	None

Contract type	Party	Contract term	Main Content	Restrictive clauses
	Yeh-Hsin Enterprise Co., Ltd.	From January 21, 2025, through the warranty expiration date.	Concrete materials for “Chunshe Anju B” project	None
	Tung Ho Steel Enterprise Corp.	January 21, 2025, to project completion	Reinforcing steel (II) for “Chunshe Anju B” project.	None
	Tung Ho Steel Enterprise Corp.	March 5, 2025, to project completion	Reinforcing steel (III) for “Chunshe Anju B” project.	None
	Yangshuo Construction Co., Ltd.	From October 20, 2025, through the warranty expiration date.	System aluminum formwork project for “Chunshe Anju B”.	None
	YANG SHUO ENGINEERING CO., LTD.	From November 05, 2025, through the warranty expiration date.	Template project for “Chunshe Anju B”.	None
	Tung Ho Steel Enterprise Corp.	March 2, 2026, to project completion	Reinforcing steel materials – structural members “Yun Guang” project)	None

Note: Only construction contracts with a total contract price (before tax) of NT\$50 million or more have been listed.

(III) Jih Tai Asset Management Co., Ltd.

Contract type	Party	Contract term	Main Content	Restrictive clauses
Land right	Central Region Office, National Property Administration, Ministry of Finance	2015/08/18-2085/08/17	Land Use Rights Contract for State-Owned Non-Public Land	Note 1
Long-term borrowings	Land Bank of Taiwan	2019/08/05-2039/08/05	Long-term home construction loan guarantee	None

Note 1: (1) Land rent is payable monthly from the date this contract is signed.

- (2) The above-ground structure shall be constructed on the land lot awarded in the land use rights tender, with the Company as the developer. However, this does not apply with Party A’s written consent.
- (3) The Company may not lease or lend the land use right to others for construction purposes. If leased or lent for non-construction purposes, the use period must end no later than the expiration of the land use right period.

(IV) Fu-Hua Construction Co., Ltd.

Contract type	Party	Contract term	Main Content	Restrictive clauses
Joint construction contract	Fu Hua Innovation Co., Ltd.	April 18, 2025 ~ Property handover completed.	Land parcels 2021 and five others in Taiyuan Section, Beitun District, Taichung City are being jointly developed and sold.	None
Construction contracts (Note)	Zongtai Construction Co., Ltd.	From December 29, 2025, through the warranty expiration date.	New construction project for the Yun Guang residential building	None

Note: Only construction contracts with a total contract price (before tax) of NT\$50 million or more have been listed.

Five. Review and Analysis of Financial Position and Financial Performance, and Risk Matters

I. Financial position

- (I) Main reasons for material changes in the Company's assets, liabilities, and equity during the past two years:

Comparative Analysis of Financial Position

Unit: NTD thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	16,329,847	13,646,151	(2,683,696)	(16.43)
Property, plant, and equipment	347,037	184,394	(162,643)	(46.87)
Other non-current assets	1,077,780	1,246,862	169,082	15.69
Total assets	17,754,664	15,077,407	(2,677,257)	(15.08)
Short-term bank loans	3,826,800	3,274,500	(552,300)	(14.43)
Current liabilities	4,657,133	1,246,262	(3,410,871)	(73.24)
Non-current liabilities	323,575	1,801,021	1,477,446	456.60
Total liabilities	8,807,508	6,321,783	(2,485,725)	(28.22)
Share capital	3,559,667	4,805,550	1,245,883	35.00
Capital surplus	1,265,272	1,270,327	5,055	0.40
Retained earnings	4,122,217	2,679,747	(1,442,470)	(34.99)
Other rights and interests	-	-	-	-
Total equity	8,947,156	8,755,624	(191,532)	(2.14)

Analysis of percentage changes (changes of 20% or more between periods, and changes in amount of NT\$10 million or more):

1. Property, plant and equipment: This is due to the completion and transfer of land parcel No. 346 in Xin Gangwei to investment real estate.
2. Current liabilities: A decrease in current taxable income resulted from the repayment of corporate bonds due within one year and the recognition schedule for construction project completion.
3. Non-current liabilities: These liabilities arose from the issuance of the first secured ordinary corporate bonds in 2025 to finance construction project development.
4. Share capital and retained earnings: decreased due to cash dividend distributions and the capitalization of earnings.

(II) Future plans for significant changes:

The aforementioned changes have no material impact on the Company, and therefore a response plan is not required.

II. Financial performance

(I) Main reasons for any material change in operating revenues, operating profit, or income before tax over the past two years:

Comparative Analysis of Financial Performance

Unit: NTD thousands

Item \ Year	2024	2025	Difference	
			Amount	%
Operating revenue	12,753,660	4,054,432	(8,699,228)	(68.21)
Cost of goods sold	9,697,906	3,161,178	(6,536,728)	(67.40)
Gross margin	3,055,754	893,254	(2,162,500)	(70.77)
Operating expenses	410,512	301,302	(109,210)	(26.60)
Net operating profit	2,645,242	591,952	(2,053,290)	(77.62)
Non-operating income and expenses	72,781	48,596	(24,185)	(33.23)
Net profit before tax	2,718,023	640,548	(2,077,475)	(76.43)
Income tax expense	529,174	125,202	(403,972)	(76.34)
Current net profit	2,188,849	515,346	(1,673,503)	(76.46)
Other comprehensive income	-	-	-	-
Total comprehensive income	2,188,849	515,346	(1,673,503)	(76.46)

Analysis of percentage changes (changes of 50% or more between periods, and changes in amount of NT\$10 million or more):

1. The decrease in profits for 2025 was attributable to the timing of construction project completion and revenue recognition. The "The Way Home" project experienced peak home closings in the prior year (approximately 1,487 units were recognized in 2024), while this year has shifted to recognizing remaining inventory (approximately 369 units). This resulted in a significant reduction in revenue compared to the same period last year, and consequently, revenue, costs, and gross profit all declined.
2. Income tax expense decreased as the volume of recognized cases declined this year, leading to lower operating profit and, consequently, reduced taxable income.

(II) The expected sales volume and its basis, along with the possible impact on the Company's future financial performance and response plans: The Company's project "The Way Home" completed full delivery in the second quarter of 2025 and is recognized as operating revenue. In addition, the "Yun Guang" residential project launched in the Taoyuan Section of Taichung City in 2025 is currently selling well. "Crossing the New Divide" residential project launched in the Shuinan District of Taichung City in 2023 has already sold over 50%. New projects are being planned for sites Wenshang 15 and Wenshang 53, and these are expected to contribute to future operating revenue and cash inflow.

III. Cash flow

(I) Analysis of cash flow changes in the most recent year:

Unit: NTD thousands

Item \ Year	2024	2025	Change in amount
Operating activities	7,250,419	405,049	(6,845,370)
Investing activities	1,089,916	(318,694)	(1,408,610)
Financing activities	(5,776,806)	(1,788,659)	3,988,147
Effect of foreign exchange rate fluctuations on cash	-	-	-
Total	2,563,529	(1,702,304)	(4,265,833)

Analysis of cash flow changes:

1. Operating activities: Completion and delivery of the "The Way Home" project in 2025, along with continued investment in construction projects, resulted in cash inflow.
2. Investment activities: Cash outflow resulted from the purchase of money market funds in 2025.
3. Financing activities: The net cash outflow from financing activities in the current period was primarily due to issuing new corporate bonds to repay old ones, repaying bank loans, and distributing cash dividends."

(II) Improvement plan for liquidity issues:

1. Liquidity analysis

Item \ Year	2024	2025	Change in rate
Cash flow ratio (%)	85.46	8.95	-89.53
Cash flow adequacy ratio (%)	127.03	151.60	19.34
Cash reinvestment ratio (%)	75.81	-2.86	-103.77

Explanation of percentage change:

- (1) Cash flow ratio: The completion and revenue recognition schedule for projects this year impacted the timing of cash inflows, with the peak handover of units for “The Way Home” occurring in 2024. This resulted in a decrease in net cash flow from operating activities, coinciding with lower operating profits. Additionally, the scale of current liabilities fluctuated due to capital management needs.
- (2) Cash reinvestment ratio: This ratio decreased primarily due to a significant decline in net cash inflow from operating activities compared to the same period last year, and the distribution of larger cash dividends this year.

2. Remedies for cash shortage: Not applicable.

(III) Liquidity analysis for the next year:

Unit: NTD thousands

Opening cash balance (1)	Expected net cash flow from operating activities for the full year (2)	Cash flow from other activities for the year (3)	Cash surplus/deficit amount (1)+(2)+(3)	Remedies for cash shortage	
				Investment plan	Financing plan
3,839,994	(726,077)	(705,158)	2,408,759	-	-

IV. Impact of major capital expenditures in the most recent year on financial operations: None.

V. Reinvestment policy for the most recent fiscal year, the primary drivers of profits or losses, improvement plans, and investment plans for the next year:

Unit: NTD thousands

Details of the Company's Investments	Investment Amount	Policy	Main factors affecting profit (loss)	Improvement plan	Other plans
Zongtai Construction Co., Ltd. (Note 1)	567,200	Integrating company operations to control construction quality.	Construction revenue	None	None
Jih Tai Asset Management Co., Ltd.	300,000	Diversify business operations and secure government or private BOT projects.	Lease income	None	None
Fu Hua Construction Co., Ltd.	100,000	Housing and Real Estate Development for Sale and Rent	Individual sales expenses	None	Capital increase of 400 million
Da Shun Advertising Co., Ltd.	20,000	Food and beverage services	Restaurant revenue	None	None
Inchao International Co., Ltd. (Note 2)	600,000	Housing and Real Estate Development for Sale and Rent	Individual sales expenses	None	Capital reduction of 500 million
Shuo Yi Tai Green Energy Co., Ltd	269	Energy technology service	Impairment loss	None	None

Note 1: Reduced capital by 40,000,000 shares in August 2025.

Note 2: The original Sheng-Lin Construction Co., Ltd. was founded in September 2024 and renamed in February 2026.

VI. Analysis and assessment of risks for the most recent fiscal year and up to the date of this report's publication:

(I) Impacts of interest rate and foreign exchange rate fluctuations, and inflation on the Company's profitability, and future response measures:

1. Impacts of Interest Rate Changes on Company Profitability and Future Responses

Currently, the company's debt levels and debt ratio have decreased compared to the previous year. The finance department closely monitors the latest information on bank funding and continuously assesses interest rate fluctuations, seeking the most favorable rates from financial institutions. This has resulted in significant interest savings for the company.

2. The Impact of Exchange Rate Fluctuations on the Company's Profitability and Future Measures

The Group is primarily engaged in the construction industry, conducting business and sales domestically. Most of its collaborating manufacturers are also domestic and transactions are primarily denominated in local currency. Therefore, exchange rate fluctuations have not had a significant impact on the Group.

3. The Impact of Inflation on the Company's Profitability and Future Measures

The increasing cost pressure from rising wages, electricity tariff adjustments, and raw material price fluctuations necessitates a proactive response to the inflationary environment. The Group has actively maintained strong relationships with customers and suppliers and adopted appropriate sales and procurement strategies to mitigate the impact of inflation on profitability.

(II) Policies regarding high-risk, high-leverage investments, lending to third parties, endorsements/guarantees, and derivatives trading, the primary causes of profits or losses incurred, and future response measures:

To strengthen resource sharing within the Group and support the operations of its investee companies, the Company has provided guarantees for its subsidiaries in accordance with its "Endorsement and Guarantee Procedures". As of the end of 2025, the outstanding balance of endorsements and guarantees for the subsidiaries, Jih Tai Asset Management and ZONGTAI CONSTRUCTION (including loans, land lease guarantees, and construction performance bonds), was within the legal limits and had been approved by the Board of Directors. In addition, to fulfill the requirements for performance guarantees on pre-sold houses, our subsidiary, Zongtai Construction, has provided joint and several guarantees for the Company alongside industry peers. All endorsees and guarantors are subject to the Company's internal controls and monitoring, and their financial position is evaluated regularly to ensure overall financial risk remains within acceptable limits. The Company has not engaged in high-risk investments, highly leveraged investments, loans to others, or derivatives trading during the most recent fiscal year and through

the annual report publication date.

(III) Future R&D plans and estimated R&D expenses:

The Group does not have a dedicated research and development department. This is because the construction industry primarily focuses on real estate development, unlike manufacturing or high-tech industries which require ongoing research, development, and design of new products. Consequently, the Group has not incurred any related research and development expenses and has no specific results to report, making R&D investment inapplicable.

(IV) The impact of important domestic and foreign policy and legal changes on the Company's financial operations and response measures:

The real estate market is closely tied to both the broader economic climate and geopolitical events. In 2025, shifts in international trade policies triggered volatility in global financial markets, resulting in a more conservative approach to capital allocation. The Group carefully assessed the lagged impact of domestic housing demand and conducted stress tests on market conditions in different regions. Closely monitor changes to relevant real estate laws and tax regulations, and engage professional consultants for legal counsel. The Group maintains a flexible project launch schedule to ensure financial resilience in response to policy and macroeconomic fluctuations.

(V) The impact of technological changes (including cybersecurity risks) and industry shifts on the company's financial operations and response measures:

To stay ahead of technological and industrial changes and quickly adapt to market shifts, the Group has actively sought industry information through various channels to expand its business. In recent years, it has also invested in digital information management to more effectively track industry trends, improve work efficiency, and strengthen its competitiveness. In sales, the Group has aggressively expanded its presence in social and online marketing, and in construction development, it has actively promoted smart home technology to enhance residents' quality of life. As of the date of this annual report's publication, the Group has not experienced any major cyberattacks or information security incidents that have significantly impacted its business and operations. It has also not been involved in any legal cases or regulatory investigations related to information security. Consequently, the Group has

not yet experienced any material impact on its financial performance due to technological changes (including information security risks) or industry shifts.

- (VI) The impact of corporate image changes on corporate crisis management, and associated response measures:

Since its founding, Fu Hua Innovation has consistently upheld its core values of integrity and compliance, and actively pursued corporate sustainability. In light of the rapid shifts in the housing market driven by recent policy changes, Fu Hua Innovation transitioned to a diversified business model in June 2023 and integrated ESG sustainability principles into its brand development. By collaborating with partners across industry, government, and academia, the Company aimed to foster innovation within the construction sector and extend its efforts into community building, establishing positive interactions and open communication channels with local communities and residents. We aim to create an innovative and intelligent corporate brand image that embodies both humanistic spirit and a refined aesthetic sensibility, resulting in a modern, elegant, and warmly textured identity. We have consistently worked to shape unique product characteristics through sustained effort.

- (VII) Expected benefits and potential risks of mergers and acquisitions, and countermeasures: None.

- (VIII) Expected benefits and possible risks of plant expansion, and associated countermeasures: None.

- (IX) Risks associated with concentrated procurement or sales, and mitigation measures:

The Company's procurement primarily involves land acquisition and investment in construction projects. Construction of these projects is largely undertaken by the Company's wholly-owned subsidiary, and because land is acquired from a diverse range of sources, there is no risk of concentrated purchasing or supply disruption. In addition, our construction projects are primarily sold to the general public, so we have not experienced concentrated sales.

- (X) Impact and risk associated with any major transfer or replacement of shares held by directors, supervisors, or major shareholders with over 10% ownership, and countermeasures: None.
 - (XI) The impact of changes in management rights on the Company, risks, and countermeasures: None.
 - (XII) The company, its directors, general manager, de facto responsible persons, major shareholders holding more than 10% of the shares, and its subsidiaries have not been subject to any major lawsuits, non-litigation cases, or administrative disputes that have reached a final judgment or are currently pending. As of the date of this annual report, there are no such circumstances that could have a material impact on shareholder rights or the stock price.
 - (XIII) Other important risks and countermeasures: None.
- VII. Other important matters: None.

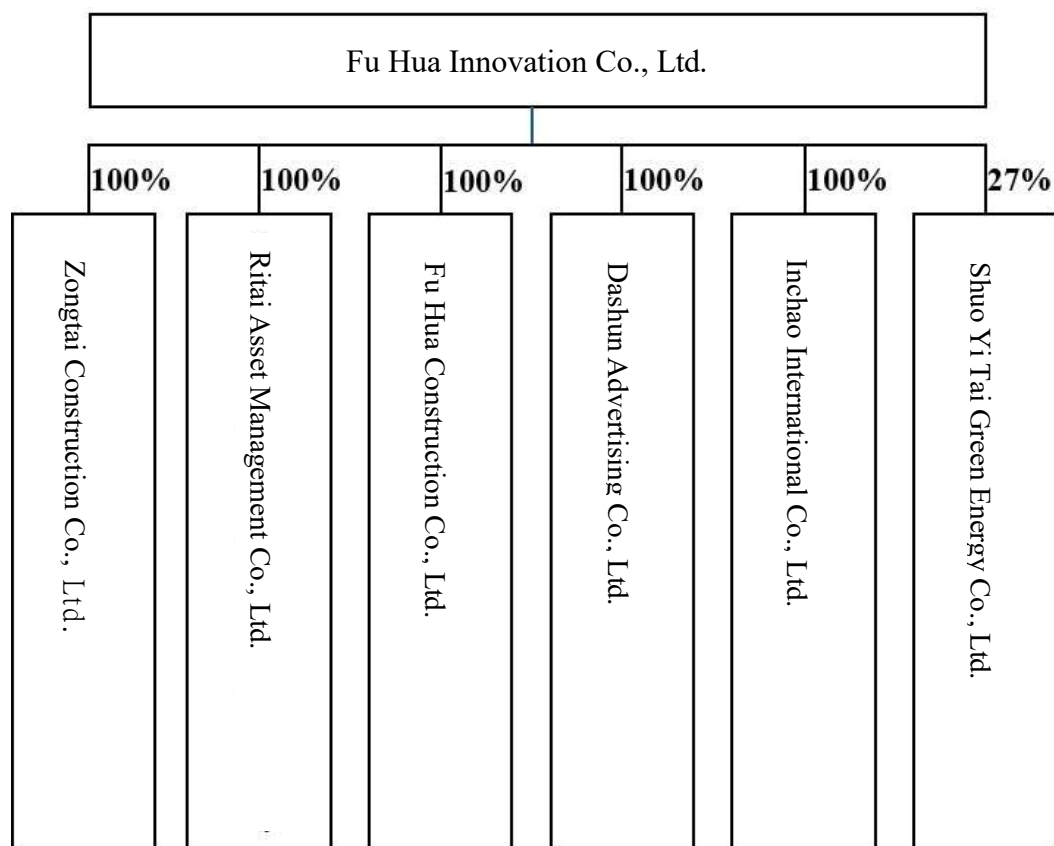
Six. Special Notes

I. Information on affiliated companies

(I) Consolidated Business Report of Affiliated Enterprises for 2025:

1. Organizational chart of affiliated companies:

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



2. The Company does not have a controlling or dependent relationship as presumed under Article 369-3 of the Company Act, and has no controlled, dependent, or mutually invested companies as stipulated in Paragraph 2 of Article 369-2 and Article 369-9 of the Company Act.

3. Basic information on affiliated companies

Unit: NTD thousands

Company Name	Date of establishment	Address	Paid-in capital	Major business or production activities
Zongtai Construction Co., Ltd. (Note 1)	1976/12/17	1F, No. 1315, Section 3, Taichung Road, Li, Beitun District, Taichung City	600,000	Comprehensive construction, residential and high-rise development, and rental businesses, etc.
Ritai Asset Management Co., Ltd.	2013/01/24	2F, No. 163, Zhongxiao Road, Chenghuangli, South District, Taichung City	300,000	Asset management services and real estate leasing
Fu Hua Construction Co., Ltd.	2018/08/28	1F, No. 1315, Section 3, Taichung Road, Li, Beitun District, Taichung City	100,000	Housing and Real Estate Development for Sale and Rent
Da Shun Advertising Co., Ltd.	2019/11/22	1F, No. 239, Section 2, Dunhua Road, Beitun District, Taichung City	20,000	Restaurants
Shuo Yi Tai Green Energy Co., Ltd	2021/09/11	2 F.-5, No. 268, Sec. 1, Gaotiezhanqian W. Rd., Zhongli Dist., Taoyuan City, Taiwan (R.O.C.)	1,000	Energy technology service
Inchao International Co., Ltd. (Note 2)	2024/09/23	1F, No. 1315, Section 3, Taichung Road, Li, Beitun District, Taichung City	600,000	Housing and Real Estate Development for Sale and Rent

Note 1: Reduced capital by 40,000,000 shares in August 2025.

Note 2: Pan-Axiu Construction Co., Ltd. was founded in September 2024, and subsequently changed its name to Sheng Lin Construction in November 2024, before becoming Inchao International in February.

4. Information on shareholders presumed to have controlling interests and affiliation: None.
5. The industries covered by the affiliated companies' business operations include: construction, residential and commercial development and rental, asset management services, real estate leasing, restaurants, and energy technical services.

6. Information on directors, supervisors, and the general manager of affiliated companies.

Company Name	Title	Name or Authorized Representative	Shares held	
			Number of shares	Shareholding percentage
Zongtai Construction Co., Ltd. (Note 1)	Chairman	Fu Hua Innovation Co., Ltd. Representative: Tian-Fu Wu	60,000,000	100.00%
	Director	Fu Hua Innovation Co., Ltd. Representative: Jian-Zhong Lu		
	Director	Fu Hua Innovation Co., Ltd. Representative: Wen-Yan Han		
	Supervisor	Fu Hua Innovation Co., Ltd. Representative: Hui-Wen Ko		
Jih Tai Asset Management Co., Ltd.	Chairman	Fu Hua Innovation Co., Ltd. Representative: Yun-Chun Lu	30,000,000	100.00%
Fu Hua Construction Co., Ltd.	Chairman	Fu Hua Innovation Co., Ltd. Representative: Chi-Sheng Tsai	10,000,000	100.00%
	Director	Fu Hua Innovation Co., Ltd. Representative: Hui-Ching Wu		
	Director	Fu Hua Innovation Co., Ltd. Representative: Jian-Jun Liu		
	Supervisor	Fu Hua Innovation Co., Ltd. Representative: Chung-Hsin Huang		
Da Shun Advertising Co., Ltd.	Chairman	Fu Hua Innovation Co., Ltd. Representative: Yi-Chia Hou	2,000,000	100.00%
	Supervisor	Fu Hua Innovation Co., Ltd. Representative: Chung-Hsin Huang		
Shuo Yi Tai Green Energy Co., Ltd	Chairman	Mintron Energy Co., Ltd Representative : Zhen-Sheng, Huang	37,206	37.21%
	Director	Gigastorage Co., Ltd Representative : Ji-Ming, Chen	35,882	35.88%
	Director	Fu Hua Innovation Co., Ltd. Representative : Chung-Hsin, Huang	26,912	26.91%
	Supervisor	Jiang-Qing, Lin	0	0%
Inchao International Co., Ltd. (Note 2)	Chairman	Fu Hua Innovation Co., Ltd. Representative: Zuo-Chang Wu	60,000,000	100.00%
	Director	Fu Hua Innovation Co., Ltd. Representative: Yi-Chia Hou		

Company Name	Title	Name or Authorized Representative	Shares held	
			Number of shares	Shareholding percentage
	Director	Fu Hua Innovation Co., Ltd. Representative: Hui-Wen Ko		
	Supervisor	Fu Hua Innovation Co., Ltd. Representative: Ren-Feng Wu		

Note 1: Reduced capital by 40,000,000 shares in August 2025.

Note 2: Pan-Axiu Construction Co., Ltd. was founded in September 2024, and subsequently changed its name to Sheng Lin Construction in November 2024, before becoming Inchao International in February.

7. Operational Overview of Affiliated Companies

Unit: Amounts are in thousands, except for earnings (losses) per share which are in NTD.

Company Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating Profit and Loss	Current period profit (loss) after tax	Earnings per share (loss) (after-tax)
Zongtai Construction Co., Ltd. (Note 1)	600,000	1,261,337	512,579	748,758	951,795	84,976	83,009	1.38
Jih Tai Asset Management Co., Ltd.	300,000	434,433	125,726	308,707	24,231	11,045	7,681	0.26
Fu Hua Construction Co., Ltd.	100,000	89,981	8,004	81,977	-	(22,535)	(17,087)	(1.71)
Da Shun Advertising Co., Ltd.	20,000	59,612	25,204	34,408	87,018	16,030	14,065	7.03
Shuo Yi Tai Green Energy Co., Ltd	1,000	77,941	132,224	(54,283)	10,476	(1,257)	(2,667)	(26.67)
Inchao International Co., Ltd. (Note 2)	600,000	590,025	967	589,058	2,126	(20,324)	(10,999)	(0.18)

Note 1: Reduced capital by 40,000,000 shares in August 2025.

Note 2: Pan-Axiu Construction Co., Ltd. was founded in September 2024, and subsequently changed its name to Sheng Lin Construction in November 2024, before becoming Inchao International in February.

(II) Consolidated Financial Statements of Affiliated Companies: The companies

required to be included in the preparation of the 2025 consolidated financial statements of affiliated companies under the “Guidelines for the Preparation of Consolidated Business Reports of Affiliated Companies and Consolidated Financial Statements and Affiliation Reports” were the same as those required for the consolidated financial statements of the parent and subsidiaries according to IFRS 10. The relevant information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of the parent and subsidiaries. Therefore, separate consolidated financial statements of affiliated companies were not prepared.

- (III) Affiliation report: No affiliation report was required.
- II. Private placement of securities during the most recent fiscal year and through the annual report publication date: None.
- III. Other supplementary information: None.

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

On February 28, 2025, Director Hong, Chih-Cheng resigned from his position as General Manager due to personal career planning, and Vice President Lin, Feng-Chiu was appointed as Acting General Manager. On February 28, 2026, Vice President Lin, Feng-Chiu resigned from her position as Acting General Manager due to retirement and personal career planning, and Hou, Yi-Chia, Chief Secretary of the Chairman’s Office, was appointed as Acting General Manager. These changes have no material impact on the Company’s shareholders’ equity or the price of its securities.

Company Name: Fu Hua Innovation Co., Ltd.

Responsible person: Hsi-Kun Wu

