

Hung Ching Development & Construction Co., Ltd.

2024 Annual Report

The Annual Report is available at:

Market Observation Post System (MOPS): <http://mops.twse.com.tw/>

Official website of Hung Ching Development & Construction Co., Ltd.:

<http://www.asehcc.com.tw>

Published on April 30, 2025

Notice to Readers:

For the convenience of readers, the Annual Report has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-version shall prevail.

- I. Spokesperson : Wen-Hsiang Chien
Title : Chairman
Tel. : (02)2691-5899
E-mail : may@asehome.com
Deputy Spokesperson : Chia-Pei Chou
Title : General Manager
Tel. : (02)2691-5899
E-mail : chou@asehome.com
Deputy Spokesperson : Fang-Ying Chen
Title : Assistant General Manager, Finance Division
Tel. : (02)2691-5899
E-mail : cherry@asehome.com
- II. Headquarters Address : 10F, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City
Tel. : (02)8780-3025
Address of Taipei Office: : 14F, No. 248, Section 3, Nanjing East Road, Taipei City
Tel. : (02)2691-5899
Fax No. : (02)2691-5193
- III. Stock Transfer Agent : Transfer Agency Department, Fubon Securities
Address : 11F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City
Tel. : (02)2361-1300
Website : <https://www.fubon.com>
- IV. Information on the CPAs for the Latest Financial Statements
Name of CPA Firm : Deloitte & Touche
Name of CPAs : CPAs Wang-Sheng Lin, Chun-Hung Shin
Address : 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City
Tel. : (02)2725-9988
Website : <http://www.deloitte.com.tw>
- V. Overseas Securities Exchange: The Company does not issue any overseas securities.
- VI. Website : <http://www.asehcc.com.tw>

Table of Contents

Chapter 1	Business Report.....	1
	I Report to Shareholders	1
	II Business Report	2
Chapter 2	Corporate Governance Report	4
	I Information on the Company's Directors and Managerial Officers	4
	II Remuneration Paid to Directors, the General Manager, and Assistant General Managers	14
	III Implementation of Corporate Governance	17
	IV Information on CPA Professional Fees	59
	V Information on Replacement of CPA	59
	VI The Company's Chairman, General Manager and Managerial Officers Responsible for Finance or Accounting Who have been Employed in the Firm that the CPA works for or Its Affiliated Enterprises in the Most Recent Year: None	60
	VII Changes in Transfer of Equity and Pledge of Equity of Directors, Managerial Officers, and Shareholders Holding More Than Ten Percent of Total Shares in the Most Recent Year and as of the Date of Publication of Annual Report:.....	60
	VIII Information on the Relationship among the Top Ten Shareholders.....	60
	IX Investment of the Company, the Company's Directors and Managerial Officers and Companies Directly or Indirectly Controlled by the Company in the Same Investee, and Their Total Shareholding Ratio	61
Chapter 3	Capital Overview	62
	I Capital and Shares	62
	II Issuance of Corporate Bonds, Preferred Stock, Global Depository Receipts, Employee Warrants, New Shares with Restricted Employee's Rights, and Mergers and Acquisitions:	65
	III Financing Plans and Implementation	65
Chapter 4	Operational Highlights	67
	I Business Activities	67
	II Market and Sales Overview.....	71
	III Information Regarding Employees in the Most Recent Two Years and as of the Date of Publication of Annual Report.....	75
	IV Environmental Protection Expenditure	75
	V Labor Relations.....	76
	VI Information Security Management.....	83
	VII Important Contracts	85

Chapter 5	Review and Analysis on Financial Position and Financial Performance	86
I	Financial Status.....	86
II	Financial Performance	86
III	Cash Flows	87
IV	Effect upon Financial Operations of any Major Capital Expenditures during the Most Recent Fiscal Year:	87
V	Investment Policy for the Most Recent Year, Main Causes for the Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:	87
VI	Risk Management Analysis and Evaluation.....	88
VII	Other Important Matters: None	90
Chapter 6	Special Disclosure	91
I	Information Related to the Company's Affiliates	91
II	Issuance of Privately-Placed Securities in the Most Recent Year and as of the Publication Date of Annual Report: None	97
III	Other Necessary Supplementary Explanations: None.....	97
IV	Items That Have Significant Influence on Shareholders' Equity or Security Price as Specified in Subparagraph 2 of Paragraph 3 of Article 36 of Securities and Exchange Act in the Most Recent Year as of the Date of Publication of Annual Report: None.....	97

Chapter 1 Business Report

I Report to Shareholders

Dear Shareholders, Directors, Ladies and Gentlemen,

Thanks for your attendance in the Company's 2025 Annual Shareholders' Meeting.

The Company's consolidated operating income in 2024 was NT\$7,265 million, an increase of approximately NT\$4,950 million compared with last year (2023), which was mainly due to the sale of the Kaohsiung K13 factory building for approximately NT\$5.263 billion. Also, the sale of proceeds from the sale of other remaining houses (primarily Emperor Court and Hung Ching Qing Yun) amounted to approximately NT\$1.659 billion, accounting for 95% of the total revenue. Real estate leases, service revenue, and other incomes accounted for 5% of total revenue; the net profit after tax attributable to the Company after deducting related costs and expenses was NT\$1.25 billion, and the earnings per share was NT\$4.86.

This year (2025), in addition to the continued sales of Emperor Court, the Zhongli Plant 2 factory building is expected to obtain the license in the fourth quarter of this year, and we hope that it can be sold smoothly this year.

Looking ahead, the Company will focus on the construction of residential projects in Zhubei and Taichung Phase 14 in the short term. In the long term, the Company will look for reasonably profitable sites in various regions of Taiwan for development in the hope that profitability can continue to grow. Last but not least, I would like to thank all shareholders for their wholehearted support over the years, and I wish you good health and happiness! Thank you!

Hung Ching Development & Construction Co., Ltd.

Chairman, Wen-Hsiang Chien

II Business Report

Introduction

Looking back at the 2024 real estate market, it can be described as "strong start, weak finish." During the first three quarters, with the domestic economic growth rate significantly rising and the boom in AI industries and semiconductor-related supply chains, demand for residential and commercial real estate in these areas was stimulated. Additionally, under the New Youth Homeownership Assistance Loan Policy, a large number of first-time homebuyers with essential housing needs were attracted, creating an active real estate market. Buyers primarily focused on "low total price," "small square footage," and "high liquidity" properties. According to Ministry of Interior statistics, property transfers in the six major cities reached approximately 210,000 units in the first three quarters, an increase of 25.11% compared to the same period in 2023. The national housing price-to-income ratio in the third quarter of 2024 was 10.82 times, up from 9.97 times in the fourth quarter of 2023, indicating that both prices and volume increased during the first three quarters of 2024. In the fourth quarter, following the Central Bank's introduction of the seventh wave of selective credit controls restricting loans for "multi-unit purchasers" and "investors," buyers faced limited loan amounts. Combined with strong expectations of price corrections, the market adopted a wait-and-see approach. However, supported by strong buying in the first three quarters, annual property transfers in the six major cities reached approximately 270,000 units, a year-over-year increase of 14.8%, while nationwide transfers totaled 350,000 units, reaching an 11-year high.

Operating Performance

In 2024, the consolidated operating income amounted to NT\$7,265,269 thousand. This was primarily attributed to the sales revenue from properties such as the Kaohsiung K13 factory office buildin, the Di Jing Yuan project, and the Hongjing Qingyun project, constituting 95% of the total operating income. Other sources of income, including real estate leasing, construction contracts, and service income, accounted for the remaining 5% of operating income. After deducting construction and leasing costs totaling NT\$5,468,820 thousand, the gross operating profit was NT\$1,796,449 thousand. Operating expenses amounted to NT\$434,328 thousand. Additionally, after considering the net amount of non-operating income and expenses, which totaled NT\$96,597 thousand, and deducting the income tax expense of NT\$206,916 thousand, the consolidated net income amounted to NT\$1,251,802 thousand. The net income attributable to the Company's individual entity was NT\$1,272,344 thousand, with an earnings per share of NT\$4.86.

2025 Operating Plan

In 2025, in addition to continuing the sale of residential projects such as Emperor Court on Pingnan Road, the ongoing projects will proceed as follows: the construction of the Kaohsiung K28 Factory Office Building, with a floor area of approximately 10,884 ping, is expected to receive a usage permit in the fourth quarter of 2026; the Zhongli Factory Office Building, with a floor area of

approximately 19,300 ping, is expected to be completed and obtain a usage permit in the second quarter of 2025; the Zhubei project is planned to be divided into 8 zones and developed in three phases. The soil and water conservation project for the entire area was completed in the second quarter of 2022, and the first phase of development (Zone A, residential and reception house) is currently applying for a construction permit; the Taichung Phase 14 residential project is expected to start construction in April 2025.

Future Operation Outlook

As the subsequent effects of the Central Bank's seventh wave of selective credit controls gradually emerge, banks have generally increased loan interest rates and reduced loan-to-value ratios, leading to higher capital costs. While this has suppressed market participation from multi-unit buyers and investors, fundamental demand from owner-occupiers continues to provide support. Given the tightening of buyer funding, developers may adjust their project strategies by introducing "small square footage, high unit price, low total price" products to align with market trends, or offer more flexible payment terms to stimulate buying interest. Furthermore, if the global economy enters an interest rate reduction cycle, Taiwan's Central Bank may follow suit, further reducing mortgage pressure and providing market support momentum.

Housing prices have been affected by factors such as rising raw material and labor costs, carbon tax implementation, Property Hoarding Tax 2.0, and Central Bank credit controls, all of which increase construction and holding costs. However, existing developers have limited room for price reductions due to their sound financial positions, making significant short-term corrections unlikely. Additionally, real estate serves as an asset preservation function, and in regions with transportation infrastructure improvements and active industrial development, housing demand remains relatively stable due to continued employment growth. Some capital continues to flow into the real estate market, providing certain price support.

Looking ahead to 2025, the real estate market will continue to be influenced by policy adjustments, interest rate fluctuations, economic conditions, and changes in market supply and demand. The wait-and-see atmosphere from the fourth quarter of 2024 may persist, maintaining a consolidation pattern. The market is expected to continue showing a trend of "reduced volume with stable prices." In the short term, our company's operational strategy will focus primarily on constructing factories in joint ventures with affiliated enterprises and developing residential projects in Zhubei and Taichung Phase 14. Going forward, we will actively seek suitable land for development, aiming to generate stable annual operating income and profits to reward our shareholders.

Thank you again for your support and advice over the year, and wish you good health and all the best!

General Manager, Chia-Pei Chou Hung Ching Development & Construction Co., Ltd.

Chairman: Wen-Hsiang Chien

Managerial Officer:

Accounting Supervisor:

Chapter 2 Corporate Governance Report

I Information on the Company's Directors and Managerial Officers

(I) Information on Directors

April 30, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date of Election (Accession)	Term	Date First Elected	Shareholding When Electe		Current Shareholding		Current Shareholding of Spouse & Minor Children	
							Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %
Chairman	R.O.C.	Wen-Hsiang Chien	Male 71-80	2023.07.13	3 years	1999.07.13	27,782	0.01	27,782	0.01	1,042	-
Director	R.O.C.	Chia-Pei Chou	Female 61-70	2023.07.13	3 years	2002.07.13	67,723	0.03	67,723	0.03	4,110	-
Director	R.O.C.	Du-Tsuen Uang	Male 61-70	2023.07.13	3 years	2011.07.13	2,000	-	2,000	-	-	-
Director	R.O.C.	Fang-Ying Chen	Female 51-60	2023.07.13	3 years	2010.07.30	20,000	0.01	20,000	0.01	-	-
Director	R.O.C.	Chien-Hua Yao	Male 61-70	2023.07.13	3 years	2014.07.13	2,768	-	2,768	-	437	-
Director	R.O.C.	Advanced Semiconductor Engineering, Inc. Representative: Yuan-Yi Tseng	Male 81-90	2023.07.13	3 years	1999.07.13	68,629,782	25.39	68,629,782	25.39	-	-
Director	R.O.C.	Advanced Semiconductor Engineering, Inc. Representative: Ching-Chou Su	Male 51-60	2023.07.13	3 years	2014.07.13	17,242	0.01	17,242	0.01	-	-
Director	R.O.C.	Ching-Hua Chen	Male 71-80	2023.07.13	3 years	2005.07.13	5,923	-	5,923	-	-	-
Director	R.O.C.	Hung-Lung Hung	Male 71-80	2023.07.13	3 years	2017.07.13	4,176	-	4,176	-	-	-
Independent Director	R.O.C.	Wei-Li Tso	Female 61-70	2023.07.13	3 years	2017.07.13	-	-	-	-	-	-
Independent Director	R.O.C.	Chun-Chin Tu	Female 71-80	2023.07.13	3 years	2017.07.13	206	-	206	-	1,724	-
Independent Director	R.O.C.						-	-	-	-	-	-

Title	Nationality/ Place of Incorporation	Name	Shareholding by Nominee Arrangement		Main Education (Experience)	Executives or Directors Who are Spouses or within Two Degrees of Kinship			Note
			Number of Shares	%%		Title	Name	Relationship	
Chairman	R.O.C.	Wen-Hsiang Chien	-	-	Graduated from the Department of Industrial Engineering, Chung Yuan Christian University	-	-	-	-
Director	R.O.C.	Chia-Pei Chou	-	-	Graduated from the Department of Accounting, Soochow University Audit Assistant Manager, Hsin Chi Premier Accounting Firm	-	-	-	-
Director	R.O.C.	Du-Tsuen Uang	-	-	Ph.D. in Law Research, National Chengchi University Chief Secretary, Bureau of Central Standards Associate Researcher, Institute of International Relations, National Chengchi University Commissioner, Fair Trade Commission, Executive Yuan	-	-	-	-
Director	R.O.C.	Fang-Ying Chen	-	-	Graduated from the Department of Accounting, Tamkang University Deloitte & Touche	-	-	-	-
Director	R.O.C.	Chien-Hua Yao	-	-	Graduated from Ger Jyh Senior High School	-	-	-	-
Director	R.O.C.	Advanced Semiconductor Engineering, Inc. Representative: Yuan-Yi Tseng	-	-	Graduated from the Department of Civil Engineering, National Taiwan University Master of Systems Engineering, Asian Institute of Technology Former Director-General of Ret-Ser Engineering Agency	-	-	-	-
Director	R.O.C.	Advanced Semiconductor Engineering, Inc. Representative: Ching-Chou Su	-	-	Master of Industrial Engineering, National Taiwan University	-	-	-	-
Director	R.O.C.	Ching-Hua Chen	-	-	Master, St. John's University, USA Manager, Export Department, Ret-Ser Engineering Agency Director and Executive Assistant General Manager, Sino Horizon Holdings Limited	-	-	-	-
Independent Director	R.O.C.	Hung-Lung Hung	-	-	Master, Department of Accounting, National Chengchi University Director, Chung Hsiang Social Welfare Charity Foundation Certified Public Accountant, Chuan Tung United Accounting Firm	-	-	-	-
Independent Director	R.O.C.	Wei-Li Tso	-	-	Master, Department of Business Administration, National Central University Assistant General Manager, Federal Corporation	-	-	-	-
Independent Director	R.O.C.	Chun-Chin Tu	-	-	Ph.D. in Law, National Chengchi University Professor, National Taipei University of Business Chairperson of Department, National Taipei University of Business	-	-	-	-

Other Position Concurrently Held by the Directors at the Company and Other Companies

Wen-Hsiang Chien

Chairman, Fuhua Engineering Co., Ltd.
Director, Hung Ching Kwan Co., Ltd. (Representative)
Supervisor, Universal Scientific Industrial Co., Ltd. (Representative)
Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation

Du-Tsuen Uang

Group Chief Administrative Officer, Manager of Corporate Governance, Member of Risk Management Committee, Chief Risk Officer and Chief Cyber Security Officer, ASE Technology Holding Co., Ltd.
Director (Representative) and Group Chief Administrative Officer, Advanced Semiconductor Engineering, Inc.
Chairman and General Manager, ASE Integrated Circuit Manufacturing (China) Co., Ltd.
Chairman and General Manager, ASE Packaging and Testing (Shanghai) Co., Ltd.
Director, Universal Scientific Industrial (Shanghai) Co. Ltd.
Director, Sino Horizon Holdings Limited
Chairman and General Manager, ASE Social Enterprise Co. Ltd.
Director (Representative) and General Manager, Hung Ching New Co., Ltd.
Director (Representative), Hao Ri He Holdings Co., Ltd.
Director and CEO, ASE Environment and Sustainability Foundation
CEO, Chang Yao Hong-Ying Social Welfare & Charity Foundation
Bank of Kaohsiung Co., Ltd. – Independent Managing Director

Yuan-Yi Tseng

Chairman, Hun-Ching Company Ltd.
Director, Hung Ching Co., Limited (Representative)
Executive Director (Representative), Shanghai Youhong Engineering Technical Consulting Co., Ltd.
Executive Director, Shanghai Hong Rong Property Management Co., Ltd. (Representative)
Supervisor, ASE Test, Inc. (Representative)
Chairman, ASE Cultural & Educational Foundation
Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation

Ching-Chou Su

Assistant General Manager, Zhongli Construction Area of the Company
Assistant General Manager, Fuhua Engineering Co., Ltd.
Director (Representative) and Executive Assistant General Manager of ASE WeMall Management and Consulting Co., Ltd.
Supervisor, Shanghai You Chang Property Management Ltd. Co. (Representative)
Director, Luchu Development Corporation (Representative)

Wei-Li Tso

None

Chia-Pei Chou

General Manager of the Company
Director (Representative) and General Manager, Fuhua Engineering Co., Ltd.
Chairman, Hung Ching Kwan Co., Ltd.
Supervisor, Hung Ching New Co., Ltd. (Representative)
Supervisor, Shanghai Youhong Engineering Technical Consulting Co., Ltd.
Supervisor, Shanghai Hong Rong Property Management Ltd. Co.
Director, ASE Cultural & Educational Foundation
Director, ASE Environment & Sustainability Foundation
Supervisor, Advanced Semiconductor Engineering, Inc. (Representative)
Chairman, ASE WeMall Management and Consulting Co., Ltd.
Director, Superb First Co., Ltd. (Representative)
Executive Director, Shanghai You Chang Property Management Ltd. Co. (Representative)
Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation
Chairman, Luchu Development Corporation

Ching-Hua Chen

Executive Assistant General Manager of the Company
Director (Representative) and General Manager, Hung Ching Kwan Co., Ltd.
Executive Assistant General Manager, Fuhua Engineering Co., Ltd.
General Manager, ASE WeMall Management and Consulting Co., Ltd.
General Manager, Shanghai You Chang Property Management Ltd. Co.

Fang-Ying Chen

Assistant General Manager, Finance Department of the Company
Director, Fuhua Engineering Co., Ltd. (Representative)
Director, Hung Ching New Co., Ltd. (Representative)
Supervisor, Hung Ching Kwan Co., Ltd.
Director of ASE WeMall Management and Consulting Co., Ltd. (Representative)
Director, ASE Cultural & Educational Foundation
Director, Luchu Development Corporation (Representative)

Chien-Hua Yao

Assistant General Manager, Kaohsiung Construction Area of the Company
Assistant General Manager, Fuhua Engineering Co., Ltd.
Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation

Hung-Lung Hung

Certified Public Accountant, Chuan Tung United Accounting Firm
Director, Chung Hsiang Social Welfare Charity Foundation

Chun-Chin Tu

Adjunct Professor, Ming Chuan University
Adjunct Professor, National Taipei University of Business

1.1 Professional qualifications of Directors and Independent Directors, and independence of Independent Directors:

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Wen-Hsiang Chien	He graduated from the Department of Industrial Engineering of Chung Yuan Christian University. He joined in the Company in 1986, and served as the Engineering Manager, Assistant General Manager and General Manager of the Company's Development Department. He was elected as the Company's Director in 1999, and was elected and serve as the Company's Chairman from 2014 up to now. He has business, architectural engineering, leadership and decision-making, as well as practical operating and management abilities, and now concurrently serves as the supervisor (representative) of Universal Scientific Industrial Co., Ltd. He was not involved in any circumstances stipulated in Article 30 of the Company Act.	-	-
Chia-Pei Chou	She graduated from the Department of Accounting of Soochow University, and served as the audit assistant manager of Hsin Chi Premier Accounting Firm. She joined in the Company in 1987, and served as the Manager, Deputy Assistant General Manager and Assistant General Manager, and now serves as the General Manager, of the Company's Finance Department. She has finance, financial, accounting, business, leadership and decision-making, as well as practical operating and management abilities, and now concurrently serves as the supervisor (representative) of Advanced Semiconductor Engineering, Inc. She was not involved in any circumstances stipulated in Article 30 of the Company Act.	-	-
Yuan-Yi Tseng	He graduated from the Department of Civil Engineering of National Taiwan University, and is the Master of Systems Engineering of Asian Institute of Technology. He served as the Director-General of Ret-Ser Engineering Agency, and now serves the supervisor (representative) of ASE Test, Inc. He began to serve as the Company's Director from 1999, and served as the Company's Chairman from 2002 to 2014, and served as the Company's Supervisor from 2014 to 2017. He has architectural engineering, leadership and decision-making, as well as practical operating and management abilities. He was not involved in any circumstances stipulated in Article 30 of the Company Act.	-	-
Du-Tsuen Uang	He is the Ph.D. in Law of National Chengchi University, and now serves as the Group chief administrative officer of ASE Technology Holding Co., Ltd., the chairman and general manager of ASE Integrated Circuit Manufacturing (China) Co., Ltd., and the director of Universal Scientific Industrial (Shanghai) Co. Ltd. and Sino Horizon Holdings Limited. He served as the chief secretary of the Bureau of Central Standards, the Commissioner of the Fair Trade Commission under The Executive Yuan, and the Dean of	-	-

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	School of Law of Ming Chuan University. He has legal, corporate governance, business, leadership and decision-making, as well as practical operating and management abilities. He was not involved in any circumstances stipulated in Article 30 of the Company Act. He was not involved in any circumstances stipulated in Article 30 of the Company Act.		
Ching-Hua Chen	He graduated from Taipei Tech of the National Taipei University of Technology and St. John's University, USA, and served as the manager of the Export Department of Ret-Ser Engineering Agency and the director and executive assistant general manager of Sino Horizon Holdings Limited. He served as the Company's Deputy Chief Engineer and Assistant General Manager from 1995 to 2002, and now serves as the Company's Executive Assistant General Manager and Chief Engineer. He has architectural engineering, leadership and decision-making, as well as practical operating and management abilities. He was not involved in any circumstances stipulated in Article 30 of the Company Act.	-	-
Fang-Ying Chen	She graduated from the Department of Accounting of Tamkang University, and was employed by Deloitte & Touche. She joined in the Company in 1992, and served as the Assistant Manager, Manager and Deputy Assistant General Manager, and now serves as the Assistant General Manager, of the Company's Finance Department. She has finance, financial, accounting, business, leadership and decision-making, as well as practical operating and management abilities. She was not involved in any circumstances stipulated in Article 30 of the Company Act.	-	-
Chien-Hua Yao	He graduated from Ger Jyh Senior High School. He joined in the Company in 1986, and served as the team leader of the Development Department, Assistant Manager of General Manager's Office, Manager of Kaohsiung Construction Area and Shanghai Construction Area, and Deputy Assistant General Manager of Procurement Department of the Company, and now serves as the Assistant General Manager of the Company's Kaohsiung Construction Area. He has architectural engineering, leadership and decision-making, as well as practical management abilities. He was not involved in any circumstances stipulated in Article 30 of the Company Act.	-	-
Ching-Chou Su	Master of Industrial Engineering, National Taiwan University. He joined in the Company in 1993, and served as the Electrical and Mechanical Officer, Special Project Manager of Zhongli Construction Area, the Deputy Assistant General Manager of the Engineering Department, the Assistant General Manager of the Mall in Tucheng, and now serves as the Assistant General Manager of Zhongli Construction Area, of the Company. He has architectural engineering, leadership and decision-making, as well as	-	-

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	practical management abilities. He was not involved in any circumstances stipulated in Article 30 of the Company Act.		
Wei-Li Tso	She is the Master graduated from the Department of Business Administration of National Central University, and has professional management and accounting skills. She served as the independent director of Federal Corporation, the supervisor of LIDLIGHT INC., as well as the Assistant General Manager, head of accounting and head of finance of VIVOTEK INC. She has finance, financial, accounting, corporate governance, business and management abilities. Currently, she is serving as an independent director for her third term, which has not exceeded the maximum of three terms, and there have been no violations of Article 30 of the Company Act.	1. He or his spouse or any relative within the second degree of kinship does not serve as the Director, Supervisor or employee of the Company or any of its affiliates. 2. The Director, Tso, and her spouse only hold a small number of shares in the Company, and their total shareholding is less than 1‰. 3. He does not serve as the director, supervisor or employee of any companies having specific relation with the Company. 4. He did not provide any commercial, legal, financial, accounting and other services to the Company or any of its affiliates in the most recent 2 years.	-
Hung-Lung Hung	He is the Master in Accounting of National Chengchi University, and now serves as the Certified Public Accountant of Chuan Tung United Accounting Firm and the Director of Chung Hsiang Social Welfare Charity Foundation. He has professional accounting skills and work experience, and has passed the national examination required for CPAs. Therefore, Mr. Hong-Long Hong's expertise in accounting and auditing is relied on to oversee the operations of the Company on an ongoing basis. Now, he is serving as an Independent Director for the third tenure (no more than three tenure), and he is not involved in any circumstances specified in Article 30 of the Company Act.	1. He or his spouse or any relative within the second degree of kinship does not serve as the Director, Supervisor or employee of the Company or any of its affiliates. 2. He, his spouse or any relative within the second degree of kinship does not hold any share in the Company.	-
Chun-Chin Tu	She is the Ph.D. in Law of National Chengchi University, and specialized in the Securities and Exchange Act, Commercial Law and Criminal Law. Now, she serves as the Adjunct Professor of National Taipei University of Business and Ming Chuan University. She served as the	3. He does not serve as the director, supervisor or	-

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Professor and the Chairperson of Department of National Taipei University of Business, and the Professor of Ming Chuan University. She has professional legal abilities and is the professor in law in University. Therefore, Ms. Chun-Chin Tu's legal expertise is relied on to oversee the operations of the Company on an ongoing basis. Now, she is serving as an Independent Director for the second tenure (no more than three tenure), and she is not involved in any circumstances specified in Article 30 of the Company Act.	4. employee of any companies having specific relation with the Company. He did not provide any commercial, legal, financial, accounting and other services to the Company or any of its affiliates in the most recent 2 years.	

1.2 Diversity and Independence of the Board of Directors:

1.2.1 Diversity of the Board of Directors:

1. In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's Board of Directors has approved formulation of the Corporate Governance Best Practice Principles, which are composed of 51 Articles and which specify, in its Article 20, the provisions for improvement of the Board of Directors' functions:

Diversity shall be considered for the composition and members of the Board of Directors, and appropriate diversity policies shall be formulated based on its operating status, business type and development needs, including but not limited to the criteria related to the following:

- (1) Basic requirements and values: gender, age, nationality, and culture, etc.
- (2) Professional knowledge and skills: professional background, such as legal, accounting, industrial, financial, marketing or technical, professional skills and industrial experience, etc.

The knowledge, skills and quality that the Board of Director's members shall generally have for fulfillment of duties. In order to achieve the ideal goals of corporate governance, the Board of Directors shall have the following abilities as a whole:

- (1) Operational judgment capability.
- (2) Accounting and financial analysis ability.
- (3) Management and leadership ability.
- (4) Crisis management ability.
- (5) Industry knowledge.
- (6) International market perspective.
- (7) Leadership.
- (8) Decision-making ability.

2. Specific management goals and achievement status for the diversity of the Board of Directors' members:

Management Objectives	Achievement Status
At least one-third of the seats on the board of directors shall be held by individuals of different genders.	Achieved.
A minimum of one-third of the board members must have expertise in construction engineering and possess relevant industry knowledge.	Achieved.
At least one-third of the seats for independent directors must be held by individuals with expertise in law, accounting, or financial analysis.	Achieved.
Independent directors may serve a maximum of three consecutive terms.	Achieved.

3. Diversity of the Board of Directors' members:

Core Items of Diversity Name of Director	Basic Composition						Industrial Experience and Professional Ability												
	Nationality	Gender	Concurrently Serving As Employee	Age			Seniority of Independent Director			Architectural Engineering	Legal	Operational Judgement	Accounting and Financial	Business Management	Crisis Management	Industrial Knowledge	Leadership	Decision-making Ability	International Market Perspective
				Under 60	61 to 70	Over 71	1 tenure	2 tenures	3 tenures										
Wen-Hsiang Chien	R.O.C.	Male	v			v				v		v		v	v	v	v	v	v
Chia-Pei Chou	R.O.C.	Female	v		v							v	v	v	v	v	v	v	v
Yuan-Yi Tseng	R.O.C.	Male			v					v		v		v	v	v	v	v	v
Du-Tsuen Uang	R.O.C.	Male			v						v	v		v	v	v	v	v	v
Ching-Hua Chen	R.O.C.	Male	v			v				v		v		v	v	v	v	v	v
Fang-Ying Chen	R.O.C.	Female	v	v									v	v	v	v	v	v	v
Chien-Hua Yao	R.O.C.	Male	v		v					v		v		v	v	v	v	v	v
Ching-Chou Su	R.O.C.	Male	v	v						v		v		v	v	v	v	v	v
Wei-Li Tso	R.O.C.	Female			v								v	v	v		v	v	v
Hung-Lung Hung	R.O.C.	Male				v							v				v	v	v
Chun-Chin Tu	R.O.C.	Female				v					v				v		v	v	v

All members of the Board of Directors of the Company possess relevant industry experience and professional qualifications. Specifically, approximately 45.45% have a background in construction engineering, 18.18% have a legal background, 63.64% have experience in operational judgment, 36.36% have a background in accounting and finance, 81.82% have management experience, and 72.73% possess industry knowledge. Furthermore, the Board comprises 7 male directors, representing 63.64%, and 4 female directors, representing 36.36%.

1.2.2 Independence of the Board of Directors:

The Company's current Board of Directors is composed of 11 members elected by the Shareholders' Meeting from the persons with active ability. The Directors obtained the votes representing more voting rights and were elected, with a tenure of 3 years. There are 3 Independent Directors (accounting for 27.27%) in the number of the said Directors. A candidate nomination system was adopted, and Independent Directors were elected by the Shareholders' Meeting from the List of Independent Director Candidates. Their professional qualifications and election are in compliance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The Company's Board of Directors attaches importance to the functions of independent operating and transparency. Directors and Independent Directors are independent, and exercise their powers independently, and they are not spouses or relatives within the second degree of kinship. The 3 Independent Directors exercise the functions and powers of the Audit Committee, review the management and control over the Company's any existing or potential risks, and duly supervise the effective implementation of the Company's internal control, the selection (dismissal) and independence of CPAs and the fair preparation of Financial Statements, in accordance with relevant laws and regulations.

1.3 Major shareholders of the directors who are corporate shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders
Advanced Semiconductor Engineering, Inc.	ASE Technology Holding Co., Ltd. 100.00%

1.4 Major shareholders of the Company's major institutional shareholders

Name of corporate shareholder	Major shareholders of corporate shareholders
ASE Technology Holding Ltd.	Hong Kong Microelectronics International Corporation 15.500%
	ASE Depository Receipt, with Citibank Taiwan as the custodian trustee 7.120%
	Investment trust account of Value Investing Company, with HSBC Bank (Taiwan) Company Limited as the custodian trustee 6.003%
	Trust account of Brilliant Capital Profits Limited, with HSBC Bank (Taiwan) Company Limited as the custodian trustee 2.733%
	Taiwan ESG sustainability high dividend ETF securities investment trust fund account of Taishin International Commercial Bank Co., Ltd., as the custodian trustee of Cathay Sustainability High Dividend ETF 1.570%
	Taipei Fubon Commercial Bank Co., Ltd. has been entrusted with the custody of Fuh Hwa Taiwan Technology Preferred Interest ETF Securities Investment Trust Fund Account 1.501%
	New Labor Pension Fund 1.422%
	Department of Government Employees Insurance, Bank of Taiwan 1.107%
	J.P. Morgan Chase Bank, Taipei Branch, has been entrusted with the custody of the Advanced Starlight Fund Company. The investment account for the Advanced Series Fund's International Equity Index Fund stands at 1.043%
	Morgan Trust Vanguard Emerging Markets Stock Index Fund Account 1.009%

(II) Information on the General Manager, Assistant General Managers, Deputy Assistant General Managers and Heads of Departments and Offices

April 30, 2025

Title	Nationality	Gender	Name	Date of Election	Shareholding		Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Main Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officers Who Are Spouses or within Two Degrees of Kinship			Note
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Director of the Sustainable Development Committee	R.O.C.	Male	Wen-Hsiang Chien	2023.03.01	27,782	0.01	1,042	-	-	-	Graduated from the Department of Industrial Engineering, Chung Yuan Christian University	Chairman, Fuhua Engineering Co., Ltd. Director, Hung Ching Kwan Co., Ltd. (Representative) Supervisor, Universal Scientific Industrial Co., Ltd. (Representative) Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation	-	-	-	-
General Manager	R.O.C.	Female	Chia-Pei Chou	2014.07.14	67,723	0.03	4,110	-	-	-	Graduated from the Department of Accounting, Soochow University Hsin Chi Premier Accounting Firm Audit Assistant Manager	Director (Representative) and General Manager, Fuhua Engineering Co., Ltd. Chairman, Hung Ching Kwan Co., Ltd. Supervisor, Hung Ching New Co., Ltd. (Representative) Supervisor, Shanghai Youhong Engineering Technical Consulting Co., Ltd. Supervisor, Shanghai Hong Rong Property Management Ltd. Co. Director, ASE Cultural & Educational Foundation Director, ASE Environment & Sustainability Foundation Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation Supervisor, Advanced Semiconductor Engineering, Inc. (Representative) Chairman, ASE WeMall Management and Consulting Co., Ltd. Director, Superb First Co., Ltd. (Representative) Executive Director, Shanghai You Chang Property Management Ltd. Co. (Representative) Chairman, Luchu Development Corporation	-	-	-	-
Executive Assistant General Manager	R.O.C.	Male	Ching-Hua Chen	2019.06.17	4,176	-	-	-	-	-	Master, St. John's University, USA	Director (Representative) and General Manager, Hung Ching Kwan Co., Ltd. General Manager, ASE WeMall Management and Consulting Co., Ltd. Executive Assistant General Manager, Fuhua Engineering Co., Ltd. General Manager, Shanghai You Chang Property Management Ltd. Co.	-	-	-	-
Assistant General Manager, Finance Division	R.O.C.	Female	Fang-Ying Chen	2015.07.27	20,000	0.01	-	-	-	-	Graduated from the Department of Accounting, Tamkang University Deloitte & Touche	Director, Fuhua Engineering Co., Ltd. (Representative) Supervisor, Hung Ching Kwan Co., Ltd. Director, Hung Ching New Co., Ltd. (Representative) Director of ASE WeMall Management and Consulting Co. (Representative) Director, ASE Cultural & Educational Foundation Director, Luchu Development Corporation (Representative)	-	-	-	-
Assistant General Manager, Zhongli Construction Area	R.O.C.	Male	Ching-Chou Su	2015.07.27	5,923	-	-	-	-	-	Master of Industrial Engineering, National Taiwan University	Assistant General Manager, Fuhua Engineering Co., Ltd. Director (Representative) and Executive Assistant General Manager of ASE WeMall Management and Consulting Co., Ltd. Supervisor, Shanghai You Chang Property Management Ltd. Co. (Representative) Director, Luchu Development Corporation (Representative)	-	-	-	-

Title	Nationality	Gender	Name	Date of Election	Shareholding		Shareholding of Spouse & Minor Children		Shareholding by Nominee Arrangement		Main Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officers Who Are Spouses or within Two Degrees of Kinship			Note
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationship	
Assistant General Manager, Sales Department	R.O.C.	Female	Hsiao-Wei Yao	2018.04.01	-	-	-	-	-	-	Graduated from Kai Ming Senior Technical and Commercial Vocational School	Supervisor, Fuhua Engineering Co., Ltd. (Representative) Supervisor of ASE WeMall Management and Consulting Co., Ltd. (Representative) Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation Supervisor, Luchu Development Corporation	-	Chien-Hua Yao	Sister and younger brother	-
Assistant General Manager, Kaohsiung Construction Area	R.O.C.	Male	Chien-Hua Yao	2018.04.01	2,768	-	437	-	-	-	Graduated from Ger Jyh Senior High School	Assistant General Manager, Fuhua Engineering Co., Ltd. Director, Chang Yao Hong-Ying Social Welfare & Charity Foundation	-	Hsiao-Wei Yao	Sister and younger brother	-
Assistant General Manager, Investment and Development Department	R.O.C.	Male	Shun-Wan Pan	2018.04.01	598	-	279	-	-	-	Graduated from the Department of Civil Engineering, Van Nung Institute of Industry EMBA, National Chengchi University	Director, Fuhua Engineering Co., Ltd. (Representative)	-	-	-	-
Deputy Assistant General Manager, Engineering Department	R.O.C.	Male	Chao-Liang Huang	2018.04.01	13	-	-	-	-	-	Graduated from National Hualien Industrial Vocational Senior High School	Director, Fuhua Engineering Co., Ltd. (Representative) Supervisor, Luchu Development Corporation	-	-	-	-
Deputy Assistant General Manager, Procurement Department	R.O.C.	Male	Chao-Hsiang Huang	2019.07.01	-	-	-	-	-	-	Graduated from the Department of Mechanics, Chien Hsin Institute of Industry	Director, Fuhua Engineering Co., Ltd. (Representative)	-	-	-	-
Assistant General Manager, Administration Department	R.O.C.	Male	Wen-Yuan Tsai	2021.06.01	-	-	-	-	-	-	Graduated from the Accounting and Statistics Department, Aletheia University	None	-	-	-	-

II Remuneration Paid to Directors, the General Manager, and Assistant General Managers

(I) Remuneration paid to Directors and Independent Directors (Names and remuneration thereof to be disclosed individually)

Unit: NT\$ thousand

Title	Name	Remuneration of directors								Ratio of Total Remuneration (A+B+C+D) to After-tax Net Profit (100%)		Relevant Remuneration Received by Directors Who Are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to After-tax Net Profit 100(%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary		
		Base Compensation (A)		Severance Pay and Pension (Note 1) (B)		Remuneration from Earnings Distribution (C)		Business Execution Expenses (D)				Salary, Bonuses, and Allowances, Etc. (E)		Severance Pay and Pension (F)		Employee Compensation (Note 2) (G)								
		The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements			The Company	All Companies in Financial Statements
																		Cash	Stock	Cash	Stock			
Chairman	Wen-Hsiang Chien	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	4,056	7,816	108	108	534	0	534	0	7,517 0.59	11,277 0.89	None		
Director	Chia-Pei Chou	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	2,911	6,403	108	108	378	0	378	0	6,216 0.49	9,708 0.76	None		
Director	Du-Tsuen Uang	18	18	0	0	2,819	2,819	0	0	2,837 0.22	2,837 0.22	0	0	0	0	0	0	0	0	2,837 0.22	2,837 0.22	None		
Director	Advanced Semiconductor Engineering, Inc. Representative: Yuan-Yi Tseng	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	0	2,956	0	0	0	0	0	0	2,819 0.22	5,774 0.45	None		
Director	Advanced Semiconductor Engineering, Inc. Representative: Ching-Chou Su	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	0	3,275	0	105	318	0	318	0	3,137 0.25	6,517 0.51	None		
Director	Ching-Hua Chen	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	3,729	5,125	108	108	494	0	494	0	7,150 0.56	8,546 0.67	None		
Director	Fang-Ying Chen	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	2,490	5,018	105	105	320	0	320	0	5,734 0.45	8,262 0.65	None		
Director	Chien-Hua Yao	0	0	0	0	2,819	2,819	0	0	2,819 0.22	2,819 0.22	0	3,631	0	99	264	0	264	0	3,083 0.24	6,813 0.54	None		
Independent Director	Hung-Lung Hung	684	684	0	0	0	0	0	0	684 0.05	684 0.05	0	0	0	0	0	0	0	0	684 0.05	684 0.05	None		
Independent Director	Wei-Li Tso	684	684	0	0	0	0	0	0	684 0.05	684 0.05	0	0	0	0	0	0	0	0	684 0.05	684 0.05	None		
Independent Director	Chun-Chin Tu	684	684	0	0	0	0	0	0	684 0.05	684 0.05	0	0	0	0	0	0	0	0	684 0.05	684 0.05	None		
1. The policy, system, standards and structure for the remuneration paid to independent directors, and the correlation of the remuneration amount with the responsibilities, risks and time commitment: In accordance with Article 16-2 of the Company's Articles of Incorporation, the remuneration of independent directors of the Company is set at NTS600,000 per director per year, except for those with a term of less than one year, in proportion to the actual number of days they have been appointed; The part-time remuneration for the independent directors of the Company who also serve on the Compensation and Remuneration Committee of the Company is also set at NTS80,000 per director per year, except for those with a term of less than one year, in proportion to the actual number of days they have held.																								
2. In addition to the above disclosures, the remuneration received by the Company's directors for services rendered in the most recent year (e.g., serving as consultants (not employees) of the parent company/all companies in financial statements/investees): None																								

(II) Remuneration Paid to the General Manager and Assistant General Managers (Names and remuneration thereof to be disclosed individually)

Unit: NT\$ thousand

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay and Pension (B) (Note 1)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 1)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements		The Company	All Companies in Financial Statements	
								Cash	Stock	Cash	Stock			
Director of the Sustainable Development Committee	Wen-Hsiang Chien	4,056	7,816	108	108	0	0	534	0	534	0	4,698 0.37	8,458 0.66	None
General Manager	Chia-Pei Chou	2,911	6,403	108	108	0	0	378	0	378	0	3,397 0.27	6,889 0.54	None
Executive Assistant General Manager	Ching-Hua Chen	3,729	5,125	108	108	0	0	494	0	494	0	4,331 0.34	5,727 0.45	None
Assistant General Manager	Fang-Ying Chen	2,490	5,018	105	105	0	0	320	0	320	0	2,915 0.23	5,443 0.43	None
Assistant General Manager	Ching-Chou Su	0	3,275	0	105	0	0	318	0	318	0	318 0.02	3,698 0.29	None
Assistant General Manager	Hsiao-Wei Yao	2,531	3,531	108	108	0	0	316	0	316	0	2,955 0.23	3,955 0.31	None
Assistant General Manager	Chien-Hua Yao	0	3,631	0	99	0	0	264	0	264	0	264 0.02	3,994 0.31	None
Assistant General Manager	Shun-Wan Pan	2,617	3,617	108	108	0	0	359	0	359	0	3,084 0.24	4,084 0.32	None

Note 1: Refers to the labor pension (new pension system) provided pursuant to the Labor Pension Act.

Note 2: The Company proposed to distribute remuneration to employees in cash in the total amount of NT\$45,108 thousand for the year ended December 31, 2024. The amount per person for the distribution is currently an estimation, and has not been recognized yet.

(III) Remuneration of the Five Highest Paid Executives of a Listed/OTC Company (Names and remuneration thereof to be disclosed individually)

Unit: NT\$ thousand

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay and Pension (B) (Note 1)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 1)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary
		The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements		The Company	All Companies in Financial Statements	
								Cash	Stock	Cash	Stock			
Director of the Sustainable Development Committee	Wen-Hsiang Chien	4,056	7,816	108	108	0	0	534	0	534	0	4,698 0.37	8,458 0.66	None
General Manager	Chia-Pei Chou	2,911	6,403	108	108	0	0	378	0	378	0	3,397 0.27	6,889 0.54	None
Executive Assistant General Manager	Ching-Hua Chen	3,729	5,125	108	108	0	0	494	0	494	0	4,331 0.34	5,727 0.45	None
Assistant General Manager	Fang-Ying Chen	2,490	5,018	105	105	0	0	320	0	320	0	2,915 0.23	5,443 0.43	None
Assistant General Manager	Shun-Wan Pan	2,617	3,617	108	108	0	0	359	0	359	0	3,084 0.24	4,084 0.32	None

Note 1: Refers to the labor pension (new pension system) provided pursuant to the Labor Pension Act.

Note 2: The Company proposed to distribute remuneration to employees in cash in the total amount of NT\$45,108 thousand for the year ended December 31, 2024. The amount per person for the distribution is currently an estimation, and has not been recognized yet.

(IV) Managerial Officers Who Received Employee Bonuses and Their Amount

Unit: NT\$ thousand

Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Director of the Sustainable Development Committee	Wen-Hsiang Chien	0	3,663	3,663	0.29
General Manager	Chia-Pei Chou				
Executive Assistant General Manager	Ching-Hua Chen				
Assistant General Manager, Finance Division	Fang-Ying Chen				
Assistant General Manager, Zhongli Construction Area and Shopping Malls	Ching-Chou Su				
Assistant General Manager, Sales Department	Hsiao-Wei Yao				
Assistant General Manager, Kaohsiung Construction Area	Chien-Hua Yao				
Assistant General Manager, Investment and Development Department	Shun-Wan Pan				
Deputy Assistant General Manager, Engineering Department	Chao-Liang Huang				
Deputy Assistant General Manager, Procurement Department	Chao-Hsiang Huang				
Assistant General Manager, Administration Department	Wen-Yuan Tsai				

- (V) Analysis on the ratio of the total remuneration paid to the Company's Directors, General Manager, and Assistant General Managers by the Company and all companies listed in the Consolidated Financial Statements in the most recent two years to after-tax net profit, and remuneration payment policies, standards and combination, remuneration determination procedures, and their relevance with business performance shall be compared and stated.

1. Analysis of the ratio of the total remuneration paid to net income

Unit: NT\$ thousand

Title	2024				2023			
	The Company		All Companies in Financial Statements		The Company		All Companies in Financial Statements	
	Amount	Ratio of Total Amount to After-tax Net Profit %	Amount	Ratio of Total Amount to After-tax Net Profit %	Amount	Ratio of Total Amount to After-tax Net Profit %	Amount	Ratio of Total Amount to After-tax Net Profit %
Director	40,546	3.19	61,787	4.86	28,234	4.87	48,932	8.44
General Manager and Assistant General Managers	21,962	1.72	42,248	3.31	18,406	3.17	37,836	6.52

Note:

- The total compensation for the Board of Directors, the General Manager, and the Deputy General Manager in 2024 has increased compared to 2023, which can be attributed to the rise in net profit after tax for 2024.
 - The remuneration ratio is high due to the fact that 6 out of the 11 Directors of the Company held concurrent positions such as Director of the Sustainable Development Committee, General Manager and Assistant General Managers. The remuneration for Directors includes the remuneration for the concurrent position.
2. Remuneration policy:
- The Board of Directors is authorized by the Articles of Incorporation to determine the remuneration of Directors, which shall not exceed the highest salary range set out in the Company's remuneration policy, by reference to

the industry norm and the value of their involvement in and contribution to the operation of the Company. If there is profit, the allocation of compensation will be made pursuant to Article 23 (please refer to page 63 of this annual report for details).

- (2) The remuneration of the Chairman, General Manager, and Assistant General Managers is approved by the Remuneration Committee of the Company and the Board of Directors in accordance with the Company's remuneration policy.

III Implementation of Corporate Governance

(I) Operations of the Board of Directors

A total of 5 (A) meetings of the Board of Directors were held in the most recent year.

The attendance of Directors is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note 1)	Note
Chairman	Wen-Hsiang Chien	5	0	100.0	-
Director	Du-Tsuen Uang	1	0	20.0	-
Director	Chia-Pei Chou	4	0	80.0	-
Director	Advanced Semiconductor Engineering, Inc. Representative: Yuan-Yi Tseng	5	0	100.0	-
Director	Advanced Semiconductor Engineering, Inc. Representative: Ching-Chou Su	5	0	100.0	-
Director	Ching-Hua Chen	5	0	100.0	-
Director	Fang-Ying Chen	5	0	100.0	-
Director	Chien-Hua Yao	5	0	100.0	-
Independent Director	Wei-Li Tso	5	0	100.0	-
Independent Director	Hung-Lung Hung	5	0	100.0	-
Independent Director	Chun-Chin Tu	5	0	100.0	-

Note 1: The actual attendance rate (%) is calculated on the basis of number of Board of Directors meetings held during his or her tenure and number of such meetings attended.

Other matters to be recorded:

- If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all Independent Directors' opinions and the Company's response should be specified:
 - Matters specified in Article 14-3 of the Securities and Exchange Act: No independent director raises dissenting or unqualified opinion, so no further action is taken.
 - In addition to the above, any recorded or written Board of Directors' resolutions to which Independent Directors have dissenting or qualified opinions: None

2. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, Contents of Proposals, reasons for recusal, and results of voting shall be specified:

Board Meeting Date and Term	Contents of Proposals	Name of Director	Reasons for Recusal	Results of Voting
2024.06.11 1st Extraordinary Board Meeting of 2024	Approval of the joint construction contract for the Kaohsiung K28 plant with Advanced Semiconductor Engineering, Inc.	Yen-Yi Tseng, Ching-Chou Su	Director Tseng and Director Su are serving their terms as the juristic person representatives of Advanced Semiconductor Engineering, Inc. on the date of the meeting; they all have personal interests concerning the content of this proposal.	The proposal was approved by the Directors present without objection, except for Directors Tseng and Su who recused and did not participate in voting.
2024.08.09 3rd Board Meeting of 2024	1. Approval on the sale of Kaohsiung K13 factory building to Advanced Semiconductor Engineering, Inc. 2. Set the amount of individual remuneration for the Directors of the Company. 3. Establishment of the amount of remuneration to the managerial officers of the Company and its subsidiaries.	1. Yen-Yi Tseng, Ching-Chou Su 2. Wen-Hsiang Chien, Chia-Pei Chou, Ching-Hua Chen, Yen-Yi Tseng, Fang-Yin Chen, Ching-Chou Su, Chen-Hua Yao 3. Wen-Hsiang Chien, Chia-Pei Chou, Ching-Hua Chen, Fang-Ying Chen, Ching-Chou Su, Chen-Hua Yao	1. Director Tseng and Director Su are serving their terms as the juristic person representatives of Advanced Semiconductor Engineering, Inc. on the date of the meeting; they all have personal interests concerning the content of this proposal. 2. Directors stated were involved in the content of this proposal. 3. Directors stated were involved in the content of this proposal.	1. The proposal was approved by the Directors present without objection, except for Directors Tseng and Su who recused and did not participate in voting. 2. The proposal was adopted without objection by the attending Directors, except for these Directors recused and did not participate in voting. 3. The proposal was adopted without objection by the attending Directors, except for these Directors recused and did not participate in voting.
2024.11.08 4th Board Meeting of 2024	Approval on the donation of NT\$200,000 to the ASE Environmental Protection and Sustainability Foundation	Chia-Pei Chou	Director Chou is the director of Environmental Protection and Sustainability and has personal interests concerning the content of this proposal.	The proposal was adopted without objection by the attending Directors, except for Director Chou, who recused and did not participate in voting.

3. Implementation Status of Board Evaluation

In order to implement corporate governance and improve the Board of Directors' functions, the Company has made a 2024 evaluation on the performance of the Board of Directors and functional committees according to the Performance Evaluation Method for the Board of Directors approved by the Board of Directors. In order to improve transparency of information, the operating methods and scoring results of the Performance Evaluation Method for the Board of Directors have been disclosed on and in MOPS, the Company's website and Annual Report for check.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation Result
Annually	2024.01.01 To 2024.12.31	Board of Directors	Self-evaluation of the Board of Directors	Evaluation on the overall performance of the Board of Directors 1. Their degree of participation in the Company's operations 2. Improvement in the quality of decision making by the Board of Directors 3. Composition and structure of the Board of Directors 4. Election of the Directors and their continuing professional education 5. Internal control	Overall score was 4.57, which was converted into 91.26 points Overall operation is good.
		Individual Board members	Self-evaluation of Board members	Self-evaluation by Board members 1. Execution of the Company's goals and tasks 2. Their understanding of Director's responsibilities 3. Their degree of participation in the Company's operations 4. Their internal relationship management and communication 5. Their professionalism and continuing professional education 6. Internal control	Overall score was 4.77, which was converted into 94.83 points Overall operation is good.
		Audit Committee	Self-evaluation of Audit Committee	Self-evaluation by Audit Committee's members 1. Their degree of participation in the Company's operations 2. Their understanding of the Audit Committee's responsibilities 3. Improvement in the quality of decision making by the Audit Committee 4. Composition and member selection of the Audit Committee 5. Internal control	Overall score was 4.83, which was converted into 96.68 points Overall operation is good.
		Remuneration Committee	Self-evaluation of Remuneration Committee	Self-evaluation by Remuneration Committee's members 1. Their degree of participation in the Company's operations 2. Their understanding of the Remuneration Committee's responsibilities 3. Improvement in the quality of decision making by the Remuneration Committee 4. Composition and member selection of the Remuneration Committee	Overall score was 4.68, which was converted into 93.00 points Overall operation is good.

4. Goals for improvement of the Board of Directors' functions (such as establishment of Audit Committee, and improvement of information transparency, etc.) and evaluation on their implementation in the current year and the most recent year: The Company's Board of Directors is composed of 11 Directors (including 3 Independent Directors). In order to improve the professional functions of the Board of Directors and to be in line with international standards, the Company has established Audit Committee to replace Supervisors. The Audit Committee currently has three members, and is composed of all Independent Directors to assist the Board of Directors to improve the performance of corporate governance, in addition to establishment of Remuneration Committee for formulation of and evaluation on performance evaluation and remuneration policies for the Company's Directors and managerial officers, with a view to effectively establish remuneration and performance evaluation system for the Company's Directors and managerial officers to further improve the Company's operating performance.

In addition, the Company has appointed Fang-Ying Chen to act as the Assistant General Manager of Finance Department and the head of Corporate Governance at the Board of Directors' meeting on May 10, 2021, and appointed an appropriate number of suitable corporate governance persons to deal with the matters related to the Board of Directors' meeting and Shareholders' Meeting, prepare the Board of Directors' meeting and Shareholders' Meeting minutes, assist Directors in their assumption of offices and continuing education, provide Directors with the information required for execution their businesses, and assist Directors in complying with laws and regulations and other matters specified in the Articles of Incorporation or contracts, etc.

(II) Operation of Audit Committee

In order to establish a good corporate governance system, and improve supervisory and management functions, the Company has established an Audit Committee on July 13, 2017 in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee has three members, and is composed of all Independent Directors. One person is recommended by all members of the he Audit Committee to serve as its convener and meeting chairperson and represent the Audit Committee to the external. The Company's Audit Committee aims to assist the Board of Directors in supervising the Company's quality and honesty regarding implementation of accounting, internal audit, financial reporting processes and financial control.

The matters subjecting to the review of the Company's Audit Committee mainly include:

1. Formulation of or amendment to internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation on the effectiveness of internal control system
3. Formulation of or amendment to the procedures for acquisition or disposal of assets, derivative commodity transactions, lending funds to others, provision of endorsement or guarantee for others, and other significant financial and business acts, in accordance with Article 36-1 of the Securities and Exchange Act.

4. Matters involving Director's interests.
5. Significant asset or derivative commodity transactions.
6. Significant fund-lending, endorsement or guarantee.
7. Placement, issuance or private placement of equity securities.
8. Appointment, dismissal or remuneration of or to CPAs.
9. Appointment and dismissal of the head of finance, head of accounting, and head of internal audit.
10. Annual and semi-annual financial statements.
11. Other significant matters stipulated by the Company or competent authorities.

Key items subjecting review include:

1. Review on financial statements

The Company's annual Business Reports, Financial Statements and Earnings Distribution Plans are submitted to the Board of Directors for approval after they have been reviewed and approved by the Audit Committee, and submitted to Shareholders' Meeting for recognition after they have been approved by the Board of Directors.

2. Evaluation on the effectiveness of internal control system. The results of self-evaluation on the Company's internal control system are completed by the Company's various units based on their internal control operation, and the Company's internal control system is confirmed by Audit Committee, including understanding the degree of achievement of operating effect and efficiency objectives, the reliability, timeliness, transparency and compliance of reports with relevant laws and regulations, as well as the effectiveness of other design and implementation. Audit Committee shall reasonably ensure achievement of relevant objectives.

3. Appointment of and evaluation on CPAs

Audit Committee regularly evaluate the professionalism and independence of CPAs. The results of evaluation made on CPAs in 2024 according to the audit quality indicators (AQIs) have been reviewed and approved by the Audit Committee and the Board of Directors on March 7, 2025. The CPAs Wang-Sheng Lin and Chun-Hung Shih from Deloitte & Touche met the Company's criteria for independence and competency.

Information on the operations of the Audit Committee

A total of 5 (A) meetings of the Audit Committee were held in the most recent year (2024). The attendance of Independent Directors is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Note
Independent Director	Hung-Lung Hung	5	0	100.0	-
Independent Director	Wei-Li Tso	5	0	100.0	-
Independent Director	Chun-Chin Tu	5	0	100.0	-

Other matters to be recorded:

- With regard to the operation of the Audit Committee, if any of the following circumstances occurs, the Audit Committee's meeting date and session, contents of proposals, contents of Independent Directors' dissenting or qualified opinions or significant suggestions, Audit Committee's resolutions, and the Company's response to Audit Committee's opinions shall be specified.

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

Audit Committee's Meeting Date or Session	Contents of Proposals	Audit Committee's Resolution	The Company's Response to Audit Committee's Opinions
2024.03.08 The 5th session of the 3rd Audit Committee	- Approval on 2023 Statement on Internal Control. - Proposal for approval on and recognition of the Company's 2023 Individual and Consolidated Financial Statements. - Proposal for approval on the appointment of CPAs and the assessment of the independence and competence of CPAs. - Approval on the Company and its subsidiaries' CPA fees for 2024 - Proposal for approval on provision of non-assurance services by Deloitte & Touche. - Approval on the establishment of the Regulations for Financial and Business Operations Among Related Parties - Approval on the amendment to the Rules of Procedures of Board of Director.	The chairperson of the meeting consulted all Directors present, and they approved the proposals 1-7 without objection.	The proposals 1-7 were submitted to the Board of Directors for resolution. The chairperson of the meeting consulted all Directors present, and they approved the proposals without objection.
2024.05.10 The 6th session of the 3rd Audit Committee	- Approval on the amendment to the Company's Rules of Procedures of Board of Director. - Approval on the amendment to the Organization Charter of Audit Committee. - Amendment to the Procedures for the Preparation and Verification of the Company's Sustainability Report	The chairperson of the meeting consulted all Directors present, and they approved the proposals 1-3 without objection.	The proposals 1-3 were submitted to the Board of Directors for resolution. The chairperson of the meeting consulted all Directors present, and they approved the proposals without objection.
2024.06.21 The 7th session of the 3rd Audit Committee	Approval on signing a Joint Construction Contract of the Kaohsiung K28 Factory with Advanced Semiconductor Engineering, Inc.	The Chairman of the meeting consulted all Directors in attendance, and they voted in favor of the resolution without objection.	The proposal was submitted to the Board of Directors for resolution. The Chairman of the meeting inquired with the attending Directors and the resolution of this proposal was passed unanimously.
2024.08.09 The 8th session of the 3rd Audit Committee	- Approval on the consolidated financial statements for the second quarter of 2024. - Approval on the sale of Kaohsiung K13 plant office building to Advanced Semiconductor Engineering, Inc.	The chairperson of the meeting consulted all Directors present, and they approved the proposals 1-2 without objection.	The proposals 1-2 were submitted to the Board of Directors for resolution. The chairperson of the meeting consulted all Directors present, and they approved the proposals without objection.

Audit Committee's Meeting Date or Session	Contents of Proposals	Audit Committee's Resolution	The Company's Response to Audit Committee's Opinions
2024.11.08 The 9th session of the 3rd Audit Committee	1. Approval on the establishment of the Sustainable Information Management Operating Procedures. 2. Proposal for approval on the loaning of funds with Ding Gu Properties Co., Ltd 3. Approval of a change in CPA.	The chairperson of the meeting consulted all Directors present, and they approved the proposals 1-3 without objection.	The proposals 1-3 were submitted to the Board of Directors for resolution. The chairperson of the meeting consulted all Directors present, and they approved the proposals without objection.

(2) Except for the above-mentioned matters, any other matters not approved by Audit Committee but approved by over two-thirds of all Directors: None

2. Regarding recusals of Independent Directors from voting due to conflicts of interests, the names of the Independent Directors, contents of proposals, reasons for recusal, and results of voting shall be specified:
None
3. Communication between the independent directors, head of internal audit, and CPAs (including the key items, methods, and results of audit of finances and operations)

(1) Communications between Independent Directors and head of internal audit

The Company's Internal Audit Department sends Audit Reports and Missing Response and Tracking Summary Reports to Independent Directors for review, by email, every month. The head of internal audit reports and communicates audit results to and with Independent Directors at Audit Committee's meeting on a quarterly basis, and reports the implementation status of internal audit at the Board of Directors' meeting. The independent directors have regular separate meetings with the head of internal audit every year. In addition, if there are exceptional circumstances, the head of internal audit will also immediately report to the Independent Directors. However, there were no such exceptional circumstances in 2024. The Company's Independent Directors have maintained good communication with the head of internal audit.

With regard to the report on audit results by the head of internal audit to Independent Directors and communication thereon between them in 2024, the communication summary and the suggestions of Independent Directors are as follows:

Meeting Date or Session	Attendees	Nature and Contents of Communication Topics	Suggestions of Independent Directors
2024.01-2024.12 Monthly report by email		Delivery of the Audit Report of last month by the head of internal audit to Independent Directors by email before the end of each month.	It has been fully discussed and known by Independent Directors, and they have no comment.
2024.05.10 Independent director and internal auditing unit seminar	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Head of Auditing Liu Su-fen	1. Issues related to internal control and internal audit operation 2. Regulatory advocacy	It has been fully discussed and known by Independent Directors, and they have no comment.
2024.03.08 The 5th session of the 3rd Audit Committee	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Head of Auditing Liu Su-fen	1. Report on the audit in 2023 Q4 and tracing of its implementation. 2. Formulation of the Statement on Internal Control System for the effectiveness of internal control system.	1. It has been fully discussed and known by Independent Directors, and they have no comment. 2. It shall be submitted to the Board of Directors for approval after it has been reviewed and approved by Audit Committee

Meeting Date or Session	Attendees	Nature and Contents of Communication Topics	Suggestions of Independent Directors
2024.05.10 The 6th session of the 3rd Audit Committee	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Head of Auditing Liu Su-fen	Report on the audit in 2024 Q1 and tracing of its implementation.	It has been fully discussed and known by Independent Directors, and they have no comment.
2024.08.09 The 8th session of the 3rd Audit Committee	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Head of Auditing Liu Su-fen	Report on the audit in 2024 Q2 and tracing of its implementation.	It has been fully discussed and known by Independent Directors, and they have no comment.
2024.11.08 The 9th session of the 3rd Audit Committee	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Head of Auditing Liu Su-fen	1. Report on the audit in 2024 Q3 and tracing of its implementation. 2. Discussion on the 2024 audit plan.	1. It has been fully discussed and known by Independent Directors, and they have no comment. 2. It shall be submitted to the Board of Directors for approval after it has been reviewed and approved by Audit Committee

(2) Communications between Independent Directors and CPAs

The Company's CPAs regularly report to Independent Directors the audit or review results of the quarterly financial statements, as well as other communication matters required by relevant laws and regulations. In addition, if there are exceptional circumstances, the CPAs will also immediately report to the Independent Directors. However, there were no such exceptional circumstances in 2024. The Company's Independent Directors have maintained good communication with the CPAs.

Independent Directors communicated with CPAs for 2 times in 2024, with the communication summary as follows:

Meeting Date or Session	Attendees	Nature and Contents of Communication Topics	Suggestions of Independent Directors
2024.03.08 The 5th session of the 3rd Audit Committee	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Certified Public Accountant Jun-Hong Shi	1. Method and scope of audit on Financial Statements 2. Audit on the Group 3. Audit results 4. Significant risks, and key matters subjecting to audit 5. Conclusions 6. Introduction of new regulations	Independent Directors have no comments nor suggestions.
2024.08.09 The 8th session of the 3rd Audit Committee	Independent director Hong-Long Hong Independent director Wei-Li Tsuo Independent director Chun-Chin Tu Certified Public Accountant Jun-Hong Shi	1. Review on the Group 2. Review results 3. Independence Statement 4. Statutory updates explanation 5. Significant risks, and key matters subjecting to audit, regarding annual plan. 6. Other matters	Independent Directors have no comments nor suggestions.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
I. Does the company establish and disclose its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	v		The Company approved formulation of the Corporate Governance Best Practice Principles at its Board of Directors' meeting on March 4, 2022, and operates according to relevant rules. These Principles are disclosed on MOPS and the Company's website. http://www.asehcc.com.tw	Compliance with the Principles
II. Shareholding structure & shareholders' rights				
(I) Does the company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigation?	v		The Company has formulated the Procedures for Management of Internal Material Information and Prevention of Insider Trading to ensure the accurate, comprehensive, and timely disclosure of internal material information in accordance with the established procedures. Investor inquiries are handled by the Company's spokesperson and proxy spokesperson, while shareholder suggestions, doubts, and disputes are managed by dedicated personnel and the Shareholder Services Department of Fubon Securities Co., Ltd. In the event of legal litigation, lawyers or legal professionals will be engaged to handle the matter, with a focus on protecting shareholder interests.	Compliance with the Principles
(II) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	v		In addition to the analysis of equity interests based on the list of shareholders after the book closure dates, the Company has also designated dedicated personnel to communicate with the stock transfer agent, and closely monitor the list of major shareholders of the Company and their controller at all times. The Company reports the shareholding changes of the Company's insiders and major shareholders to the competent authority according to statutory requirements.	Compliance with the Principles
(III) Does the company establish and execute a risk management and firewall system with its affiliates?	v		The Company has formulated the Regulations on Transactions between Group Companies, Specific Companies, and Related Parties, Regulations on Supervision and Management to Subsidiaries, Regulations for Financial and Business Operations Among Related Parties, etc., to establish appropriate risk control mechanisms and firewalls.	Compliance with the Principles
(IV) Does the company establish internal rules against insiders using undisclosed information to trade in securities?	v		In accordance with the Corporate Governance Best Practice Principles and the Procedures for Management of Internal Material Information and Prevention of Insider Trading, the Company's internal personnel are subject to stock trading controls as of the date they are informed of the Company's financial or related results, including, but not limited to, directors not trading in the	Compliance with the Principles

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			Company's stock or other marketable securities of an equity nature which are listed on the stock exchange or traded at the securities dealer's office 30 days prior to the publication date of the annual financial report and 15 days prior to the publication date of the quarterly financial report. Implementation Status in 2024: To promote the prohibition of insider trading, all directors were reminded that trading in their stocks is not permitted during closed periods. These closed periods are defined as the thirty days preceding the announcement of the annual financial report and the fifteen days prior to the announcement of each quarterly financial report. Notifications regarding the board meeting dates for February 29, 2024, May 2, 2024, August 1, 2024, and October 30, 2024, along with the corresponding closed periods before each quarterly financial report announcement, will be provided to the directors to prevent any inadvertent violations of these regulations. In 2024, a total of 121 hours of training were conducted to prevent insider trading, with 63 participants. Additionally, the course content was distributed via email to all employees, enabling those who did not participate in the training to review it independently.	
III. Composition and Responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	v		In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, Article 20 of the Corporate Governance Best Practice Principles formulated by the Company's Board of Directors specifies the provisions for improvement of the Board of Directors' functions: Diversity shall be considered for the composition and members of the Board of Directors. Please refer to page 9-11 of this Annual Report and the Company website for diversity policies and their implementation status: https://mis281.wixsite.com/asehcc/sustainable-development	Compliance with the Principles
(II) Does the company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?		v	The Company currently has established a Remuneration Committee and an Audit Committee legally, and will establish other functional committees depending on its demands.	Its establishment shall be implemented in the future according to relevant laws and regulations.
(III) Does the company establish standards and methods to evaluate the performance of the Board of Directors,	v		The Company has formulated the Measures for Evaluation on the Board of Directors' Performance, and it evaluates the Board of Directors' performance of last year in the first	Compliance with the Principles

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and reappointment?			quarter of each year, reviewing and making improvements to enhance the effectiveness of the Board and report the results to the Board. The performance evaluation results of 2024 have been submitted at the Board of Directors' meeting on March 7, 2025, and will be applied as the reference for remuneration, nomination and re-election of individual Directors. Please refer to page 19 of this Annual Report for detailed evaluation methods and results.	
(IV) Does the company regularly evaluate the independence of the CPAs?	v		Every year, before the Company resolves at the Board of Directors' meeting to re-appoint the CPAs, the Company has evaluated the professionalism, independence, quality control, supervision and innovation capabilities of the CPA firm and audit team in accordance with the 13 indicators in five aspects of the Audit Quality Indicators (AQI) issued by the FSC and the AQI report provided by the accounting firm. Of which, six indicators were considered at two levels: At the firm level, we compared with the average index of the industry; at the case level, we compared with the relevant values of the most recent two audit years. These AQI indicators were analyzed and used to confirm the independence and competency of the appointed CPAs by considering the connotation of each indicator. In addition, the Company prepared an evaluation form for the independence and competency of the CPAs according to Article 47 of the Accountants Act and the Announcement No. 10 of the Code of Ethics for Accountants, and obtained a statement from the accounting firm about the role, responsibilities and independence of the certified public accountants, which were used by the Finance Department for check. The results of the most recent annual evaluation were reviewed and approved by the Audit Committee on March 7, 2025, and were submitted to the Board of Directors on March 7, 2025, for the resolution to approve the evaluation of the independence and suitability of the CPAs. The same applies when the CPA firm changes due to internal rotation.	Compliance with the Principles
IV. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations,	v		The Company has appointed Fang-Ying Chen to act as the Assistant General Manager of Finance Department and the head of Corporate Governance as approved by the Board of Directors, and the Finance Department concurrently deals with corporate governance-related affairs, with its work and duties as follows: 1. Planning and organizing the schedule for the annual Board of Directors meetings, functional committee meetings, and other matters related to the dates of the shareholders' meetings.	Compliance with the Principles

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?			2. Providing necessary information for the Board of Directors operations and submitting meeting materials at least seven days prior to the board meeting. 3. Preparing the minutes for the Board of Directors, functional committees, and shareholders' meetings, and submitting them within 20 days following the meeting. 4. Organizing continuing education courses for Directors. 5. Assisting Directors in complying with laws and regulations. 6. Assisting the Board of Directors and functional committees in conducting self-performance evaluations and external performance evaluations every three years. 7. Reporting to the Board of Directors on the results of reviews of the compliance of independent directors' qualifications with applicable laws and regulations during nomination, election, and term of office. 8. Managing issues pertaining to changes in the Board of Directors. 9. Conducting a corporate briefing. 10. Communicating the outcomes of corporate governance implementation both internally and externally. 11. Facilitating communication between independent directors and the head of internal audit to gain insights into the Company's financial operations. 12. Facilitating communication between independent directors and the CPA to gain insights into the Company's financial operations, and arranging the CPA's attendance at the Audit Committee meeting. In 2024, the Corporate Governance Officer carried out the relevant operations related to the aforementioned responsibilities and completed the annual training. For details regarding the training, please refer to Appendix 2 on page 34 of this annual report.	
V. Does the company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	v		The Company has established a dedicated stakeholder section on its website, which provides specific contact points and email addresses for stakeholders to contact. Each primary business leader will respond promptly to ensure effective communication channels and to fully disclose any issues of concern and communication methods to stakeholders. Additionally, an annual report addressing significant issues of concern to stakeholders and the status of communication will be presented at the Board of Directors meeting, with the most recent report dated March 7, 2025. For detailed information, please refer to Appendix 1 on page 31-32 of this annual report. For	Compliance with the Principles

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			stakeholder contact information, please visit the Company's website. https://mis281.wixsite.com/asehcc/stakeholder-area	
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	v		The Company has appointed Transfer Agency Department, Fubon Securities to handle the affairs concerning the shareholders' meeting.	Compliance with the Principles
VII. Information disclosure (I) Does the company have a website to disclose the financial operations and corporate governance status?	v		The Company discloses its financial business and corporate governance information on its website and discloses other related information on MOPS. Website of the special pages for the Company's investors: https://mis281.wixsite.com/asehcc/investor-zone https://mis281.wixsite.com/asehcc/sustainable-development	Compliance with the Principles
(II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	v		The Company has assigned dedicated personnel to take charge of information collection and disclosure in accordance with regulatory requirements, as it aims to provide information that affect shareholders and stakeholders' decisions in a timely manner. Also, the spokesperson system has been implemented in accordance with relevant laws and regulations.	Compliance with the Principles
(III) Does the company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?	v		The Company currently announces and files its Financial Statements of various quarters and its operating status of various months according to stipulated time period, and does not make announcement and declaration ahead of schedule.	Its execution shall be implemented in the future according to relevant laws and regulations.
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of	v		1. Employee rights: Please refer to page 76-86 of this annual report in the section of labor relations. 2. Caring for employees: The Company has established a welfare system that provides stability for employees' lives and a sound education and training system to build good relations with employees based on mutual trust and reliance 3. Investor relations: The Company has set up dedicated personnel to handle suggestions from shareholders. 4. Supplier relations: The Company has established long-term cooperative relationships with its suppliers. We conduct	Compliance with the Principles

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
customer policies, and participation in liability insurance by Directors and Supervisors)?			an annual supplier conference and maintain strong interactive relationships with them. 5. Stakeholders: The Company has established diverse and effective communication channels tailored to the characteristics of our stakeholders. A dedicated section for stakeholders has been created on the company website to facilitate communication and gather feedback regarding their needs and expectations. 6. Continuing education of the Directors and Supervisors: Please refer to page 33-34, Table 1 of this annual report. 7. Implementation of risk management policies and assessment standards: To enhance corporate governance and effectively manage operational risks while ensuring sustainable business development, the Company has established the Risk Management Policies and Procedures and adopted a three-line defense framework. This framework is designed to identify, assess, supervise, risks comprehensively. It ensures that the Company's operations remain within an acceptable risk range, thereby preventing potential losses. An overall report on the implementation of risk management is presented to the Board of Directors at least once a year, with the most recent report dated March 7, 2025. 8. Implementation of customer policy: To maintain long-term relationships with clients, we have established a comprehensive after-sales service system. This system includes the provision of diverse and high-quality after-sales service programs, the implementation of a customer relationship management system, and the creation of an efficient communication platform along with a customer database. Through these measures, the Company is dedicated to enhancing the overall service experience for customers, thereby increasing customer satisfaction, loyalty, and brand support. This, in turn, strengthens our corporate reputation and market competitiveness, ultimately realizing our vision of sustainable operation. 9. Purchase of liability insurance for Directors and Supervisors: The Company has purchased liability insurance for Directors since 2019 with renewal every year for an amount of US\$10 million. The principal terms of the insurance policy for the last renewal period (June 30, 2024 - June 30, 2025) were reported at the Board of Directors meeting on August 9, 2024.	

Evaluation Items	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange’s Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.				
1. For directors (including independent directors), the Company actively promotes and encourages directors to participate in further education. In 2024, in addition to outsourcing courses that comply with legal requirements, the Company also arranged for directors to participate in relevant courses organized by external professional institutions, and the number of hours of further education for directors in 2024 was 104 hours, an increase of 35% compared to last year.				
2. The Company website provides comprehensive disclosures on critical matters, including corporate governance, environmental protection, and social responsibility.				
3. In the future, we will maintain our collaboration with the relevant authorities to promote and enhance corporate governance evaluations.				

Table 1. Stakeholder communication in 2024

Stakeholders	Issues of Concern	Communication Channels and Frequency	Communication in 2024
Competent Authority	- Information security - Ethical corporate operation - Innovative technology and development - Social welfare and public services - Resource management	- Government official documents (processed promptly upon receipt) - Regulation/policy promotion meetings (irregular) - Email/telephone communication (Irregular) - Contact person: Ms. Lai, Administration Department maylai@asehome.com	- Government official documents were all processed promptly - A total of six personnel participated in three promotional meetings organized by TWSE. - Participated in two of the Hsinchu County Government's Reinforced Slope Land Review meetings - In compliance with the requirements set forth by the competent authority, we will conduct internal audits and implement internal controls, prepare monthly revenue reports, financial statements, ESG disclosures, respond to questionnaires, and provide relevant reports. - There were no significant violations of operational integrity in 2024.
Cooperative partners (Supplier/contractor/distributor/community)	- Ethical corporate operation - Customer privacy - Occupational health and safety - Customer information and development - Quality management - Climate governance - Information security - Waste management	- Supplier evaluation and audit (irregular) - Supplier on-site visits (irregular) - Maintenance of contact with procurement personnel (irregular) - Urban renewal public hearing (in compliance with legal requirements) - Correspondence from the Management Committee (irregular) - Property management/telephone communication (Irregular) - Contact Person: Mr. Yeh, Procurement Department cc_yeh@asehome.com	- Four supplier on-site audits - A total of 24 suppliers were assessed - Four supplier on-site visits (irregular) - Conducted one supplier conference - Participated in two sessions of the New Taipei City Government's land planning project briefings - Received 31 correspondence letters from the Management Committee that were all processed promptly - A total of 20 phone calls with property management
Shareholders/Investors	- Ethical corporate operation - Corporate governance	- Shareholders' meeting (annual) - Corporate briefing (annual) - MOPS (real-time) - Investor zone of Company	- Conducted one annual shareholders' meeting - Conducted one extraordinary shareholders' meeting

Stakeholders	Issues of Concern	Communication Channels and Frequency	Communication in 2024
	- Sustainable supply chain management - Risk management - Business performance	- website (real-time) - Contact person: Ms. Chen, Finance Department cherry@asehome.com	- Invited to attended one corporate briefing - A total of 23 significant information announcements - Continuous updates to the investor and sustainable development sections of the Company's website - Responded to a total of ten inquiries from investors through email and telephone
Customer	- Customer privacy - Customer relationship and development - Waste management - Legal compliance - Information security	- Customer service hotline/email (real-time) - Company website (real-time) - Sales personnel and supervisor reporting (real-time) - Contact person: Ms. Deng, Sales Department teng@asehome.com	- There have been no incidents of leakage of customer confidential information that have resulted in customer complaints. - A total of 1,072 customer inquiries were received through telephone, email, and Line, all of which have been promptly addressed to resolve customer issues and meet their needs.
Bank/Creditor	- Legal compliance - Customer privacy - Ethical corporate operation - Quality management - Corporate governance	- Email/telephone communication (Irregular) - Contact person: Ms. Lin, Finance Department evi@asehome.com	- A total of 518 email communications were received from the bank - A total of 470 telephone communications were conducted with the bank
Employee	- Occupational health and safety - Quality management - Employment - Customer relationship and development - Legal compliance	- Employee complaint hotline and suggestion inbox (irregular) - General Manager's inbox (irregular) - Administration Department communication meeting (irregular) - Contact person: Mr. Tsai, Administration Department hook@asehome.com	- Employee complaints: None - Administration Department issued thirteen announcements - Conducted 40 on-site sessions in various work areas to promote occupational safety and health - Conducted a health promotion and hygiene seminar once - Conducted a financial investment and wealth management seminar once - Hosted two domestic employee trips - The Employee Welfare Committee distributed gifts for the three main holidays, Lunar New Year bonuses, and birthday bonuses - Conducted a session on corporate compliance education and training once

Table 2. Continuing training of the Company's Directors in 2024

Name	Date of Training	Training Institution	Course Name	Training Hours
Wen-Hsiang Chien	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
Chia-Pei Chou	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
	2024/09/06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3.0
Yuan-Yi Tseng	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
Du-Tsuen Uang	2024/04/11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy, and Risk Management	3.0
	2024/05/24	Securities and Futures Institute	Advanced Seminar on Board of Directors and Supervisors (including Independent Directors) and Corporate Governance Practices of Bank of Kaohsiung Co., Ltd [Sustainable Supply Strategies in the Face of Surging Global Risks]	3.0
	2024/06/21	Taiwan Corporate Governance Association	Legal Regulations for Sustainability Reports	3.0
	2024/07/19	Securities and Futures Institute	Advanced Seminar on Board of Directors and Supervisors (including Independent Directors) and Corporate Governance Practices of Bank of Kaohsiung Co., Ltd [Ethical Management and Accountability for Financial Institutions]	2.0
	2024/07/26	Taiwan Corporate Governance Association	Starting with TIPS: A Discussion on How Enterprises Develop Strategies for Intellectual Property Risk Prevention and Control	3.0
	2024/08/02	Taiwan Corporate Governance Association	Compliance Practice of Corporate Governance Officers	3.0
	2024/08/23	Taiwan Corporate Governance Association	Labor Dispute Prevention and Corporate Governance	3.0
	2024/09/20	Securities and Futures Institute	Advanced Seminar on Board of Directors and Supervisors (including Independent Directors) and Corporate Governance Practices of Bank of Kaohsiung Co., Ltd [Blueprint of Net-Zero Transformation in the Banking Industry]	2.0
	2024/10/08	Taiwan Corporate Governance Association	Impact of U.S. Elections on the Global Economic and Trade Landscape	3.0
	2024/11/22	Securities and Futures Institute	Advanced Seminar on Board of Directors and Supervisors (including Independent Directors) and Corporate Governance Practices of Bank of Kaohsiung Co., Ltd [Principles of Fair Customer Treatment in the Financial Service Industry by Senior Management and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT)]	2.0
Ching-Hua Chen	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
	2024/09/06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3.0

Name	Date of Training	Training Institution	Course Name	Training Hours
Chen Fang-Yin, Corporate Governance Officer	2024/04/11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy, and Risk Management	3.0
	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
	2024/09/06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3.0
	2024/10/01	Taiwan Accounting Research and Development Foundation	Latest Revisions to the Guidelines for Establishing Internal Control Systems and Compliance with Regulations Related to Internal Auditing and Financial Reporting	6.0
	2024/11/01	Taiwan Accounting Research and Development Foundation	Continuing Education for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	6.0
	2024/11/05	Taiwan Accounting Research and Development Foundation	Continuing Education for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	6.0
Chien-Hua Yao	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
Ching-Chou Su	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
	2024/09/06	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3.0
	2024/12/11	Taiwan Academy of Banking and Finance	E-course on Explanation and Prevention Measures of Information Security Incidents	2.5
	2024/12/11	Taiwan Academy of Banking and Finance	E-course on Information Security Management Guidelines for Listed and OTC Companies	0.5
	2024/12/11	Taiwan Academy of Banking and Finance	E-course on Information Security Awareness, Essential Knowledge and Responsibilities	2.0
Hung-Lung Hung	2024/04/11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy, and Risk Management	3.0
	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
Wei-Li Tso	2024/04/11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy, and Risk Management	3.0
	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0
Chun-Chin Tu	2024/04/11	Taiwan Corporate Governance Association	Climate Change, Industrial Policy, and Risk Management	3.0
	2024/08/09	Taiwan Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Trends in Domestic and International ESG Policies and Corporate Governance Practices	3.0

(IV) Composition, Responsibilities and Operation of the Remuneration Committee:

1. Information on the members of the Remuneration Committee

Title	Criteria Name	Professional Qualifications and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Convener (Independent Director)	Wei-Li Tso	Please refer to the relevant contents of the Information on Directors on page 8-9 of this Annual Report.		-
Committee Member (Independent Director)	Hung-Lung Hung			-
Committee Member (Independent Director)	Chun-Chin Tu			-

2. Information on the Operations of the Remuneration Committee

The Company's Remuneration Committee is composed of three independent directors. The tenure of the Remuneration Committee's members is: from July 13, 2023 to July 12, 2026. The Remuneration Committee faithfully performs and exercises the following functions and powers as a good-faith manager, and submits its suggestions to the Board of Directors for discussion.

- Formulate and regularly review the policies, systems, standards and structures for and of performance evaluation and remuneration for Directors and managerial officers.
- Regularly evaluate and determine the remuneration to Directors and managerial officers.

A total of 2(A) Remuneration Committee's meetings were held in the most recent year (2024), with the qualifications of and attendance by the Remuneration Committee's members as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Note
Convener	Wei-Li Tso	2	0	100.0	
Committee Member	Hung-Lung Hung	2	0	100.0	
Committee Member	Chun-Chin Tu	2	0	100.0	

Other matters to be recorded:

1. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified): None
2. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None

3. Reasons for and resolutions made at the Remuneration Committee's meeting of the Company, and the Company's response to the member's opinions:

Date	Contents of Proposals	Remuneration Committee's Resolution	The Company's Response to Remuneration Committee's Opinions
The 2nd session of the 5th Remuneration Committee /March 8, 2024	Determination on the amount of Director's remuneration from the Company's earnings distribution for 2023	All members in attendance voted in favor of the resolution without objections.	No comments were raised by the members, therefore no further action was taken. Proposed to the Board of Directors and approved by all directors in attendance.
The 3rd session of the 5th Remuneration Committee /August 9, 2024	- Determination on the amount of individual remuneration to the Company's Directors for 2023. - Establishment of the amount of remuneration to the managerial officers of the Company and its subsidiaries.	- All members in attendance voted in favor of the resolution without objections. - All members in attendance voted in favor of the resolution without objections.	No comments were raised by the members, therefore no further action was taken. The proposals 1 to 2 was proposed to the Board of Directors and approved by all directors in attendance.

(V) Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
I. Does the company establish a governance structure and an exclusively (or concurrently) dedicated unit for promoting sustainable development, and have management authorized by the Board of Directors to be in charge of, and have the Board of Directors to supervise, corporate social responsibility?	v		The Company has set up a Sustainable Development Committee under the Chairman's Office, with the Chairman as the chairman of committee, the General Manager as the vice chairman, and the Executive Assistant General Manager and the heads of relevant departments as ex-officio members, to concurrently promote the preparation and implementation of sustainable development policies, systems, or related management guidelines and specific promotion plans. Work Plan: (I) In accordance with the Sustainable Development Best Practice Principles, we will hold education and training on sustainable development from time to time each year. (For example: organizing safety and health, environmental education and training for employees) (II) We will summarize the sustainable development projects/activities and their implementation in accordance with the direction of the Company's operation strategy, and complete the preparation of Sustainability Report each year.	Compliance with the Principles

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof				
	Yes	No	Summary Description					
			(III) The Sustainability Report will be submitted to the Board of Directors (once) every year. Implementation Status: (I) In March 2022, the Board of Directors approved the Sustainable Development Best Practice Principles, which states that the Company should follow the following principles to practice the sustainable development: Implementing corporate governance, developing a sustainable environment, safeguarding social welfare, and enhancing the disclosure of corporate sustainable development information. (II) In 2024, four meetings were conducted, achieving a member attendance rate of 100%. All proposed items were approved, and the objectives for the 2024 Sustainability Report were submitted to the Board of Directors. This submission included the results of 2023 stakeholder engagement, significant issues, and the finalized 2023 Sustainability Report for the Board's review and approval. (III) Education and training on sustainable development (ESG) 1. We have entrusted Deloitte & Touche to guide the preparation of the 2024 Sustainability Report, and have conducted stakeholder and material issues analysis. 2. For employee education and training conducted in 2024, please refer to page 77-78 of this annual report. (IV) In response to the issues of net zero carbon emissions and climate change mitigation, the Board of Directors approved a donation to the ASE Environment & Sustainability Foundation to support the implementation of the Foundation's 2024 work plan.					
II. Does the company assess Environmental, Social and Governance (ESG) risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	v		The Company has set up a Sustainable Development Committee under the Chairman's Office to concurrently promote sustainable development, assess Environmental, Social and Governance (ESG) risks associated with its operations based on the principle of materiality, and identify risk events that may have an impact on the Company's business objectives; the Company has also established the "Risk Management Policies and Procedures" as the highest guiding principle for risk management of the Company. The results of the 2024 risk assessment and the response measures are as follows <table><tr><th>Name of Risk</th><th>Response Measures</th></tr><tr><td>Market Risk</td><td>1. Amendment to Laws and Regulations: In response to amendments in laws and</td></tr></table>	Name of Risk	Response Measures	Market Risk	1. Amendment to Laws and Regulations: In response to amendments in laws and	Compliance with the Principles
Name of Risk	Response Measures							
Market Risk	1. Amendment to Laws and Regulations: In response to amendments in laws and							

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			regulations by the competent authorities, reviews will be conducted as necessary. Any proposed changes will be submitted to the Audit Committee and the Board of Directors for approval and subsequent amendment. 2. Compliance with Socio-Economic Laws and Regulations: By establishing a governance organization and implementing internal control mechanisms, we ensure that all personnel and operations of the Company strictly adhere to relevant laws and regulations. 3. Strengthening the Functions of the Board of Directors: Planning appropriate training courses for directors to meet the required training hours as per laws and regulations. Providing directors with annual updates on the latest laws, institutional developments, and policies. 4. To provide insurance coverage for directors against lawsuits or claims. 5. Stakeholder Communication: Established multiple communication channels to actively engage in dialogue and minimize opposition and misunderstandings. An investor email inbox was created, which will be managed and monitored by the spokesperson. 6. Comply with laws and business ethics, and establish a strong corporate system to uphold sound corporate governance. 7. Market surveys are conducted near each project site every quarter in	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
				response to market conditions, and a paperless file management system is implemented.
			Operational and Strategic Risks	1. Establish a list of qualified suppliers and periodically update the information 2. Conduct supplier evaluations for major construction project suppliers and for suppliers involved in maintenance and repair cases exceeding 10 million. The evaluation covers over 80% of the suppliers. 3. The proportion of brand suppliers selected for construction projects (based on procurement amount) is more than 17% for plant projects and more than 12% for residential projects. Branded suppliers refer to those who have sustainability goals and have published a sustainability report. 4. To implement the signing of Corporate Social Responsibility Commitment in the contracts of suppliers of construction works in progress, with a target signing rate of over 90%. 5. To implement the signing of Occupational Safety and Health Affidavit in the contracts of suppliers of construction projects, with a target signing rate of over 90%.
			Financial Risk	1. To ensure that we can effectively cope with the impact of interest rate and credit risk. Changes in interest rates: In addition to borrowing from banks and bills finance companies with credit and mortgage loans, we will use low-interest rate financing instruments and adopt favorable interest rate

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			conditions to maintain low financing costs and an adequate amount of financing so as to avoid interest rate risks that may arise from our operations. 2. Establish a new bank to increase loan limits and revitalize funding capabilities. 3. Annually, material assets are commissioned for asset revaluation by the Valuer. 4. Unsold houses are sold in the following ways: (1) New houses: After conducting market research, they are handed over to sales agents to be sold based on market conditions. (2) Second-hand houses: After conducting market research, they are sold by the owner or entrusted to real estate agents to be sold based on market conditions. Advertising and marketing materials are provided annually, and both rental and sales activities are carried out simultaneously.	
			Climate Change and Environmental Risk 1. Compliance with construction site regulations is necessary to prevent pollution, including noise, air, water, dust, excavation, and waste disposal. 2. Continue to promote local procurement by prioritizing local suppliers as the preferred choice, aiming to achieve a local procurement ratio exceeding 90%. 3. The proportion of equipment and building materials such as water fixtures, lighting fixtures, and interior paints that meet the target of green procurement is 90% or more.	

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			Occupational Safety Risk 1. Establish an internal email system to provide employees with various channels to voice their opinions. 2. Monthly coordinating organization meetings (Labor Safety and Hygiene Promotion) are conducted to strengthen hygiene promotion and remind all contractors to prioritize the safety of workers during construction. 3. No significant occupational accidents, fires, or safety incidents.	
			Information Security Risk 1. Establish a comprehensive contract summary and a data index log that details the sources and reasons for data retrieval by users to ensure the integrity of contracts. Complete the annual information security maintenance plan. 2. Completion of the annual cyber security maintenance program. 3. Implement audit execution and management review processes to achieve continuous improvement of the information security management system.	
			Legal Risk Train employees through courses on laws and regulations, ensuring legal compliance.	
III. Environmental issues (I) Has the Company established an environmental management system designed to industry characteristics?	v		Comprehensive environmental management is essential for the construction industry to mitigate the adverse effects of construction activities on the environment. The Company has integrated this belief into our operations by conducting environmental assessments prior to the commencement of each project. The assessment criteria include water, air, soil, waste, and noise, all aimed at minimizing environmental impact. Furthermore, the Company plans to implement the ISO 14001 environmental management system to establish systematic environmental management procedures and processes, as well as to facilitate environmental performance evaluation and monitoring. In addition, Hung Ching will provide	Compliance with the Principles

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof									
	Yes	No	Summary Description										
			environmental education and training to enhance employees' awareness of environmental protection and strengthen related promotion at construction sites. We are also actively exploring methods to reduce energy consumption and promote energy efficiency, with the goal of transforming construction waste into reusable resources to maximize resource utilization.										
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	v		The Company is committed to promoting recycle and reuse of photocopying paper, and encourages employees to use e-mail to communicate in order to reduce the environmental impact by using less paper. In addition, according to the concept of circular economy, we also consider the subsequent product use and waste disposal issues at the product design stage, actively adopt green design and optimize product structure to achieve the goal of waste reduction, and evaluate the feasibility of recycling of raw materials of construction consumables.	Compliance with the Principles									
(III) Has the Company evaluated the current and future potential risks and opportunities of climate change, and adopted related countermeasures?	v		In accordance with the risk management process, the Company has identified significant climate risks and opportunities for the adoption of programs and KPIs. Please refer to pages 50-52, Table 1 and 2 of this annual report for details.	Compliance with the Principles									
(IV) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?		v	1. Greenhouse gas: The primary source of energy consumption for the Company is purchased electricity. Consequently, we are focusing on increasing energy efficiency by adjusting the operating hours and temperatures of air conditioning systems in commercial and office spaces, as well as replacing traditional lighting with energy-efficient LED tubes to achieve electricity conservation. Furthermore, we are minimizing unnecessary electricity usage during break times in work areas and replacing outdated, energy-consuming equipment. Among these initiatives, ASE WeMall is actively establishing energy-saving measures, which include consolidating tenants' logistics delivery vehicles, implementing strategies to reduce the number of delivery trucks during holidays, and decreasing the electricity consumption of freight elevators. Through these efforts, we are committed to achieving an annual reduction of 1% in electricity usage. <table><tr><th>Greenhouse gas emissions</th><th>2024 (metric tons of CO₂e)</th><th>2023 (metric tons of CO₂e)</th></tr><tr><td>Category I (Direct emissions)</td><td>0.03</td><td>157.47</td></tr><tr><td>Category II (Indirect energy emissions)</td><td>38,862.50</td><td>41,829.23</td></tr></table>	Greenhouse gas emissions	2024 (metric tons of CO ₂ e)	2023 (metric tons of CO ₂ e)	Category I (Direct emissions)	0.03	157.47	Category II (Indirect energy emissions)	38,862.50	41,829.23	Compliance with the Principles
Greenhouse gas emissions	2024 (metric tons of CO ₂ e)	2023 (metric tons of CO ₂ e)											
Category I (Direct emissions)	0.03	157.47											
Category II (Indirect energy emissions)	38,862.50	41,829.23											

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof									
	Yes	No	Summary Description										
			<table><tr><td>Total</td><td>38,862.53</td><td>41,986.70</td></tr></table> 2. Water consumption: The Company's water supply is obtained from the Taipei Water Department and the Taiwan Water Supply Corporation. There are no water extraction sources in areas identified by the World Resources Institute's WRIAqueduct 3.0 as experiencing high water pressure. In terms of wastewater discharge, general domestic wastewater is directly released into the local drainage system. When underground excavation work necessitates lowering the water level, groundwater extraction may be required; this water will be reused for site surface maintenance and vehicle washing. Construction wastewater is managed in accordance with the "Construction Site Runoff Wastewater Pollution Reduction Plan" approved by the Environmental Protection Bureau, where the wastewater is discharged to the approved drainage places through sedimentation ponds. In addition to the parent company, the subsidiaries also follow the Group's water conservation philosophy and promote relevant improvement measures. <table><tr><td>Water consumption</td><td>2024 (metric tons)</td><td>2023 (metric tons)</td></tr><tr><td>Total weight</td><td>82,620</td><td>96,534</td></tr></table> 3. Wastes: The Company embraces the concept of a circular economy, addressing issues related to product usage and waste management from the design stage. We actively implement green design principles to enhance product structures, with the aim of achieving waste reduction goals and evaluating the feasibility of recycling construction materials. Waste management in office areas is conducted through systematic classification. In 2024, waste items included general household waste, construction waste, and renovation waste. To support the government's resource recycling policy, the Company encourages employees to engage in waste sorting and to minimize the use of disposable items, such as paper cups and single-use utensils. Furthermore, we are dedicated to promoting the recycling and reuse of photocopy paper and encourage employees to adopt paperless office practices, such as utilizing email. When procuring office supplies, we prioritize minimizing environmental impact. Moving forward, the Company will continue to	Total	38,862.53	41,986.70	Water consumption	2024 (metric tons)	2023 (metric tons)	Total weight	82,620	96,534	
Total	38,862.53	41,986.70											
Water consumption	2024 (metric tons)	2023 (metric tons)											
Total weight	82,620	96,534											

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof												
	Yes	No	Summary Description													
			advocate for paper reduction to minimize resource consumption. <table><tr><td>Waste</td><td>2024 (metric tons)</td><td>2023 (metric tons)</td></tr><tr><td>Hazardous waste</td><td>0.00</td><td>0.00</td></tr><tr><td>Non-hazardous waste</td><td>3,993.25</td><td>3,367.93</td></tr><tr><td>Total weight</td><td>3,993.25</td><td>3,367.93</td></tr></table> Note: The statistical data above includes the consolidated financial statements of domestic subsidiaries.	Waste	2024 (metric tons)	2023 (metric tons)	Hazardous waste	0.00	0.00	Non-hazardous waste	3,993.25	3,367.93	Total weight	3,993.25	3,367.93	
Waste	2024 (metric tons)	2023 (metric tons)														
Hazardous waste	0.00	0.00														
Non-hazardous waste	3,993.25	3,367.93														
Total weight	3,993.25	3,367.93														
IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	v		The Company is committed to upholding human rights and has established a corresponding policy that aligns with international human rights conventions, including the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the labor laws of places where the Company is located, including the Labor Standards Act and the Act of Gender Equality in Employment, to establish appropriate management methods and procedures to ensure the basic rights of employees and partners and eliminate any violations and infringements of human rights. The Company also reinforces our commitment to human rights by signing integrity management and corporate social responsibility agreements with contractors, as well as providing pre-employment training on human rights protection for new hires. This approach strengthens the human rights awareness of our employees and stakeholders. In 2024, the Company held internal training on compliance with laws and regulations. The training content encompassed the importance of labor rights, promoted the Company's human rights policies, and utilized course videos from the Ministry of Labor's digital education platform, "Labor E-learning," to advocate for topics such as gender equality in the workplace, labor rights, and occupational safety and health. The total duration of the courses was 2 hours, with 36 participants. Additionally, the course content was emailed to all employees, enabling those who did not participate in the training to review it independently, (including approximately 144 employees from subsidiaries). In 2024, a total of 9 new employees, including those from subsidiaries, completed 1 hour of training on human rights-related topics during their pre-employment training. *The Company's commitment to human rights and related policies has been published on the Company website under "Important Company Systems."	Compliance with the Principles												

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
(II) Has the company formulated and implemented reasonable employee welfare measures (including remuneration, rest and annual leave, and other benefits), and appropriately reflected the operating performance or achievements in the employee remuneration?	v		In terms of compensation and benefits, the Company not only complies with legal regulations, such as minimum wage, holiday bonuses, relevant insurance, and retirement fund contributions, but also continuously enhances welfare measures to address employees' needs and well-being, striving to realize a happy workplace. We have established a structure for the remuneration system that exceeds the average level in the construction industry, taking into account employees' educational and professional backgrounds, skills, years of experience, and individual performance outcomes. We ensure that no differential treatment is applied based on gender, age, race (nationality), religion, marital status, political affiliation, or other factors. The remuneration structure includes a minimum fixed base salary necessary for employees to fulfill their responsibilities, as well as additional compensation based on work performance or specific job outcomes. This additional compensation encompasses bonuses, benefits, and other allowances. We have also established and implemented reasonable employee welfare measures. For more information on our employee welfare policies, please see pages 76-79 of this annual report.	Compliance with the Principles
(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	v		1. To prevent occupational hazards and ensure the safety and health of employees, Hung Ching adheres to the fundamental principle of "Life First, Safety First" in its occupational safety and health management. The Company has established a Safety and Health Committee that meets every three to six months to discuss resolutions and ensure their implementation. 2. The Hung Ching Construction Labor Safety and Health Plan was established according to the Occupational Safety and Health Act. Through the ongoing promotion and enhancement of internal management measures, we aim to improve occupational hazard prevention, embodying the principle that "prevention is better than treatment." This initiative is designed to foster a safe and healthy workplace environment, enabling all employees to experience a secure and comfortable working atmosphere. 3. The identification, assessment, and control of work environment and operational hazards were implemented according to the Hung Ching Construction Labor Safety and Health Plan. Additionally, in line with the health and safety audit plan, auditors conduct weekly inspections in various work areas alongside safety and health business supervisors to	Compliance with the Principles

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			address and follow up on deficiencies in the work environment and equipment, thereby minimizing risks associated with workplace hazards. 4. Provide safety and health training courses for employees. In 2024, participation in general occupational safety training totaled 15 people, while participation in fire safety and first aid training amounted to 72 people. 5. In 2024, an external health management specialist was invited to the company to conduct a seminar on health promotion and hygiene. 6. A comprehensive health checkup for all employees is scheduled every two years at no cost. Additionally, an annual subsidy of NT\$10,000 is provided to employees to cover their health examination expenses, which can be deferred and accumulated for up to three years. 7. There was no work-related injury occurred to employee in 2024. 8. No fire incidents occurred in 2024. The measures for improvement in response to the fire are as follows: A 、 Conduct fire safety inspections in the each office, work, and commercial area. B 、 Regular testing and updating of the fire alarm system and fire-fighting equipment. C 、 Develop evacuation routes and evacuation plans. D 、 Enhance disaster prevention and rescue drills for all employees. E 、 Collaborate with the local fire department and understand about different types of fires. F 、 Enhance the capabilities of fire emergency response. G 、 Accelerate the process of post-disaster recovery and reconstruction. 9. For further details, please refer to page 81-83 of this annual report.	
(IV) Does the company establish effective career development and training plans for its employees?	v		In order to implement the Company's operating principles and philosophy and enhance the work performance and quality of the employees, with a view to the mutual growth and development of the Company and the employees, the Company may conduct on-boarding training for new employees according to their business needs and development, and provide continuing education and training of the professional knowledge and skills for current employees, and encourage employees to participate in external professional training to enrich their work skills and build up their career strength. The	Compliance with the Principles

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			Company also provides subsidies to employees for training courses in accordance with the Guidelines on Educational Training Incentive of the Employee Welfare Committee. Employee education and training totaled 540 hours in 2024.	
(V) Does the company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' rights or consumer appeal procedures?	v		The Company complies with relevant laws and regulations as well as various consumer protection regulations, and maintains good communication channels with customers (consumers), and provides transparent and effective procedures for dealing with customer complaints, and after-sales services, for its products and services. If customers (consumers) have any complaints about rights, they may make complaints or report through the mailbox in the relevant person section on the Company's website. The Company will deal with it and reply as soon as possible after knowing the reported matter. In 2024, there were no incidents of leakage of customer confidential information that have resulted in customer complaints.	Compliance with the Principles
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	v		The Company has included the obligations of the suppliers to fulfill ethical corporate management and corporate social responsibility in the contracts signed with suppliers, and required suppliers to sign the Commitment to Perform Ethical Corporate Management and Corporate Social Responsibility as annex to the contracts. The Commitment covers two aspects: (I) Adhere to ethical corporate management, commit to conduct business activities in an honest, fair, transparent and lawful manner in line with the principle of integrity; (II) Protect labors' human rights and environmental protection, strictly prohibit forced labor, child labor, discrimination and inhumane treatment, and ensure a safe and healthy working environment for workers. According to statistics, 100% of the contracted suppliers participating in the tender in 2024 have signed the Commitment, and a supplier conference was conducted. For detailed information see the Company's website: https://mis281.wixsite.com/asehcc/sustainable-development	Compliance with the Principles
V. Does the Company prepare Sustainability Report and other reports to disclose the Company's non-financial information by referring to internationally widely recognized standards or guidelines for preparation of reports? Are the aforementioned reports certified or assured by a third-party accreditation body?	v		The Company has prepared its 2023 Sustainability Report in accordance with the new Global Reporting Initiative (GRI) guidelines, the standards of Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD) framework, and the 2024 Sustainability Report is under preparation. In the future, the Company will publish the Sustainability Report annually to enhance sustainability information disclosure and communication.	Compliance with the Principles

Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
VI. If the Company has established Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please specified their implementation and the deviations between their implementation and the principles formulated: The Company has formulated Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, for its compliance with.				
VII. Other important information to facilitate a better understanding of the implementation of sustainable development:				
1. When developing products and services, the Company takes sustainable development into consideration in order to reduce the damage to natural resources and the harm to community development caused by real estate. The concept of sustainable design is taken into account in the "development and design", "construction" and "sales and service" stages of the life cycle of a building. In addition, in order to implement the sustainable development concept, the Company adopts high efficiency and green environmental measures to solve related environmental problems so that customers can contribute to the environmental protection while purchasing high-quality products. We hope that our customers will not only satisfy the basic needs of "living", but also raise their environmental awareness and integrate the concept of sustainable development into their daily lives. 2. In response to the government's policy of energy saving and carbon reduction and green building promotion, we will incorporate the concept of energy and resource saving or green building into the project planning through communication and discussion with architects before the application for building license, and propose various measures, such as water-saving toilets, water-saving faucets, electricity-saving bulbs, rainwater recycling, green landscape, waste sorting and resource recycling, etc. In the process of communication with customers, the Company will also explain the details of the project planning, so as to convey the design concept of energy saving and green building and highlight the characteristics of our products.				

Climate-related Information

ITEM	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company set up a Sustainable Development Committee in 2023, with the Chairman as the chairman of the committee, the General Manager as the vice chairman, and the Executive Assistant General Manager and the heads of relevant departments as members, to jointly promote the preparation and implementation of sustainable development policies, systems, or related management guidelines. The Chairman of the Sustainable Development Committee presents an annual report to the Board of Directors, highlighting the committee's accomplishments, work plans, and key concerns in sustainable development. The Board of Directors serves as both a supervisor and advisor, evaluating the probability of strategic success and regularly reviewing the progress of sustainable development strategies to ensure timely and accurate disclosure of information. Furthermore, quarterly reports on greenhouse gas inventory and verification schedules are submitted to the Board of Directors.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company first identifies the risk and opportunity factors and then analyzes the financial impacts of the Company based on the form of risk and opportunity impacts and summarizes them according to the short-, medium-, and long-term time scales, with the short-term period ranging from one to three years, the medium-term period ranging from three to five years, and the long-term period ranging from five years or more.
3. Describe the financial impact of extreme weather events and transformative actions.	The rising frequency of natural disasters, such as typhoons or heavy rain caused by extreme weather conditions, can lead to flooding or water accumulation in the Company's office buildings, sales centers, and construction sites. This can result in asset losses, hinder the progress of ongoing projects, and necessitate additional construction

ITEM	Implementation Status
	expenses. Furthermore, it poses a significant risk to construction safety, leading to higher operational costs and reduced revenue. The primary approach is to develop appropriate disaster prevention plans prior to construction, addressing the construction hazards resulting from climate change. Emergency response measures will be established, disaster response scenarios will be simulated, and off-site backup will be implemented. The precise financial impact is still under assessment.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Identification of Climate Risks, Opportunities, and Risk Management Process Step 1. Convene the business departments and divide the work according to the nature of the business. Step 2. Define the relevance of risks and opportunities to the company's business. Step 3. Assess the potential impact of climate risks and opportunities on different business departments. Step 4. Assess the impact level and frequency of climate risk and opportunity through the company's stakeholders. Step 5. Identify climate risk and opportunity issues and create a matrix diagram. Step 6. Analyze the impact of possible financial impacts and evaluate possible response strategies. Step 7. Adopt appropriate promotion strategies based on climate risks and opportunities, and set qualitative or quantitative KPIs. Step 8. Regularly review strategy objectives and results, and adjust the execution strategy on a rolling basis. Step 9. Promptly implement response strategies to address risks and seize opportunities in order to minimize losses resulting from climate-related risks.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company performed a scenario analysis on two significant risks: Physical Risk - Increased Extreme Events and Transition Risk - Rising Energy Prices. 1. According to the latest sixth assessment report of the Intergovernmental Panel on Climate Change (IPCC), the physical risk scenario SSP5-RCP8.5 was selected. These scenarios were combined with the flood simulation results published by the National Science and Technology Center for Disaster Reduction (NCDR) and referenced the climate impact assessment results published by the Taiwan Climate Change Projection and Adaptation Knowledge Platform (TCCIP) of the National Science and Technology Council. A scientific analysis was conducted by overlaying the Company's land assets on a map. The flood scenario analysis covered a total of 58 land parcels owned by the Company in Taiwan. In the SSP585 scenario, it is estimated that 46 land parcels (72% of the total land area) will be located in high-risk areas, and 1 land parcel (0.01% of the total land area) will be located in a medium-high-risk area. In this scenario, the land value is expected to decrease by approximately 24% compared to the current land value. In the SSP1-RCP2.6 scenario, the Company estimates that 1 land parcel (2% of the total land area) will be located in a high-risk area, and the land value is expected to decrease by approximately 19% compared to the current land value. 2. In light of Taiwan's commitment to achieving net-zero carbon emissions, the first wave of carbon fees is set to be implemented in 2025. Although Hung Ching is not included in the initial list of entities subject to these fees, the Company is committed to complying with the amended Climate Change Response Act, which was passed in 2023. In the future, the government will impose a carbon fee of NT\$300 per metric ton of CO₂e on businesses. This transformation risk is anticipated to result in a carbon fee cost of approximately NT\$1.42 million for the Company by 2030.
6. If there is a transition plan for managing climate-related risks,	(Please refer to Table 1 and 2 on pages 50-52 of this annual report)

ITEM	Implementation Status
describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet implemented internal carbon pricing.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	1. The Company is fully committed to supporting the government's objective of Net Zero emissions in 2050. 2. The scope of the Company's greenhouse gas inventory for the year 2024 includes 10 locations: Taipei Headquarters, Zhongli Industrial Area, Zhubei Industrial Area, Kaohsiung Industrial Area, Hung Ching Lustrous, Hung Ching Li Garden, Emperor Court, Hung Ching Qing Yun, ASE WeMall, and AseHome Design Center. The inventory encompasses all subsidiaries within the consolidated financial statements. 3. The greenhouse gas inventory scope includes Scope 1 and Scope 2. 4. The Company plans to complete the consolidated financial statement boundary scope 1 and 2 inventory in 2027 and introduce greenhouse gas assurance in 2028. 5. The company did not purchase any RECs in 2024.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan	N/A

Table 1. Response Plan for Major Climate Risks

Risk Category	Risk Factor	Main Responding Department	Response Plan	Indicators and Objectives
Transition Risk - Market	Energy Management/ Energy Price Increase	Engineering Department Procurement Department ASE WeMall AseHome Design Center	1. Replace energy equipment. 2. The ice water chiller with the highest energy consumption at the ASE WeMall adjusts the frequency of the water pump operation based on the temperature difference between the incoming and outgoing ice water. It ensures that the water flow rate does not fall below the minimum requirement, thereby reducing the power consumption of the water pump. Moreover, an electric power monitoring system is employed to regulate the peak electricity consumption of the ice water chiller. 3. The air conditioning system at the AseHome Design Center is shut down 45 minutes early every day. 4. We prioritize the use of brand suppliers that have been certified by the promotion of the Sustainability Report for major construction materials such as steel reinforcement, concrete, and wires and cables.	1. Eliminate energy-consuming equipment by 2025 2. The annual energy saving rate exceeds 1%. 3. The adoption of brand suppliers of major building materials such as steel reinforcement, concrete, wires and cables in new construction projects will reach over 17% by 2025 (based on the total amount of materials used in each new construction project).
Transition risk - market	Increase in raw material costs	Engineering Department Procurement Department	1. Increase preventative facilities in accordance with legal policies (e.g., amendment to the relocation ordinance). 2. Prioritize the use of reusable products or rentals for site maintenance equipment such as	By 2025, more than 10% of equipment for temporary use (temporary electrical panels/transformers/toilets) will be reusable or available for rent.

Risk Category	Risk Factor	Main Responding Department	Response Plan	Indicators and Objectives
			workstations, temporary utilities, and temporary toilets.	
Immediate physical risk	Increase in extreme weather events	Engineering Department ASE WeMall AseHome Design Center	1. Develop appropriate disaster prevention plans prior to construction, addressing the construction hazards resulting from climate change. Emergency response measures will be established and disaster response scenarios will be simulated. 2. Establish a car wash wastewater recycling system was established at the main entrance during project construction. This system effectively recycles groundwater for car washing and dust suppression by utilizing water storage tanks during the drainage of the basement excavation. Additionally, after sedimentation in the site's drainage wells, the discharged water will comply with the water discharge standards outlined in the Construction Site Runoff Wastewater Pollution Reduction Plan approved by the regulatory authority. 3. For commercial areas, review the water distribution system of air-conditioning cooling towers to reduce the overflow of water caused by unevenness, and strengthen the inspection of water leakage in water equipment plumbing. 4. ASE WeMall has reviewed its emergency response plan in order to address potential climate risk factors. 5. Conduct enhanced inspections of the internal drainage channels, leak points, and external drainage outlets at the AseHome Design Center to address risks associated with extreme weather. 6. Conduct daily pre-construction safety training to inform workers about hazards specific to the work area.	1. Set up water gate height in accordance with the requirements of the Building Technical Regulations. 2. Increase rainwater recovery rate and wastewater recycling rate 3. The AseHome Design Center utilizes an interconnected pipeline to regulate water levels and prevent overflow. 4. Develop a checklist for natural disaster management.

Table 2. Major Climate Opportunity Response Departments and Programs

Opportunity Category	Opportunity Factor	Main Responding Department	Response Plan	Indicators and Objectives
Market	New markets bring business growth opportunities	Development Department Sales Department ASE WeMall AseHome Design Center	1. Regularly review policies related to the scope of medium- and long-term acquisition plans and strategies to address changes in site selection guidelines. 2. The Company's land purchases are focused on key areas for infrastructure development, such as low-carbon sustainable cities, green public works, and low-carbon transportation, and the lands are purchased and projects are launched in a timely manner according to the short-, medium-, and long-term financial plans of the Company. 3. Install charging piles and related electrical facilities in parking lots. 4. The parking lot will be equipped with electric charging stations and the necessary electrical infrastructure. 5. ASE WeMall collaborates with tenants to foster a welcoming environment and embrace international sustainable product trends. It also advocates for green design and resource circulation, thereby shaping consumer consciousness and leading the market towards a new business model that minimizes waste. Taking a circular economy approach, the Mall implements measures to reduce overall waste in alignment with the government's plastic ban policy. Disposable containers are strictly prohibited, and the promotion of products and practices that meet sustainable criteria is encouraged.	1. Conduct construction market research quarterly. 2. The new project includes 50 charging installations and accounts for 4.63% of the total parking spaces. 3. Increase the number of participants in friendly environment initiative of shopping malls.
Market	Increase consumers' willingness to buy	Sales Department Engineering Department	1. Use green building materials and new low-carbon environmentally friendly building materials, such as replacing cement with fly ash and hearthstone and using energy-saving glass in building projects to avoid causing heat hazards to the environment by buildings. 2. All projects are aimed at applying for the Green Building Label to achieve green and energy saving goals. 3. Enhance customers' confidence in purchasing with the main goal of low-carbon transformation.	1. Gradually phase out equipment that consumes high levels of energy to improve overall energy efficiency. 2. Obtained green building label and smart building label. Efforts are ongoing for additional construction projects to achieve both the green building label and WELL certification.

(VI) Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof:

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	v		The Company's Board of Directors has approved formulation of the Ethical Corporate Management Best Practice Principles and the Code of Conduct, and the Company has disclosed them on its website and MOPS. The Board of Directors' members and senior management have signed the Statement on Compliance with Ethical Management Policy, and actively implement their commitment for management policies.	Compliance with the Principles.
(II) Does the Company establish an evaluation mechanism for the risk of unethical conduct that regularly analyzes and evaluates business activities with higher risks of unethical conduct in the business scope? Does the Company formulate a plan to prevent unethical conducts, which at least covers the precautionary measures prescribed in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	v		The Company has formulated the Ethical Corporate Management Best Practice Principles, the Code of Conduct, the Ethical Management Best Practice Principles and Guidelines for Conduct, and other policies and rules, expressly prohibiting Directors, managerial officers and employees from having the following unethical acts, and the Company conducts audit and monitoring through internal audit procedures to establish ethical management acts: 1. Provision and receipt of any bribes. 2. Making any illegal political contributions. 3. Any improper charitable donations or sponsorships. 4. Provision and receipt of any unreasonable gifts, entertainment or any other improper benefits. 5. Infringement on any business secrets, or any trademark rights, patent rights, copyrights and other intellectual property rights. 6. Engagement in any unfair competition. 7. Damage to any stakeholders caused by products or services.	Compliance with the Principles.
(III) Does the Company establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, disciplinary actions for violation of rules and complaint procedures in such policies?	v		The Ethical Management Best Practice Principles and Guidelines for Conduct formulated by the Company specifies the operating procedures, behavior guidelines, punishment against violation and complaint system for unethical acts, and the Company regularly reviews and revises the Ethical Management Best Practice Principles and Guidelines for	Compliance with the Principles.

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			Conduct, and has established a whistle-blowing and complaint channels on the Company's website for whistle-blowing against any improper acts.	
II. Fulfillment of ethical corporate operation	v			
(I) Does the company evaluate its business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?			The Company's contractors' assessment form items cover ESG social standards. When entering into contracts with other parties, the Company fully reviews the business operations of the counterparties and includes the ethical corporate management policies in business contracts.	Compliance with the Principles.
(II) Has the company established an exclusive (or concurrent) business unit, which is supervised by the Board and is exclusively or concurrently dedicated to business ethics and integrity and prevention of violation of such ethics and integrity, and report to the Board on its implementation status regularly (at least annually)?		v	The Company has not yet established any exclusive business unit dedicated to ethical corporate management, each department fulfills ethical corporate management in accordance with its area of responsibility.	Its execution shall be implemented in the future according to relevant laws and regulations.
(III) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	v		The Company has specified its conflicts of interest prevention policies in the Ethical Corporate Management Best Practice Principles, the Code of Conduct, and the Ethical Management Best Practice Principles and Guidelines for Conduct, and has established proper statement and consulting channels in accordance with relevant regulations. In addition, the Company's Directors adheres to a high degree of self-discipline, and they shall recuse from discussion and voting due to conflicts of interest regarding any proposals at the Board of Directors' meeting and themselves which may damage the Company's interests, and they shall not support each other in an improper way.	Compliance with the Principles.
(IV) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and that the internal audit unit evaluates whether unethical conduct takes place and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof, states the evaluation results of risk of	v		The Company has a strict accounting system and a dedicated accounting unit. The Financial Statements are audited or reviewed by the certified public accountants to ensure the fairness of financial information disclosure. The internal auditors conduct regular/ad hoc audits in accordance with the statutory and operational requirements and report to the Audit Committee and the Board of Directors in order to implement the internal control system.	Compliance with the Principles.

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
unethical conduct, and formulates relevant audit plans and check the compliance status with the plan to prevent unethical conduct accordingly, or entrust CPAs to perform the audit? (V) Does the company regularly hold internal and external training on ethical corporate management?	v		The Company has implemented relevant policies for ethical corporate operation. In addition to promoting these policies at various meetings on an irregular basis, we also offer internal and external training to ensure that all employees understand the Company's policies and direction concerning ethical corporate operation. We are dedicated to consistently upholding a high standard of professional ethics and complying with all applicable laws and regulations: 1. Internal Training: In 2024, the compliance education training focused on ethical corporate operations and anti-corruption measures. The course lasted for two hours and was attended by 36 participants. The course materials were also emailed to all employees, enabling those who did not attend the training to review them independently (including approximately 144 employees from various subsidiaries who participated). 2. External Training: In 2024, a total of 10 employees participated in external training related to accounting systems and internal control systems for a total of 39 training hours. 3. New Employee Training: In 2024, a total of nine new employees completed one hour of training on topics related to ethical corporate operation during their pre-employment training.	Compliance with the Principles.
III. Operation of the whistle-blowing system (I) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party? (II) Does the company establish standard operating procedures for the investigation of reported incidents, follow-up actions after the completion of investigation,	v	v	The Company has specified its specific whistle-blowing and reward systems in Article 21 of the Ethical Management Best Practice Principles and Guidelines for Conduct, and specified the standard operating procedures after acceptance of whistle-blowing, measures and disposal after investigation, as well as relevant confidentiality system and the measures taken for protection of whistle-blowers against improper treatment due to whistle-blowing.	Compliance with the Principles. Compliance with the Principles.

Evaluation Items	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
and relevant confidentiality mechanisms? (III) Does the company provide protection for whistle-blowers against receiving improper treatment?	v		For information about the Company's whistle-blowing channels and system, please refer to the Company's website https://mis281.wixsite.com/asehcc/sustainable-development	Compliance with the Principles.
IV. Enhancing disclosure of ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?		v	The Company discloses information regarding ethical corporate operation and its implementation effectiveness on its website and the MOPS to facilitate stakeholders' understanding of the Company.	Compliance with the Principles.
V. If the Company has established ethical corporate management best practice principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: The Company has established Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.				
VI. Other important information to facilitate a better understanding of ethical corporate management: (e.g., review of and amendments to ethical corporate management best practice principles) (I) The Company's Rules of Procedures of Board of Directors contain a system for Directors' recusal. Those or juridical persons they represent who have a personal interest in any proposals on the agenda of a Board meeting, which may undermine the Company's interests, may state their opinions and answer inquiries but shall recuse themselves from the discussion and voting and may not exercise their voting rights on behalf of other Directors. (II) The Company's Procedures for Management of Internal Material Information and Prevention of Insider Trading stipulate that directors, managerial officers, and employees shall not disclose material internal information they are aware of to others, nor shall they inquire or collect undisclosed material internal information unrelated to their personal duties from those who have knowledge of the Company's internal material information, to protect investors' and the Company's rights and interests. (III) The Company's Ethical Corporate Management Best Practice Principles establish ethics-based policies that contribute to the development of corporate culture and promote sound growth, thereby fostering a sustainable business environment.				

(VII) Other information enabling better understanding of the Company's corporate governance:
None

(VIII) Implementation Status of Internal Control

1. Statement on Internal Control System

MOPS→Corporate Governance→Internal Control Section→Internal Control Announcements.

<https://mopsov.twse.com.tw/mops/web/t06sg20>

2. If a CPA has been hired to implement a special audit of the internal control system, the CPA audit report shall be disclosed: None

(IX) Major resolutions of shareholders' meeting and Board meetings during the most recent fiscal year up to the date of publication of the annual report:

1. Major Resolutions of Shareholders' Meeting

Date	Major Resolutions	Implementation Status
2024.06.25 (Shareholders' Meeting)	1. Approved and recognized the Company's 2023 Business Report and final accounts.	1. Resolution has been announced in accordance with Article 230 of the Company Act.
	2. Approved and recognized the Company's earnings distribution for 2023.	2. September 1, 2024 was set as the ex-dividend date and all dividends were issued on September 18, 2024 (cash dividend of NT\$1.5 per share).
	3. Proposal for approval on the authorization to the Board of Directors to issue domestic ordinary shares for cash capital increase by selecting one type of shares or by combination at more than one times or at the same time, to issue ordinary shares for cash capital increase to participate in issuance of overseas depository receipts, or to issue domestic and overseas convertible corporate bonds to raise funds, at an appropriate time	3. As of the date of publication of the annual report, the proposal has not been implemented.
2024.09.26 (Shareholders' Extraordinary Meeting)	Approval on the sale of Kaohsiung K13 factory building to Advanced Semiconductor Engineering, Inc.	The transaction was successfully completed on October 31, 2024.

2. Major Resolutions of the Board Meetings

Date	Major Resolutions
2024.03.08	I. Routine report matters II. Discussion Items 1. Approval on the Company's remuneration to employees and Directors for 2023. 2. Approval and recognition of the Company's 2023 final accounts. 3. Approval on the Company's earnings distribution plan for 2023. 4. Approval on issuance of domestic ordinary shares for cash capital increase by selecting one type of shares or by combination at more than one times or at the same time, or issuance of ordinary shares for cash capital increase to participate in issuance of overseas depository receipts, or issuance of domestic and overseas convertible corporate bonds to raise funds, etc. 5. Approval on 2023 Statement on Internal Control. 6. Approval of proposal on the 2024 appointment of CPAs and the assessment of the independence and competence of CPAs. 7. Approval of proposal on the Company and its subsidiaries' CPA fees for 2024. 8. Approval on the establishment of the Regulations for Financial and Business Operations Among Related Parties. 9. Approval on the amendment to the Rules of Procedures of Board of Director. 10. Approval on proposal on the application for financing from financial institutions. 11. Approval on proposal on the application for financing from financial institutions. 12. Approval on the date, place, and agenda of the 2024 Annual Shareholders' Meeting.
2024.05.10	I. Routine report matters II. Discussion Items

Date	Major Resolutions
	1. Approval on and recognition of the Company's 2024 Q1 Consolidated Financial Statements. 2. Approval on the amendment to the Rules of Procedures of Board of Director. 3. Approval on the amendment to the Organization Charter of Audit Committee. 4. Approval on the amendment to the Procedures for the Preparation and Verification of the Company's Sustainability Report. 5. Approval on the application for financing limits from financial institutions. 6. Approval on the application for financing limits from financial institutions.
2024.06.21	Approval of the joint construction contract for the Kaohsiung K28 plant with Advanced Semiconductor Engineering, Inc.
2024.08.09	I. Routine report matters II. Discussion Items 1. Approval on the sale of Kaohsiung K13 factory building to Advanced Semiconductor Engineering, Inc. 2. Approval on and recognition of the Company's 2024 Q2 Consolidated Financial Statements. 3. Approval on the setting the ex-dividend date. 4. Approval on the amount of individual remuneration for the Directors of the Company. 5. Approval on the establishment of the amount of remuneration to the managerial officers of the Company and its subsidiaries. 6. Approval of proposal on the application for financing limits from financial institutions. 7. Approval of the Company's 2023 Sustainability Report. 8. Approval of proposal for enhancing corporate governance and improvements. 9. Approval on the date, place, and agenda of the 2024 Shareholders' Extraordinary Meeting.
2024.11.08	I. Routine report matters II. Discussion Items 1. Approval on and recognition of the Company's 2024 Q3 Consolidated Financial Statements. 2. Approval on the establishment of the Sustainable Information Management Operating Procedures. 3. Proposal for approval on the loaning of funds with Ding Gu Properties Co., Ltd 4. Approval of proposal on a change in CPA. 5. Approval of proposal on the application for financing limits from financial institutions. 6. Approval of proposal on the application for financing limits from financial institutions. 7. Approval of proposal on the application for financing limits from financial institutions. 8. Approval on the donation of NT\$200,000 to the ASE Environmental Protection and Sustainability Foundation. 9. Approval on the Company's audit plan for 2025 proposed by the internal audit unit.
2025.03.07	I. Routine report matters II. Discussion Items 1. Approval on the Company's remuneration to employees and Directors for 2024. 2. Approval and recognition of the Company's 2024 final accounts. 3. Approval on the Company's earnings distribution plan for 2024. 4. Approval on the acquisition of undeveloped land in the Caosuo Redevelopment Zone, Guanyin District, Taoyuan City. 5. Approval on 2024 Statement on Internal Control. 6. Approval of appointment of CPAs for 2025 financial report and the assessment of CPA independence and competence. 7. Approval on the Company and its subsidiaries' CPA fees for 2025. 8. Approval on the definition of entry-level employee in the Company. 9. Approval on the amendment to the Articles of Incorporation.

Date	Major Resolutions
	10. Approval on amendments to the Employee Service Manual. 11. Approval of proposal on the application for financing limits from financial institutions. 12. Approval on the date, place, and agenda of the 2025 Annual Shareholders' Meeting.
2025.03.28	Approval on the signing of the joint development construction sales contract with Wealthy Joy Co., Ltd. (hereinafter referred to as Wealthy Joy)

- (X) Major contents of any recorded or written significant resolutions approved by the Board of Directors to which Directors or Independent Directors have different opinions in the most recent year and as of the publication date of the Annual Report: None

IV Information on CPA Professional Fees

Unit: NT\$ thousand

Name of Accounting Firm	Name of CPAs	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Note
Deloitte & Touche	Shiuh-Ran Cheng	2024/01/01-2024/09/30	2,820	130	2,950	(Note)
	Chun-Hung Shin					
	Wang-Seng Lin	2024/10/01-2024/12/31				
	Chun-Hung Shin					

(Note) Non-audit fee is for other information review; The change of the visa accountant is due to the internal rotation of Deloitte Touche Tohmatsu CPA LLP

- (I) The accounting firm is replaced and the audit fee paid in the year of replacement is less than that in the previous year before replacement: None
- (II) The audit fee is more than 10% less than that in the previous year: None

V Information on Replacement of CPA

- (I) Information on former CPAs

Date of replacement	Approved by the Board of Directors on November 8, 2024 to change from the fourth quarter of 2024		
Reasons and explanations of replacement	Internal job rotation of Deloitte & Touche		
Description on whether the termination was initiated by the Company or the CPAs or the commission was rejected	Involved Party		Certified Public Accountant
	Condition	Client	
	Termination by the client	N/A	
Termination by the CPAs			
Opinions and reasons for issuing Auditor's Report which does not contain unqualified opinions in the most recent two years	N/A		
Deviation form the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	None	V	
	Explanation: N/A		
Additional disclosures (Items which shall be disclosed under Item 1-4 to 1-7, Subparagraph 6 of Article 10 of the Guidelines)	None		

- (II) Successive CPAs

Name of CPA Firm	Deloitte & Touche
Name of CPAs	Wang-Sheng Lin
Date of appointment	Approved by the Board of Directors on November 8, 2024 to change from the fourth quarter of 2024
Inquiries into accounting treatments or principles for specific transactions and possible opinions on financial statements before appointment and results	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) Former CPAs' Reply to disclosures under Items 1 and 2-3, Subparagraph 6 of Article 10 of the Guidelines: None.

VI The Company's Chairman, General Manager and Managerial Officers Responsible for Finance or Accounting Who have been Employed in the Firm that the CPA works for or Its Affiliated Enterprises in the Most Recent Year: None

VII Changes in Transfer of Equity and Pledge of Equity of Directors, Managerial Officers, and Shareholders Holding More Than Ten Percent of Total Shares in the Most Recent Year and as of the Date of Publication of Annual Report:

No directors, managerial officers or shareholders holding more than ten percent of total shares had changes in transfer of equity or pledge of equity.

Available at: MOPS (<https://mops.twse.com.tw>)

VIII Information on the Relationship among the Top Ten Shareholders

Name	Shareholder's Shareholding		Shareholding of Spouse & Minor Children		Total Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees of Kinship		Note
	Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %	Name	Relationship	
Jason C.S. Chang	-	-	-	-	84,360,669	31.21	Advanced Semiconductor Engineering, Inc. Richard H.P. Chang	Representative of the said Company Brothers	-
Advanced Semiconductor Engineering, Inc. Representative: Jason C.S. Chang	68,629,781	25.39	-	-	-	-	Jason C.S. Chang Richard H.P. Chang	Representative of the Company General Manager of the Company	-
Richard H.P. Chang	-	-	-	-	33,700,042	12.49	Advanced Semiconductor Engineering, Inc. Jason C.S. Chang	General Manager of the said Company Brothers	-
Hung Ching New Co., Ltd. Representative: Yuan-Yi Tseng	8,547,691	3.16	-	-	-	-	None	None	-
Vistone Emerging Market High Dividend Fund, with Standard Chartered Bank (Taiwan) as the custodian trustee	1,822,000	0.67	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	-
Shen Te-kuei	1,015,000	0.38	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	-
DFA Emerging Markets Core Securities Investment Account, with Citibank as the custodian trustee	933,000	0.35	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	-
Subdivision Emerging Markets Valuation Fund Investment Account, with Citibank Taiwan as the custodian trustee	857,460	0.32	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	-
Chia-Ju Chou	796,110	0.29	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	-
Berkeley Capital Securities Limited Investment Account, with Citibank as the custodian trustee	754,000	0.28	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)	-

Note: The shareholders are not insiders of the Company who have been reported by the Company, and therefore the relevant information of their spouses, minor children or shares held by nominee arrangement cannot be obtained.

IX Investment of the Company, the Company's Directors and Managerial Officers and Companies Directly or Indirectly Controlled by the Company in the Same Investee, and Their Total Shareholding Ratio

2025.04.30 Unit: shares; %

Investee (Investments of the Company are accounted for using the equity method)	Investments by the Company		Investment by Directors, managerial officers, and the companies directly or indirectly controlled by the Company		Total Investment	
	Number of Shares	Percentage of Shareholding %	Number of Shares	Percentage of Shareholding %	Number of Shares	Percentage of Shareholding %
Hung Ching Kwan Co., Ltd.	82,494,545	63.5	35,497,273	27.3	117,991,818	90.8
Fuhua Engineering Co., Ltd.	65,000,000	100.0	0	0	65,000,000	100.0
Hung Ching New Co., Ltd.	46,300,000	100.0	0	0	46,300,000	100.0
Hung Ching Co., Limited	1,099,000	100.0	0	0	1,099,000	100.0
Shanghai Youhong Engineering Technical Consulting Co., Ltd.	0	0.0	0	100.0	0	100.0
Shanghai Hong Rong Property Management Co., Ltd.	0	0.0	0	100.0	0	100.0
ASE WeMall Management and Consulting Co., Ltd.	500,000	100.0	0	0	500,000	100.0
Superb First Co., Ltd.	600,000	100.0	0	0	600,000	100.0
Shanghai You Chang Property Management Co., Ltd.	0	0	0	100.0	0	100.0
Luchu Development Corporation	208,853,490	96.5	0	0	208,853,490	96.5
Ding Gu Properties Co., Ltd.	57,120,000	24.0	0	0	57,120,000	24.0

Chapter 3 Capital Overview

I Capital and Shares

(I) Source of Capital

1. Share type

April 30, 2025

April 30, 2023

Share type	Authorized Capital					Note
	Outstanding Shares			Unissued Shares	Total	
	Listed	Unlisted	Total			
Ordinary shares	270,306,000 shares	0 shares	270,306,000 shares	270,000,000 shares	540,306,000 shares	-

2. Process of Capital Formation of the Company

April 30, 2025

Year/ Month	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Source of Capital (NT\$ thousand)				Note		
		Shares (in thousand)	Amount (NT\$ thousand)	Shares (in thousand)	Amount (NT\$ thousand)	Cash	Earnings	Capital Surplus	Total	Capital Increase by Assets Other than Cash	Date of Approval	Others Official Letter No. of Approval
1986.12	10,000	2.5	25,000	2.5	25,000	25,000	-	-	25,000	None		
1987.09	10,000	5	50,000	5	50,000	25,000	-	-	25,000	None		
1988.12	10,000	18	180,000	18	180,000	130,000	-	-	130,000	None		
1989.11	10	50,000	500,000	50,000	500,000	320,000	-	-	320,000	None	1989.11.09	Securities Supervisory Commission (78) Tai-Tsai-Cheng (I) No. 02327
1992.05	10	250,000	2,500,000	195,000	1,950,000	1,300,000	120,000	30,000	1,450,000	None	1992.04.16	Securities Supervisory Commission (81) Tai-Tsai-Cheng (I) No. 00728
1994.02	10	250,000	2,500,000	214,500	2,145,000	-	39,000	156,000	195,000	None	1993.12.08	Securities Supervisory Commission (82) Tai-Tsai-Cheng (I) No. 44439
1995.01	10	290,000	2,900,000	261,600	2,616,000	256,500	42,900	171,600	471,000	None	1994.11.14	Securities Supervisory Commission (83) Tai-Tsai-Cheng (I) No. 43979
1995.06	10	550,000	5,500,000	392,900	3,929,000	-	1,103,720	209,280	1,313,000	None	1995.05.18	Securities Supervisory Commission (84) Tai-Tsai-Cheng (I) No. 29292
1996.06	10	550,000	5,500,000	432,190	4,321,900	-	-	392,900	392,900	None	1996.05.15	Securities Supervisory Commission (85) Tai-Tsai-Cheng (I) No. 31153
1997.08	10	550,000	5,500,000	475,809	4,758,090	-	47,219	388,971	436,190	None	1997.07.15	Securities Supervisory Commission (86) Tai-Tsai-Cheng (I) No. 52990
2002.06	10	475,809	4,758,090	475,809	4,758,090	-	-	-	-	None		
2004.04	10	475,809	4,758,090	470,306	4,703,060	-	-	-	-	None		
2005.12	10	270,306	2,703,060	270,306	2,703,060	-	-	-	-	None	2005.11.24	Financial Supervisory Commission Chin-Kuan-Cheng-I No. 0940138382
2010.06	10	540,306	5,403,060	270,306	2,703,060	-	-	-	-	None		

3. Private placement of securities: The Company does not have any private placement of securities.

(II) List of Major Shareholders

April 21, 2025

Name of Major Shareholders	Shares	Shareholding (shares)	Percentage of Shareholding%
Jason C.S. Chang (Dedicated Account in Value Investment Corporation, with HSBC as the custodian trustee)		84,360,669	31.21
Advanced Semiconductor Engineering, Inc.		68,629,782	25.39
Richard H.P. Chang		33,770,042	12.49
Hung Ching New Co., Ltd.		8,547,695	3.16
Vistone Emerging Market High Dividend Fund, with Standard Chartered Bank (Taiwan) as the custodian trustee		1,822,000	0.67
Shen Te-kuei		1,015,000	0.38
DFA Emerging Markets Core Securities Investment Account, with Citibank as the custodian trustee		933,000	0.35
Subdivision Emerging Markets Valuation Fund Investment Account, with Citibank Taiwan as the custodian trustee		857,468	0.32
Chia-Ju Chou		796,116	0.29
Berkeley Capital Securities Limited Investment Account, with Citibank as the custodian trustee		754,000	0.28

(III) Dividend Policy and Implementation Status

1. Dividend Policy of the Company

The Company's current industrial development is in a mature period while the business development is still at a growth stage with investment plans and funding requests in the coming years. Therefore, in addition to the above-mentioned policies, the distribution of earnings in accordance with the provisions of Article 24 of the Articles of Incorporation shall be based on at least 20% by cash dividends and the remainder shall be distributed in the form of stock dividends as distribution of shareholders' dividends and bonuses for the year. However, if the Company obtains sufficient funds from external parties to meet its funding requests for the year, the proportion of cash dividends distributed above shall be increased to 40% on a discretionary basis.

As stated in the preceding paragraph, the Company may determine the most appropriate dividend policy and payment method depending on the actual operation of the year and taking into account the capital budget planning for the subsequent year.

2. Distribution of dividends proposed in the shareholders' meeting:

- (1) On March 7, 2025, the Company's Board of Directors proposed that the dividend to shareholders of NT\$540,612,000 will be distributed in cash. Based on the number of shares recorded in the Company's current shareholder register of 270,306,000 shares, NT\$2 per share will be distributed. The distribution of cash dividends shall be based on the share ratio and rounded off to the integer. Fractional dividend amounts that are less than NT\$1 shall be ranked from high to low in value and from old to new in account number, and then they shall be adjusted in this order until the total amount of cash dividend distribution is met. Subsequent factors such as the

issuance of new shares due to the Company's cash capital increase and issuance of new shares, or the transfer or cancellation of treasury shares due to the purchase of the Company's shares, which affect the number of shares that the Company can participate in the distribution of shareholder dividends, and the dividend rate of shareholders changes and needs to be revised, it is proposed to authorize the Board of Directors to handle and adjust it.

- (2) The shareholders' ex-dividend date shall be determined by the Board of Directors after a resolution is made at the shareholders' meeting.

- (IV) Effect upon operation performance and earnings per share of the bonus shares proposed to be issued at this shareholders' meeting

No bonus shares will be issued at this shareholders' meeting.

- (V) Remuneration of Employees and Directors

1. Percentage or scope of remuneration of employees and Directors as stipulated in the Articles of Incorporation:

Article 23 of the Company's Articles of Incorporation: The Company shall allocate 1%~7% of the profit of the fiscal year as employees' compensation if has profit in the year. The employees' compensation will be distributed in share or cash by the resolution of the Board of Directors. The employees of the subordinate company that meet certain conditions may be granted such compensation. The Board of Directors can determine by resolution to allocate no more than 3% of the above-mentioned profit as directors' compensation. The proposal of distributing employees' and Directors' remuneration shall be reported to the shareholders' meeting.

When there are accumulated losses, the Company shall offset the appropriate amounts before remuneration and then allocate the remuneration and compensation of the employee and directors in proportion to the preceding paragraph.

2. The estimated basis for the estimated amount of employee and director remuneration in the current period, the basis for calculating the number of shares of employee remuneration distributed by stock, and the accounting treatment when the actual distribution amount is different from the estimated amount: for the payable employee remuneration and director remuneration in 2024, the estimated amounts are NT\$45,108,250 and NT\$22,554,125 respectively, calculated on the basis of 3% and 1.5% of net profit before tax respectively. Handling of the amount of difference: If the amount still changes after the annual consolidated financial report is released, it will be treated as a change in accounting estimate, and it will be adjusted and recorded in the next year.

3. The distribution of remuneration approved by the board of directors: On March 7, 2025, the Company's board of directors passed a resolution on the distribution of employee remuneration and director remuneration in 2024 as follows: it was resolved to distribute employee remuneration NT\$45,108,250 and director remuneration NT\$22,554,125 in cash. There is no difference between the above-mentioned proposed allotment amount and the original estimated amount.
4. The actual distribution of employee and director remuneration in the previous year (including the number of shares distributed, amount, and stock price), and any discrepancy between the actual distribution of employee and director remuneration and the recognized employee and director remuneration, the difference, reason, and handling situation shall be stated:
 - (1) The actual distribution of employee remuneration was NT\$26,102,501 and the amount of director remuneration was NT\$13,051,251
 - (2) There is no difference between the above-mentioned planned allotment amount and the original estimated amount.

(VI) The Company's Shares Bought Back by the Company: The Company has not bought back any of its own shares in the most recent year and as of the publication date of this annual report.

II Issuance of Corporate Bonds, Preferred Stock, Global Depository Receipts, Employee Warrants, New Shares with Restricted Employee's Rights, and Mergers and Acquisitions:

- (I) Issuance of Corporate Bonds: None
- (II) Issuance of Preferred Stock: None
- (III) Issuance of Global Depository Receipts: None
- (IV) Issuance of Employee Warrants: None
- (V) Issuance of New Shares with Restricted Employee's Rights: None
- (VI) Mergers and Acquisitions: None

III Financing Plans and Implementation

- (I) Description of Plans

Each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: None

(II) Implementation Status

As of the quarter prior to the publication of the annual report, regarding the usage of each plan mentioned in the previous clause, an item-by-item analysis that compares operation statuses and expected benefits conducted: None

(III) Content of major capital expenditures and sources of funds: None

Chapter 4 Operational Highlights

I Business Activities

(I) Scope of Business

1. Major Contents:

Property development and sales, industrial plant development and leasing, construction management, real estate trading, real estate leasing, wholesale of building materials, wholesale of fireproof materials, department stores, supermarkets, international trade, beverage stores, restaurants, landscaping and interior design, etc.

2. Operating proportion: Investment in and construction of public housing and commercial buildings, and leasing and sales of commercial buildings and smart industrial plants and office buildings, which accounts for 100% of the revenue of the parent company.

3. Current products of the Company: Mainly are residential or factory buildings, including:

25-story residential buildings - ASE Center

4-story apartments - Boshih

Duplex buildings - Seventh-generation of Earl Villa

12-story residential buildings - Peony Buildings A and B

25 to 28-story commercial and residential buildings - Tucheng ASE (only the stores on the first floor have not been sold)

11-story commercial and residential buildings - Liyuan (only the stores on the first floor have not been sold)

22-story residential buildings - Emperor Court

17-story commercial and residential buildings - Hung Ching Lustrous (only the stores on the first floor have not been sold)

13-story residential buildings - Hung Ching Qing Yun (only the stores on the first floor have not been sold)

Plant building - ASE plant 2 building in Zhongli District (under construction)

Plant building - ASE Kaohsiung K28 plant building (under construction)

4. New products under development: Construction of plant buildings, Zhubei joint construction project, and Taichung Phase 14 project.

(II) Industry Overview

1. Current status and development of the industry

The construction industry is mainly engaged in general private residential construction projects and real estate development, trading, and leasing, etc. The construction industry usually acquires the land first and is responsible for the initial planning and design of the entire building up to the final sales. For the completion of a construction project, construction companies are required to entrust other relevant industries to perform division of labor, including the engineering consulting companies and architecture firms required for the initial construction planning and design, construction companies responsible for the actual construction process, the relevant manufacturers and suppliers of building materials, interior decoration, materials, electrical engineering, sanitary equipment, and professional agencies for subsequent sales of the real estate property.

The 2024 real estate market exhibited a trend of "strong start, weak finish." During the first three quarters, with the domestic economic growth rate significantly rising and the boom in AI industries and semiconductor-related supply chains, demand for residential and commercial real estate in these areas was stimulated. Additionally, under the New Youth Homeownership Assistance Loan Policy, a large number of first-time homebuyers with essential housing needs were attracted, creating an active real estate market. Buyers continued to focus on "low total price," "small square footage," and "high liquidity" properties. According to Ministry of Interior statistics, property transfers in the six major cities increased 18.22% compared to the same period in 2023. The national housing price-to-income ratio in the third quarter of 2024 was 10.82 times, up from 9.97 times in the fourth quarter of 2023, indicating that both prices and volume increased during the first three quarters of 2024. In the fourth quarter, following the Central Bank's introduction of the seventh wave of selective credit controls restricting loans for "multi-unit purchasers" and "speculators", buyers faced limited loan amounts. Combined with strong expectations of price corrections, the market adopted a wait-and-see approach. However, supported by strong buying in the first three quarters, annual property transfers in the six major cities in 2024 exhibited a year-over-year increase of approximately 14.8%, while nationwide transfers totaled 350,000 units, reaching an 11-year high.

As the subsequent effects of the Central Bank's seventh wave of selective credit controls gradually emerge, banks have generally increased loan interest rates and reduced loan-to-value ratios, leading to higher capital costs. While this has suppressed market participation from multi-unit buyers and investors, fundamental demand from owner-occupiers continues to provide support. Given the tightening of buyer funding,

developers may adjust their project strategies by introducing "small square footage, high unit price, low total price" products to align with market trends, or offer more flexible payment terms to stimulate buying interest. Furthermore, if the global economy enters an interest rate reduction cycle, Taiwan's Central Bank may follow suit, further reducing mortgage pressure and providing market support momentum.

Housing prices have been affected by factors such as rising raw material and labor costs, carbon tax implementation, Property Hoarding Tax 2.0, and Central Bank credit controls. Combined with existing developers having limited room for price reductions due to their sound financial positions, significant short-term corrections are unlikely. Additionally, real estate continues to serve as an asset preservation function, and in regions with transportation infrastructure improvements and active industrial development, housing demand remains relatively stable due to continued employment growth. Some capital continues to flow into the real estate market, providing certain price support.

The 2025 housing market will remain influenced by policy adjustments, interest rate fluctuations, economic conditions, and changes in market supply and demand. The wait-and-see atmosphere observed in the fourth quarter of 2024 is expected to persist, maintaining a consolidation pattern. The market is expected to continue showing a trend of "reduced volume with stable prices."

2. Relationship among upstream, midstream, and downstream companies of the industry
The principal business of the construction industry is the construction and sale of housing to customers, it is therefore located in the downstream. The upstream manufacturers, except for the raw materials of land, are mainly steel and cement companies, as well as tile, paint, planning and design, and interior decoration companies, etc. The midstream manufacturers are construction companies, and some real estate developers have integrated their construction businesses and have their own list of subcontractors, and they outsource the purchasing of raw materials and executing construction works to these subcontractors. Some real estate developers use the method of large-scale contracting and outsource the entire project to construction companies, and the construction company is responsible for purchasing relevant raw materials. The Company adopts the latter method in its operation. In terms of the industrial correlation within the construction industry, the upstream manufacturers have the most influence, and the reason is that if the cost of land acquisition is too high or the upstream manufacturers increase the selling price of raw materials, it will reduce the profit of the construction companies, which will directly affect the construction cost within the construction

industry, and eventually, the increased cost will be reflected in the selling price of real estate properties.

3. Product development trends and current status of competition

With the changing of times and the progress of society, consumers' demand for quality of living has also increased, albeit relatively. Therefore, focusing on property locations, design and planning, space utilization, and safe and convenient products is the trend of the future. Therefore, real estate products in the future will be buildings which are able to integrate delicate, practical, safe, green, and high-tech qualities.

(III) Overview of technologies and R&D work

Expenses dedicated to R&D and products successfully developed in the most recent fiscal year up to the date of publishing of the annual report: None

(IV) Long-term and Short-term Business Development Plan

1. Short-term business plan

The residential houses above the 2nd floor of Tucheng ASE, Xizhi Li Garden, Xinzhuang Hung Ching Lustrous, and Tucheng Hung Ching Qing Yun have been sold, and only the stores on the 1st floor is being leased at present. Emperor Court in Taipei City is under stable sale. ASE WeMall, located in Tucheng, features a movie theater, restaurants, and international sports brands, gaming arcade for parents and children, and hypermarkets, etc., to meet the daily shopping and leisure needs of local residents. The mall has become a new landmark in Tucheng as it provides great convenience to the townspeople. The ASE plant 2 building in Zhongli District was commenced in July 2022, and is expected to be completed in the 3rd quarter of 2025; the Kaohsiung K28 plant building was commenced in November 2024, and is expected to be completed in the 4th quarter of 2026. The Zhubei joint construction project is planned in 8 districts and will be developed in three phases. The soil and water conservation-related work in these districts had been completed in the 2nd quarter of 2022. Area A, the residential building and reception center, is currently undergoing construction license registration. Taichung Phase 14 is under development and has registered to start construction in April 2025.

2. Long-term business plan

The Company will actively look for suitable and high-quality targets and develop them by purchasing or joint construction. The soil and water conservation work of the Zhubei joint construction project has been completed, and it will be developed based on different districts. We have purchased more than 280 square meters of lands in Xitun District, Taichung City and more than 760 square meters in Guanyin District, Taoyuan City at the beginning of 2025. Both will be developed at an appropriate time. Suitable

commercial and office buildings can also be purchased and leased. In 2023, we indirectly held 24% of the property rights of Tianmu Shin Kong Jieshi Castle through participating in the cash capital increase of Ding Gu Properties Co., Ltd. The Company will seek further growth of business with a steady pace and gradual progress.

II Market and Sales Overview

(I) Market Analysis

1. Sales regions of main products

The principal business activities of the Company are investment in the construction of public housing, leasing and sales of factory buildings and commercial buildings. Since its establishment, the Company has been dedicated itself to the development of Earl Villa in Xizhi area. The main products include duplex overlapping villas, detached villas, semi-detached overlapping villas, duplex residential buildings, and residential towers and apartment units and four-story apartment buildings, which are all unique real estate properties, as the Company is the pioneer in developing large-scale communities in Taiwan. With the diversity of real estate operating, the Company expanded to other districts in New Taipei City and Taipei City, in addition to launching projects in Xizhi District, in order to diversify risks. At present, the residential houses in Tucheng District, Xizhi District and Xinzhuang District have been sold, and only the stores on the first floor are under lease; The 22-story residential buildings of Emperor Court in Taipei City is under stable sale. ASE WeMall, a new one-stop shop community shopping center, has also commenced operation, which combines a total of 29,000 pings of exquisite residential tower and 8,000 pings of premium shopping mall to provide residents in Tucheng and in New Taipei City a brilliant experience in dining, shopping and recreation. In terms of product design, new concepts and new styles will also be introduced to build high-quality properties sold at reasonable prices to meet the diverse needs of home buyer in various regions. In addition to the construction of public housing, the Company is also actively developing "Smart Factory and Office Buildings" in Kaohsiung and Zhongli. As the Company's properties held for sale are all located domestically, the sales regions are in Taiwan.

2. Market share

The Company's completed residential properties are mainly located in Xizhi, Tucheng D, Xinzhuang, and on Yanping South Road, Taipei City. The upcoming Zhubei co-development project is located in Hsinchu and the Taichung Phase 14 project in Taichung, while the factory buildings are scattered in Kaohsiung and Zhongli. The market share varies with the economic boom, the number of properties currently on the

market and the condition of clearing out unsold properties, making it difficult to assess the exact market share of the Company.

3. Future market supply and demand

According to statistics from the National Land Management Agency, Ministry of the Interior, 156,237 construction licenses for residential buildings were issued in total in 2024 with an increase of 7.34% as compared with 145,553 construction licenses in 2023. Gross floor area was 20,397,146 square meters, an increase of 5.46% compared to 19,340,949 square meters in 2023. According to the Cathay Real Estate Price Index, the number and amount of saleable housing were 89,626 and NT\$1,869.4 billion respectively in 2024, and were 78,564 and NT\$1,426 billion in 2023, with an increase of 14.08% and 31.09% respectively. The overall supply increased compared with that in 2023.

In terms of demand, factors affecting the demand in the real estate market are changes in population and family structure, changes in income, changes in employment opportunities, changes in interest rates and loan conditions, changes in asset allocation, expectations regarding economic conditions (housing prices), and changes in taxation. According to the summary of the Cathay Real Estate Index for the first quarter of 2025, the Central Bank's seventh adjustment of selective credit control measures last September has led to a significant decrease in transaction volume across most regions for two consecutive quarters. Although prices remain supported due to cost factors, the housing market has clearly cooled, aligning with the Central Bank's policy expectations. Furthermore, the United States' proposal for reciprocal tariff policies in April introduces considerable uncertainty regarding its impact on the global economy, with the real estate sector expected to be indirectly affected. Overall, the current housing market exhibits stable prices but reduced volume compared to the previous quarter, indicating weak performance; in comparison to the same quarter last year, there is an increase in prices but a decrease in volume, warranting further observation.

4. Favorable and unfavorable factors relating to future development and countermeasures

(1) Favorable factors:

- A. Government promotion of economic investment programs and major infrastructure plans to boost the domestic economy and increase international competitiveness, as well as the promotion of investment action plans for encouraging Taiwanese businesses to return from Mainland China and accelerating urban renewal plans.

- B. As impacted by inflation, real estate is still the best object for preservation of value as compared to other financial products.
- C. The general public's real estate purchasing habits and their pursuit of living spaces and quality will make the conditions of real estate trading continue as it is.

(2) Unfavorable factors:

- A. In Taiwan, there is limited land available for construction, and quality land is increasingly difficult to acquire.
- B. The increase of raw material prices causes the increase of construction costs.
- C. Demographic changes, declining birth rates, and an aging population may affect long-term demand in the housing market.

(3) Countermeasures:

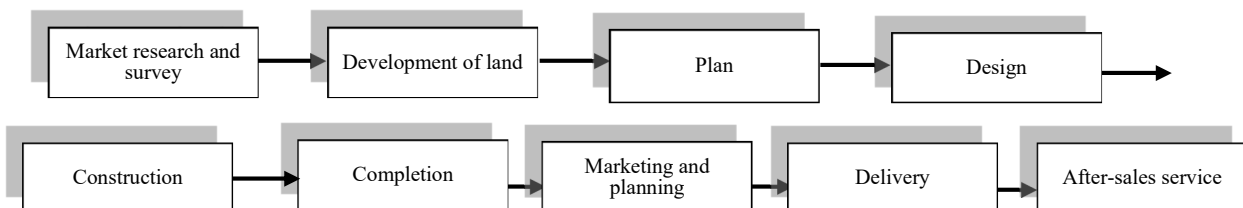
- A. In addition to traditional land acquisition methods, the Company also develops diversified land development methods, such as joint construction with the landowners, or participation in urban renewal projects.
- B. Careful selection of quality construction team members, improvement of operation procedures, enhancement of internal management and reduction of working hours to reduce the impact of increases of costs.
- C. Adjustment of product strategy to meet market demand by launching rigid-demand housing types, such as small-sized units and low-cost residences, as well as developing smart housing, to enhance the competitiveness of construction projects.

(II) Usage and Manufacturing Processes of Main Products

1. Usage of main products

- (1) Buildings: Residential, shops, offices, large display space
- (2) Villas: Residential, leisure, parking space
- (3) Apartments: Residential, shops, and parking spaces
- (4) Factory and office buildings: Factories, offices, car parking spaces

2. Manufacturing processes of main products:



(III) Supply of the Major Raw Materials

1. Land acquisition policy:

(1) Selection of regions: Due to the continued expansion of the metropolitan area in Taipei and the continued growth of the population originally from other regions of Taiwan, as well as the completion of various infrastructure promoted by the government, the demands for real estate in Taipei City and New Taipei City is significantly more prominent than that in other districts. Therefore, the Company is still mainly focused on acquisition of land in Taipei City and New Taipei City. In recent years, Taichung and Taoyuan have also made continued progress in terms of their development, and the Company has extended beyond Taipei City and New Taipei City, and has acquired more than 2,800 and 760 square meters of land in Taichung and Taoyuan, respectively. The Company is also willing to invest in quality targets for development.

(2) Land category: The Company is a professional construction company and the acquired land must be first and foremost for suitable development and construction. Also, the Company never engages in speculation on land. Therefore, priority is given to the lands suitable for immediate development of residential and commercial buildings when selecting land.

2. Source of lands: The source of land acquired is divided into private lands and the lands acquired through tendering. The former comes from the introduction of land agents, while the latter comes from pieces of land subject to tendering, such as land owned by National Property Administration, Ministry of Finance, municipal Market research and survey Development of Land Plan Marketing and planning Construction Completion Design delivery After-sales service and county governments, public utilities or private organization, etc., which is generally sold through open tendering.

(1) Acquisition method: When a project evaluated by the development plan as suitable for investment comes up, the Company will purchase the land for construction or engage in joint construction with the landowners.

(2) Conditions of acquisition: The acquisition of land shall be based on clear ownership, reasonable return on investment, and controllable development risks.

(IV) Information on major suppliers in the most recent two years

Unit: NT\$ thousand

Year Category	2024				2023				2025 (as of March 31)			
	Name	Amount	Percentage to the Total Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage to the Total Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount (Note)	Percentage to the Total Net Purchases up to the End of the Previous Quarter of the	Relationship with the Issuer

											Current Year (%)	
Purchase	Ching Wen Construction	903,417	42.34%	None	Yu Feng Construction	1,415,213	51.97%	None	Yu Feng Construction	180,608	37.76%	None
Purchase	Yu Feng Construction	332,164	15.57%	None	Ching Wen Construction	694,610	25.51%	None	Ching Wen Construction	173,325	36.24%	None
Purchase	New Lungyang Project	272,471	12.77%	None	Chia Ming Engineering	307,391	11.29%	None	Chia Feng Engineering	75,480	15.78%	None
Purchase	Chia Ming Engineering	220,074	10.31%	None	-	-	-	-	-	-	-	None
Purchase	Others	405,413	19.01%	None	Others	305,908	11.23%	None	Others	48,881	10.22%	None
	Net purchases amount	2,133,539	100.00%	-	Net purchases amount	2,723,122	100.00%	-	Net purchases amount	478,294	100.00%	-

Note: The amount settled, which is not audited by CPAs.

(V) Information on major customers in the most recent two years

Unit: NT\$ thousand

Year Category	2024				2023				2025 (as of March 31)			
	Name	Amount	Percentage to the Total Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage to the Total Annual Net Sales (%)	Relationship with the Issuer	Name	Amount (Note 2)	Percentage to the Total Net Sales up to the End of the Previous Quarter of the Current Year (%)	Relationship with the Issuer
Sales	Advanced Semiconductor Engineering, Inc. and its subsidiaries	5,361,060	73.79%	Investor having significant influence	Advanced Semiconductor Engineering, Inc. and its subsidiaries	1,773,330	76.59%	Investor having significant influence	Advanced Semiconductor Engineering, Inc. and its subsidiaries	20,058	11.35%	Investor having significant influence
Sales	Other (Note 1)	1,904,209	26.21%	None	Other (Note 1)	542,045	23.41%	None	Other (Note 1)	156,614	88.65%	None
	Net sales	7,265,269	100.00%		Net sales	2,315,375	100.00%		Net sales	176,672	100.00%	

Note 1: All are general purchase of real estate properties and the general public who rent properties, and the net sales ratio is less than 10%.

Note 2: The amount settled, which is not audited by CPAs.

III Information Regarding Employees in the Most Recent Two Years and as of the Date of Publication of Annual Report

Year		2024	2023	March 31, 2025
Number of Employees	Administration Personnel	94	95	95
	Construction Personnel	50	54	50
	Total	144	149	145
Average Age		49.54	48.27	49.02
Average Years of Service		10.99	9.86	10.64
Education Level	Ph.D.	-	-	-
	Master's Degree	8.33%	7.38%	8.97%
Distribution Percentage	Bachelor's Degree	67.36%	66.44%	70.34%
	High School and Below	24.31%	26.17%	20.69%

IV Environmental Protection Expenditure

(I) Losses Suffered in the Most Recent Year and in the Current Year as of April 30, 2025 due to Environmental Pollution Incidents: None.

(II) Future response strategies:

Although the construction industry is less likely to cause ecological and environmental pollution during the production process, such as air, and water sources, the dust, dirt and waste soil generated during the construction process are also prone to environmental nuisance. The status of environmental protection of the Company is as follows:

1. According to the laws and regulations, the application of the permit for relevant environmental pollution facilities is the responsibility of waste shipping companies, and they can start their operation only after they have obtained the permit from the competent authorities.
2. The Kaohsiung Factory and Office Buildings and the Zhongli Factory and Office Buildings, all under construction, and the upcoming Zhubei joint construction project, all adhere to strict supervision in terms of environmental protection and the spirit of being neighborly. So far, there has been no pollution incident, and it is expected that there will be no major environmental protection expenditures in the next two years.

V Labor Relations

(I) Employee Benefits Policies

1. Employee Benefits

The Company has established an Employee Welfare Committee in compliance with legal requirements, allocating funds on a monthly basis and regularly organizing various welfare activities. In terms of welfare planning, we adhere to the Labor Standards Act and relevant government regulations, encouraging employees to submit suggestions for enhancing welfare policies. We implement a range of welfare measures that promote mutual benefit and sharing, including holiday activities, birthday bonuses, year-end gatherings, as well as providing health check-ups, labor and health group insurance, and employee education subsidies. Hung Ching also offers parental leave; employees have recently applied for parental leave and returned to work after taking leave for child-rearing. Additionally, due to the specific characteristics of our industry, the Company provides extra benefits for employees purchasing homes by establishing guidelines for employee home purchase and rental discounts, thereby offering substantial additional benefits. By providing employees with both basic and supplementary bonuses and subsidies, we aim to create a comfortable and supportive workplace environment, enabling employees to achieve a balance between work and life while also fostering greater opportunities for development and interaction, thereby enhancing a sense of cohesion among employees.

(1) Basic Benefits

Employee group insurance (including life insurance, accident insurance, medical insurance, and cancer prevention insurance), labor pension contribution, and a vacation system outlined in the Labor Standards Act that becomes available six months after the start of employment.

(2) Additional Benefits

- A. Housing purchase benefit: Establishing incentives for employees to purchase and lease real estate properties
- B. Celebratory occasions: Birthday cash gift, bonuses for three main holidays, gift boxes, performance bonuses, cash gifts for celebratory occasions, congratulatory monetary gifts, and wedding cash gift
- C. Continuing education incentives: Provision of subsidies for in-service professional development
- D. Shared enjoyment: employee domestic and overseas trips, irregular complementary afternoon tea, irregular meal gatherings, and birthday celebrations
- E. Life care: Annual personal health check subsidies, provision of 20 medical masks per month for employees, hospitalization compensation for injuries and illnesses, disaster relief funds, and funeral allowances for employees and their families.

2. Continuing education and training

To implement our business policies and philosophies and to enhance employee performance and quality, thereby achieving growth and development for both the Company and its employees, we have designed a comprehensive educational training framework tailored to various levels of positions and professional fields. This framework aims to equip employees with the necessary knowledge and skills to facilitate their continuous progress within their respective professional domains and promote the Company's overall sustainable development. This not only strengthens employees' professional capabilities but also increases the Company's overall competitiveness. Furthermore, we have established the Guidelines on Educational Training Incentive of the Employee Welfare Committee to encourage employees to actively expand their knowledge and skills during their spare time. This initiative includes participation in courses or workshops offered by external training institutions, with subsidies available for a range of topics, including sustainable development, legal information, and internal control management.

- Cultivating New Recruits

The Company will continue to promote the pre-employment training program for new employees, which encompasses courses on labor safety education, human rights protection, and ethical conduct guidelines. The objective is to foster a sense of corporate culture identification, a commitment to integrity in business practices, and an understanding of human rights issues among new colleagues. Through this

training, we aim to facilitate the swift integration of newcomers into the Company and enhance their understanding of the enterprise's strong emphasis on social responsibility and ethics.

- **Strengthening Management Competency**

A specialized program for enhancing management competency has been developed for senior management. In 2024, all senior management units completed the ESG training courses. These courses focused on increasing managers' professional knowledge in sustainable development and social responsibility, ensuring that management personnel at all levels of the Company can effectively lead and respond to the increasingly complex market environment and challenges.

- **Increasing Professional Competence:**

Corresponding competency courses were organized in response to the needs of different departments to offer employees a range of learning opportunities. We will also plan initiatives that address critical issues such as sustainable development and climate change, selecting specific key employees to participate in related training to ensure that the Company has professionals with expertise in these areas.

2024 Education Training Status

Based on the aforementioned three educational training pillars, the Company held internal training on compliance with laws and regulations in 2024. The training content encompassed the importance of labor rights, promoted the Company's human rights policies, and utilized course videos from the Ministry of Labor's digital education platform, "Labor E-learning," to advocate for key topics such as gender equality in the workplace, labor rights, and occupational safety and health. New employees completed 1 hour of educational training related to human rights during pre-employment training. In 2024, employees continued to be encouraged to participate in external education training. Throughout the year, 46 employees participated in a total of 540 hours of training, with each employee reaching an average of 11.74 hours/person of training.

3. Retirement system and implementation status

- (1) The Company settled its Labor Retirement Reserve Fund (The Old Fund) on June 30, 2005 in accordance with Official Letter Bei-Shi-Lao-I No. 09536549100 issued by Department of Labor, Taipei City Government.
- (2) The Company has been contributing no less than 6% of the monthly salary as labor pension funds to individual labor pension accounts at the Bureau of Labor Insurance, Ministry of Labor (hereinafter "the Bureau") for employees covered by

the Act since July 1, 2005. A total of NT\$6,276,634 was contributed in 2024 including subsidiaries in consolidated statements.

(3) Apply for retirement

Employees who met any of the following criteria below may apply for voluntary retirement by filling out the Retirement Application Form:

- * Having worked for more than 15 years and having reached the age of 55.
- * Having worked for more than 25 year.
- * Having worked for more than 10 years and having reached the age of 60.

(4) Mandatory retirement

- * Employees who are 65 years old (or 55 years old if they hold positions that involve danger or require strong physical strength, subject to adjustment by the central competent authority).
- * Incapacitated mentally or physically, unable to fulfill duties or work.
- * Employees who are over 65 years old should retire(except General Manager and Chairman). However, if the employee is necessary for the company's business and operations, and he or she is in good physical and health condition, the retirement age can be extended with the approval of the unit supervisor and the Chairman (the maximum extension should not exceed 70 years old, unless there are special circumstances that require the employee to continue working for the company).

(II) Measures for Protecting Employees' Rights and Interests

1. Negotiations between employer and employees

Since the establishment of the Company, it has attached great importance to labor-management harmony, employee rights and interests, and employee benefits. Therefore, the Company's labor-management relationship has always been harmonious and positive, as there has been no incidents of labor disputes occurred.

2. Measures for preserving employees' rights and interests

Harmonious labor-management relations are the source of a company's growth. The Company has always adhered to the spirit of profit sharing among employees, providing appropriate responses to the reasonable demands of employees, and fostering the concept of coexistence and co-prosperity between employees and the Company. The regulations of and measures for the labor relations are well implemented in accordance with applicable laws.

(III) Labor disputes

The Company's labor relation has been harmonious, as there has never been any labor disputes.

(IV) Fulfilling Corporate Social Responsibility

1. Whether the Company is compliant with relevant labor laws and regulations and respect internationally recognized principles for human rights of workers:

The Company recognizes and undertakes to comply with the international human rights conventions, including the United Nations Universal Declaration of Human Rights, the Global Compact, and the ILO Declaration on Fundamental Principles and Rights at Work, as well as the labor laws of places where the Company is located, including the Labor Standards Act and the Act of Gender Equality in Employment, so as to establish appropriate management methods and procedures to eliminate any violations and infringements of human rights. The Company also effects labor and health insurances and withdraws labor pension in accordance with various labor-related regulations to ensure labor rights, and effects group insurance for staff. In addition, the Company respects internationally recognized principles for human rights of workers. The hiring, dismissal, and remuneration of employees are processed in accordance with the Company's management regulations to protect employees' basic rights and interests.

2. Whether the Company has established an employee hotline or grievance mechanism to handle complaints and a regular communication mechanism between the employer and employees:

The Company values the feedback of every employee and encourages them to provide constructive suggestions, thereby fostering positive growth within the organization. This approach aims to achieve both employee development and the Company's operational objectives. To facilitate effective communication between management and employees, we offer the following three communication channels for employee use:

- (1) Written complaints or suggestions for improvement will be promptly forwarded to the appropriate unit for processing.
- (2) Channels such as a suggestion box, departmental communication meetings (or forums), administration department meetings, and general manager forums are used to express work-related issues.
- (3) A suggestion box will be established at designated locations based on employee needs, and department supervisors will engage in regular face-to-face communication with employees. The collected feedback will be compiled and reviewed during supervisor meetings held biweekly.

To further eliminate incidents of workplace sexual assault and harassment, Hung Ching has established a sexual harassment complaint mailbox (Info@asehome.com) to foster a friendly and safe working environment. Upon receiving a report, Hung Ching will ensure

confidentiality regarding the content of the report in collaboration with a third party entrusted to investigate the reported issues. Appropriate measures will be implemented to protect the personal information and privacy of the complainant, preventing any unfair treatment or retaliation. This approach allows employees to confidently utilize this channel for complaints or to express their opinions.

3. Whether the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis:

To prevent occupational hazards and ensure the safety and health of employees, the Company adheres to the fundamental principle of "Life First, Safety Priority" in occupational safety and health management. We have established an Occupational Safety and Health Committee, which includes one Occupational Safety and Health Officer and representatives from relevant departments, with labor representatives comprising 72.7% of the overall committee. The committee convenes every three to six months to discuss and make decisions on relevant matters, ensuring effective implementation.

Additionally, Hongjing has developed the "Hongjing Construction Labor Safety and Health Plan" in accordance with the Occupational Safety and Health Act. This plan applies to the Company and all contractors' workers, covering facilities and equipment within their workplaces (workers subcontracted by contractors are not included in this scope). Through continuous internal management improvements and the promotion of preventive measures, we strengthen our efforts to mitigate occupational hazards, embodying the principle that "prevention is better than cure." We are committed to establishing a safe and healthy working environment, which not only ensures the safety of employees in their daily tasks but also fosters a workplace atmosphere where every employee feels secure and comfortable, thereby enhancing overall employee satisfaction and productivity.

Identification, assessment, and control of work environment or operational processes according to the Hung Ching Construction Labor Safety and Health Plan:

- (1) Hazard Identification: First, eight types of hazardous elements that may arise from a project were identified. This comprised falling, slipping, colliding, object collapse, being struck or pinched, cutting, electric shock, and traffic accidents.
- (2) Hazard Assessment: A dual risk assessment is performed based on severity and likelihood, categorizing risks into high, medium, and low levels. Furthermore, injuries resulting from hazards are classified as minor, moderate, or severe.

- (3) Hazard Control: Appropriate disaster control measures shall be implemented based on the identification of the eight hazardous elements.

The Company further performs regular audits of the workplace environment, equipment, and occupational hazards affecting workers in accordance with the health and safety audit plan. The details are as follows:

- Inspections: Auditors conduct weekly inspections in various work areas alongside safety and health business supervisors to address and follow up on deficiencies in the work environment and equipment, thereby minimizing risks associated with workplace hazards.
- Discovery and Communication: During inspections, the on-site foreman or supervisor is consulted regarding occupational hazards, such as the placement of fire extinguishers. Should any deficiencies be identified, the foreman must communicate with the workers to address and rectify these issues.
- Report and Handling: In accordance with the Occupational Safety and Health Act, if a worker feels unwell, they may relocate to a safe area. Upon reporting their discomfort to the on-site supervisor or foreman, arrangements will be made for the worker to rest in a designated break area.
- Notification: If a workplace accident occurs, an on-site first-level supervisor will direct personnel to remove hazards at the scene. Safety and health personnel will then prepare an accident investigation report, which will be presented for corrective action and analysis during the monthly work area coordinating organization meeting.

Occupational Health Services and Health Promotion

The Company regularly hosts a variety of health promotion activities, including lectures by professionals such as psychologists, nutritionists, and medical teams. It also provides subsidies for health check-ups to maintain the health and well-being of employees and to prevent various hazards and occupational injuries. Additionally, to prevent occupational diseases and promote healthy physical well-being among all employees, the Company arranges free health check-up activities for all employees every two years. This initiative has been ongoing for over 30 years, continuously promoting workplace health to safeguard employee well-being. The 2024 health check-up activities were conducted from the end of 2024 to February 2025, with a total of 122 employees participating. The subsidy for health check-ups amounted to NT\$427,000. Furthermore, the Company provides an additional annual subsidy of NT\$10,000 for employees to cover their own health check-up expenses, which can be utilized in advance or deferred

for up to three years. In 2024, 15 employees applied for this subsidy, totaling NT\$358,740.

In 2024, two primary categories of training courses were offered: "General Occupational Safety and Health Education Training" and "Firefighting and First Aid Training." The participant count included 1 occupational safety and health management personnel undergoing on-the-job training, 2 Class A Occupational Safety and Health Affairs Supervisors undergoing initial training, 52 participants in firefighting drills, and 20 participants in AED and CPR education training. An external health manager was also invited to the Company to conduct a health promotion seminar.

4. Whether the Company established effective career development training plans:

In order to implement the Company's operating principles and philosophy and enhance the work performance and quality of the employees, with a view to the mutual growth and development of the Company and the employees, the Company may conduct on-boarding training for new employees according to their business needs and development, and provide specialized continuing education and training of professional knowledge and skills for current employees, enhancing necessary professional capabilities. Employees are encouraged to participate in external professional training to enrich their work skills and build up their career strength. The Company also provides subsidies to employees for training courses in accordance with the Guidelines on Educational Training Incentive of the Employee Welfare Committee.

VI Information Security Management

(I) Information security risk management structure, information security policy, specific management plan and resources invested in information security management, etc.

1. Information security risk management structure:

The Company has registered as a member of TWCERT/CC and established a Cybersecurity Promotion Team. The Assistant General Manager serves as the Chief Information Security Officer, responsible for coordinating cybersecurity management, formulating information security policies, and strategic planning. The head of the Information Department, along with cybersecurity professionals, assists in conducting regular internal information security inspections. All levels of management act as cybersecurity coordinators, responsible for promoting compliance and supervising the implementation of cybersecurity measures within their respective units. The internal supervisory unit, the Audit Department, oversees the execution of the company's internal cybersecurity practices and regularly monitors improvement outcomes to mitigate internal cybersecurity risks. The external supervisory auditing unit is the accounting firm

contracted by the Company, which conducts regular audits of the Company's cybersecurity regulations, management methods, and implementation. If any deficiencies are identified, the audited unit is required to promptly propose relevant improvement plans and corrective actions to reduce the Company's cybersecurity risks.

2. Information security policy:

- (1) Implementing quality in information security.
- (2) Compliance with all applicable legal requirements and regulations.
- (3) Planning of operations for sustainable development.
- (4) Concerns regarding the misuse and leakage of personal data.

3. Implementation and effectiveness

- (1) In June 2024, the internal control inspection of information security was completed.
- (2) In 2024, two functional audits were conducted, one in March and the other in October.
- (3) In March 2024, a comprehensive inventory and risk assessment of the system was conducted.
- (4) In May 2024, the social engineering drill was completed.
- (5) In April 2024, a security visit audit was completed.
- (6) In December 2024, the cybersecurity policy was developed and approved.
- (7) In November 2024, the report on information security implementation was presented at the 4th Board Meeting (November 8, 2024).
- (8) No significant cybersecurity incidents were reported.

4. Resources invested in information security management

- (1) Established a Cybersecurity Promotion Team comprising one Chief Cybersecurity Officer, one Chief Information Officer, several cybersecurity personnel and supervisors at various levels.
- (2) Promoted safety competency training for personnel involved in information management, ensuring that each individual receives between 4 to 12 hours of educational training annually.
- (3) Continuous investment in cybersecurity maintenance for related equipment totals approximately NT\$800,000.
- (4) Approximately 60 working days were spent completing the department's cybersecurity inspection and authority review.
- (5) Relevant cybersecurity activities and projects have been planned, with a total investment of approximately 1 to 3 personnel for a duration of 10 to 15 days per month.

- (II) The losses caused by major information security incidents, possible impacts, and countermeasures in the most recent year and as of the publication date of annual report shall be specified: There were no major information security incidents in the most recent year and as of the date of the publication of the annual report.

VII Important Contracts

Type of Contract	Involved Party	Contract Duration	Major Contents	Restrictions
Real estate lease contract	Te Wei Hotel Co., Ltd.	2022.01.01 - 2031.12.31	Leasing of No. 3, Fuchun Street, Hsinchu City by Hooyai Hotel Co., Ltd.	None
Joint construction contract	Advanced Semiconductor Engineering, Inc. Zhongli Branch	2022.04.21	Joint construction of Zhongli Plant 2 office building	None
Project undertaking contract	Ching Wen Construction Co., Ltd.	2022.08.23	Excavation support, prepacked concrete piles, water stop piles and earthworks for Zhongli Plant 2 office building	None
Project undertaking contract	Ching Wen Construction Co., Ltd.	2023.05.12	ASE Zhongli plant second park new project - structure project	None
Project undertaking contract	Chia Feng Engineering Co., Ltd.	2024.01.23	ASE Zhongli plant second park new project - electrical and mechanical engineering	None
Joint construction contract	Advanced Semiconductor Engineering, Inc.	2024.06.21	Kaohsiung K28 Plant joint construction contract	None
Cooperation Agreement	Wealthy Joy Co., Ltd.	2025.03.28	Jointly develop, construct and sell Taichung Phase 14	None

Chapter 5 Review and Analysis on Financial Position and Financial Performance

I Financial Status

Unit: NT\$ thousand

ITEM \ Year	2024	2023	Increased (Decreased) Amount	Percentage of Change (%)	Analysis of Change
Current assets	14,970,981	16,687,938	(1,716,957)	(10)	-
Non-current assets	12,358,491	11,306,980	1,051,511	9	-
Total assets	27,329,472	27,994,918	(665,446)	(2)	-
Current liabilities	11,697,490	13,253,829	(1,556,339)	(12)	-
Non-current liabilities	1,771,988	2,916,461	(1,144,473)	(39)	1
Total liabilities	13,469,478	16,170,290	(2,700,812)	(17)	-
Share capital	2,703,060	2,703,060	0	0	-
Capital Surplus	371,540	358,719	12,821	4	-
Retained earnings (accumulated losses)	4,585,363	3,718,478	866,885	23	2
Other equity	6,271,008	5,094,140	1,176,868	23	3
Treasury Shares	(455,812)	(455,812)	0	0	-
NON-CONTROLLING INTERESTS	384,835	406,043	(21,208)	(5)	-
Total shareholders equity	13,859,994	11,824,628	2,035,366	17	-
Analysis of increase or decrease in percentage:					
1. The decrease in non-current liabilities is primarily attributable to the completion and sale of a significant construction project this year. This achievement facilitated the repayment of bank loans, resulting in a decrease in long-term liabilities.					
2. The increase in retained earnings is primarily attributable to higher profits in the current fiscal year. The increase in other equity is primarily attributed to the rise in stock prices of financial assets measured at FVTOCI					

II Financial Performance

(I) Financial performance analysis (consolidated)

Unit: NT\$ thousand

ITEM \ Year	2024	2023	Increased (Decreased) Amount	Percentage of Change (%)	Analysis of Change
Operating revenue	7,265,269	2,315,375	4,949,894	214	1
Operating costs	5,468,820	1,640,147	3,828,673	233	1
Gross operating profit	1,796,449	675,228	1,121,221	166	1
Operating Expenses	434,328	316,734	117,594	37	1
Operating profit	1,362,121	358,494	1,003,627	280	1
NON-OPERATING INCOME AND EXPENSES	96,597	302,980	(206,383)	(68)	2
Income before tax	1,458,718	661,474	797,244	121	1
Income tax expense	206,916	97,605	109,311	112	1
Net income	1,251,802	563,869	687,933	122	1
Analysis of increase or decrease in percentage:					
1. Increases in operating revenue, operating costs, gross profit, operating expenses, operating profit, income before tax, Income tax expense and net income are mostly attributable to the fact that there were completion or sales of major construction projects and the higher sales of real estate in the current year.					
2. The decrease in non-operating income and expenses is primarily attributed to a decrease in dividend income and an increase in financial costs for the current year.					

(II) Analysis of Changes in Operating Gross Profit

The gross profit margin for 2024 remained consistent with that of 2023, showing no significant change.

III Cash flows

(I) Cash Flow Analysis of the Most Recent Fiscal Year

Unit: NT\$ thousand

Balance of Cash at Beginning of the Period	Annual Cash Outflow	Annual Cash Inflow	Cash Surplus (Deficit)	Remedy for Cash Deficit	
				Investment Plans	Financial Plans
598,639	3,141,048	3,873,813	1,331,404	-	-
1. Analysis of changes in cash flows: (1) Operating activities: NT\$3,549,866 thousand of inflow. (2) Investing activities: Inflow of NT\$319,267 thousand. (3) Financing activities: Outflow of NT\$3,141,048 thousand. (4) Effect of exchange rate changes on cash and cash equivalents: NT\$4,680 thousand of inflow.					
2. Remedy for cash deficit and liquidity analysis: Remedy for cash deficit is mainly borrowings from financial institutions.					

(II) Cash Liquidity Analysis for the Upcoming Year

Unit: NT\$ thousand

Balance of Cash at Beginning of the Year	Estimated Annual Cash Outflow	Estimated Annual Cash Inflow	Estimated Cash Surplus (Deficit)	Estimated Remedy for Cash Deficit	
				Investment Plans	Financial Plans
1,331,404	3,658,449	509,038	(1,818,007)	-	1,818,007

IV Effect upon Financial Operations of any Major Capital Expenditures during the Most Recent Fiscal Year:

The Company does not have major capital expenditures during the most recent fiscal year.

V Investment Policy for the Most Recent Year, Main Causes for the Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

- (I) The reinvestment policy of the Company in the most recent fiscal year is mainly to increase the Company's profit and expand the its diversified operations. All of our investment projects were implemented after careful evaluation.
- (II) The loss from investment in investees recognized in 2024 was NT\$471,385 thousand, mainly due to recognition of income of NT\$392,157 thousand from investment in Fuhua Engineering Co., Ltd., NT\$10,839 thousand from investment in Superb First Co., Ltd., NT\$1,558 thousand from investment in Luchu Development Corporation, and NT\$113,998 thousand from investment in Ding Gu Properties Co., Ltd.; as well as loss of NT\$35,772 thousand of from investment in Hung Ching Kwan Co., Ltd., NT\$2,935 thousand from investment in Hung Ching New Co., Ltd., NT\$1,270 thousand from investment in ASE WeMall Management and Consulting Co., Ltd., and NT\$7,190 thousand from investment in Hung Ching Co., Limited.
- (III) There are no major investment plans for the coming year.

VI Risk Management Analysis and Evaluation

(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future:

1. The Company has not yet engaged in import and export trade, so the change in exchange rate has insignificant impact on the profit or loss of the Company. As the consolidated company is rarely engaged in foreign currency transactions, exposure to exchange rate risk for fluctuations in market exchange rates is minimal.
2. The Company's interest rate risk arises from short-term loans, bonds payable, and long-term loans in 2024. A 1% increase in market interest rate will decrease the Company's consolidated income before tax by NT\$48,465 thousand.
3. The impact of inflation on the Company is not significant, but the impact of rising prices of gravel, concrete, and steel bars is significant. However, the Company tend to have long and solid business relationship with its contractors, and the range of price increase is likely to be lower than the increased price in the market.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future

1. The Company does not engage in high-risk or highly leveraged investments, nor does it engage in the transaction of derivatives.
2. The Company's loans to other parties are only based on the joint investment in real estate and the loan of funds to an affiliate, Ding Gu Properties Co., Ltd. is in compliance with the Company's Procedures for Loans of Funds to Others, and based on the results of the comprehensive assessment, there is no risk to the Company's operations and there is no improper use of the loans.
3. The Company does not have any endorsement or guarantee to other parties other than the bank guarantee to the Company's affiliates.

(III) Future R&D Plans and Expected R&D Spending: None

(IV) Impact on the Company's Financial Operations and Contingency Action Regarding Recent Changes in Domestic and International Policies and Regulations:

The Company has consulted with relevant legal or accounting professionals about important policy and regulation changes domestically and internationally, and has taken appropriate measures to comply with the requirements of the relevant laws and regulations. Therefore, it should not have a significant impact on the Company's financial position and operation.

(V) Effect of Changes in Technology (Including Information Security Risk) and Industry on the Company's Finance and Business, and Measures to Be Taken in Response:

- (VI) The Company is principally engaged in the entrusted construction, sales, and leasing of residential buildings and plant office buildings, as technological changes have no obvious relevance to the real estate industry. There is no effect of changes in technology and industry on the Company's finance and business as of the publication date of the Annual Report.
- (VII) Effect of Changes in Corporate Image on Corporate Crisis Management and Corresponding Measures: The Company upholds the philosophy of integrity, responsibility, and law-abiding, and implements corporate governance and social responsibility. Since the Company became a listed company on March 6, 1995, its image in the industry has always been good.
- (VIII) Expected Benefits and Possible Risks of Merger and Acquisition, and Countermeasures: The Company currently does not have any merger and acquisition plans.
- (IX) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response: The company has no need to expand the factory.
- (X) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response: None
- (XI) Effect upon and Risk to the Company in the Event a Substantial Quantity of Shares Belonging to a Director or Shareholder Holding More than a 10% of the Shares of the Company Has Been Transferred or Has Otherwise Changed hands, and Mitigation Measures Being or to Be Taken: The Directors of the Company and major shareholders holding more than 10% of the shares have always been supportive of the Company, and there was no substantial quantity of shares being transferred in 2024.
- (XII) Effects of, Risks Relating to and Response to the Changes in Management Rights: The Company's equity structure is stable for a long time, and is managed steadily by professional managers, and there is no risk of change in management rights.
- (XIII) Litigation and Non-litigation Matters
1. Litigation cases between the Company and clients: There were no significant litigation cases involving clients in 2024.
 2. Major litigation or non-litigation cases involving the Company's Directors, General Manager, or major shareholders holding more than 10% of the Company's shares, or subordinate companies: None
- (XIV) Other Major Risks and Response Measures:
1. In order to enhance corporate governance and effectively implement the Company's risk management mechanism, mitigate potential operational risks, and achieve sustainable business objectives, the Company has developed the Risk Management Policies and Procedures on March 3, 2023, with approval from the Board of Directors. The 2024 annual risk management execution targets have been approved by the Sustainable

Development Committee, and the implementation status has been submitted to the Board of Directors on March 7, 2025.

2. Description of information security risk assessment and analysis: The Company has established a dedicated information unit responsible for the implementation and security maintenance of applications, operating systems and network systems, and has established the control procedures for the inspection of information and telecommunication security in order to implement information and telecommunication security inspection and ensure the safety of using information technology within the Company. In 2024, the Company is not aware of any significant network attacks or data leaking incidents, and the Company has not been involved in any relevant legal cases or regulatory investigation.

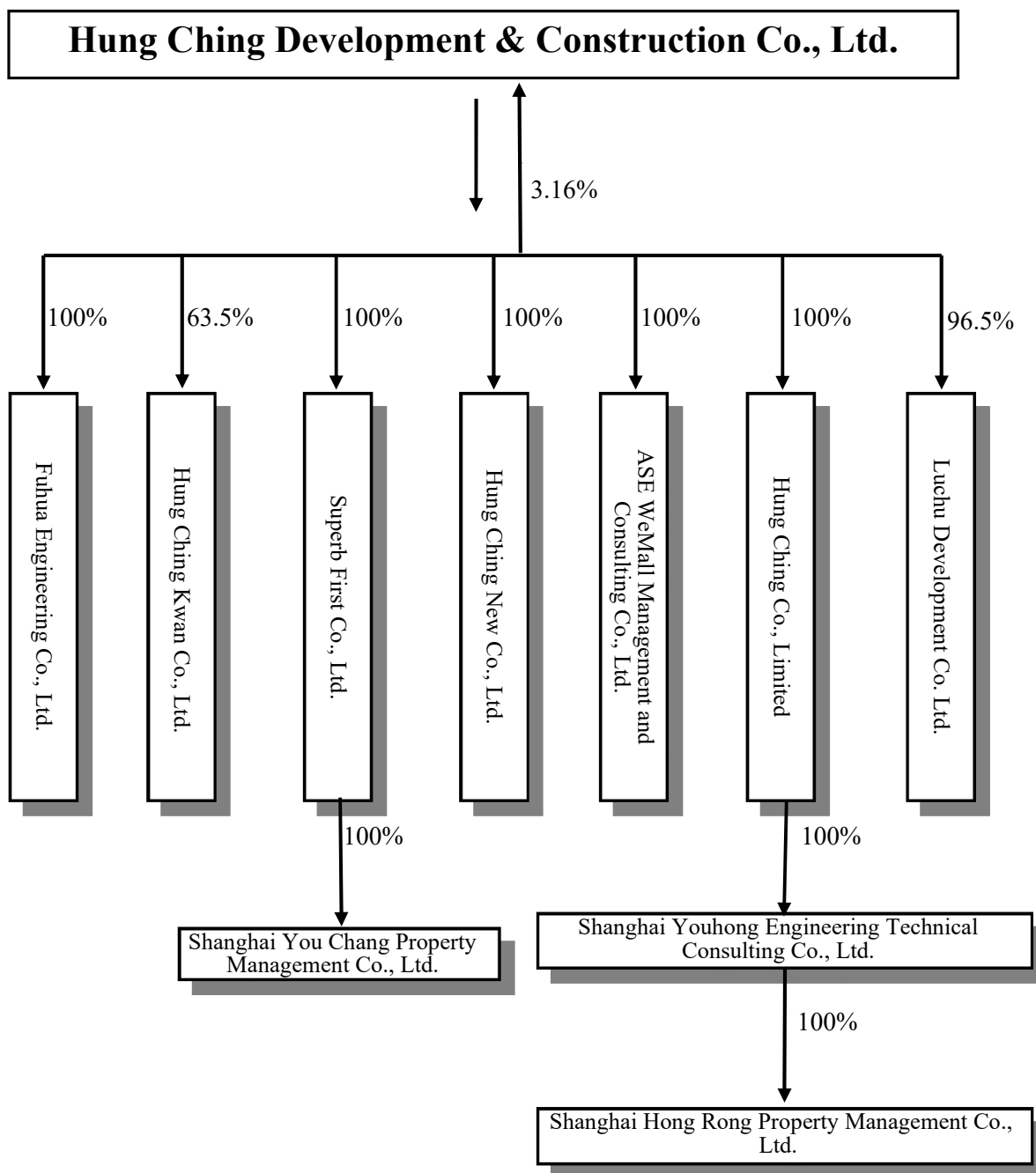
VII Other Important Matters: None

Chapter 6 Special Disclosure

I Information Related to the Company's Affiliates

(I) Overview of the Affiliates

1. Organizational chart of the affiliates



2. Basic information of the Company's affiliates:

2025.04.30

Name of Affiliate	Date of Incorporation	Address	Paid-in Capital	Main Businesses
Fuhua Engineering Co., Ltd.	1967.05.05	10F, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City	NT\$650,000 thousand	Contractor of construction projects
Hung Ching Kwan Co., Ltd.	1992.06.09	10F, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City	NT\$1,300,000 thousand	Leasing of remaining booths owned by the company and office buildings
Hung Ching New Co., Ltd.	1997.11.14	10F, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City	NT\$463,000 thousand	Wholesale and retailing of daily necessities ; management consulting
Hung Ching Co, Limited	1998.12.11	Sino Centre, Room 1702, 582-592 Nathan Road, Mong Kok, Kowloon, Hong Kong	HK\$1,099 thousand	General investment
Shanghai Youhong Engineering Technical Consulting Co., Ltd.	1999.12.11	Room 1201, No. 2, Alley 2288, Zu Chongzhi Road, Zhangjiang Hi-Tech Park, Shanghai	US\$300 thousand	Technical consulting services of electronic engineering and architectural engineering
Shanghai Hong Rong Property Management Co., Ltd.	2013.06.04	Room 1202, No. 2, Alley 2288, Zu Chongzhi Road, Zhangjiang Hi-Tech Park, Shanghai	RMB\$500 thousand	Consulting services of property management and construction and technical consulting services of architectural engineering
ASE WeMall Management and Consulting Co., Ltd.	2018.04.23	(1F), No. 210, Sec. 2, Xuefu Rd., Tucheng Dist., New Taipei City	NT\$5,000 thousand	Management consulting and operation of department store and parking lot
Superb First Co., Ltd.	2018.11.23	4, Franky Building Providence Industrial Estate, Mahe, Seychelles	US\$600 thousand	General investment
Shanghai You Chang Property Management Co., Ltd.	2019.03.14	Room 1119, No. 2, Alley 2288, Zu Chongzhi Road, Zhangjiang Hi-Tech Park, Shanghai	US\$600 thousand (RMB\$4,118 thousand)	Property management and construction and technical consulting services of architectural engineering
Luchu Development Corporation	2004.12.08	14F, No. 248, Section 3, Nanjing East Road, Taipei City	NT\$2,163,282 thousand	Real estate development

3. Information on common shareholders of presumptive controlled and subordinate companies: Not applicable.

4. Industries covered by the business operation of the affiliates and their division of labor:

- (1) Hung Ching New Co., Ltd. mainly engages in wholesale and retailing of daily necessities and management consulting.
- (2) Fuhua Engineering Co., Ltd. mainly engages in the design and construction of civil engineering related to construction works and trading and marketing of relevant construction materials.
- (3) Hung Ching Kwan Co., Ltd. mainly engages in the leasing of office buildings and remaining booths owned by the company, as well as retailing of goods.
- (4) Hung Ching Co, Limited mainly engages in general investment.
- (5) Shanghai Youhong Engineering Technical Consulting Co., Ltd. mainly engages in technology consulting in electronic engineering and in construction engineering.

- (6) Shanghai Hong Rong Property Management Ltd. Co. mainly engages in consulting services of property management and construction and technical consulting services of architectural engineering
- (7) ASE WeMall Management and Consulting Co., Ltd. mainly engages in the management consulting and operation of department store and parking lot.
- (8) Superb First Co., Ltd. mainly engages in general investment.
- (9) Shanghai You Chang Property Management Ltd. Co. mainly engages in property management and construction and technical consulting services of architectural engineering.
- (10) Luchu Development Corporation mainly engages in real estate development.

Division of labor

Currently, Fuhua Engineering Co., Ltd. and ASE WeMall Management and Consulting Co., Ltd. engage in division of labor with the Company, as its operation is related to the business of the Company. All other affiliates do not engage in division of labor with the Company.

Company Name	Division of labor with Hung Ching Development & Construction Co., Ltd.
Fuhua Engineering Co., Ltd.	Accepting the entrust of Hung Ching Development & Construction Co., Ltd. to be in charge of the construction of residential or plant buildings.
ASE WeMall Management and Consulting Co., Ltd.	Accepting the entrust of Hung Ching Development & Construction Co., Ltd. to be in charge of the management of the Tucheng ASE.

5. Directors, Supervisors, and General Managers of affiliates:

2025.04.30

Name of Affiliate	Title	Name or Representative	Shareholding	
			Number of Shares (share)	Shareholding Percentage (%)
Hung Ching Development & Construction Co., Ltd.	Chairman	Wen-Hsiang Chien	27,782	0.01
	Director and General Manager	Chia-Pei Chou	67,723	0.03
	Director	Advanced Semiconductor Engineering, Inc. Representative: Yuan-Yi Tseng	68,629,782	25.39
		Ching-Chou Su	17,242	0.01
			5,923	-
	Director	Du-Tsuen Uang	2,000	-
	Director	Ching-Hua Chen	4,176	-
	Director	Fang-Ying Chen	20,000	0.01
	Director	Chien-Hua Yao	2,768	-
	Independent Director	Wei-Li Tso	206	-
Hung Ching New Co., Ltd.	Independent Director	Hung-Lung Hung	-	-
	Independent Director	Chun-Chin Tu	-	-
	Chairman	Hung Ching Development & Construction Co., Ltd.	46,300,000	100.00
	Director	Representative: Yuan-Yi Tseng	-	-
		Hung Ching Development & Construction Co., Ltd.	46,300,000	100.00
Fuhua Engineering Co., Ltd.	Supervisor	Representative: Du-Tsuen Uang Fang-Ying Chen	-	-
		Hung Ching Development & Construction Co., Ltd.	46,300,000	100.00
		Representative: Chia-Pei Chou	-	-
	Chairman	Hung Ching Development & Construction Co., Ltd.	65,000,000	100.00
	Director	Representative: Wen-Hsiang Chien	-	-
Hung Ching Kwan Co., Ltd.	Director and General Manager	Hung Ching Development & Construction Co., Ltd.	65,000,000	100.00
		Representative: Chia-Pei Chou	-	-
		Chao-Liang Huang	-	-
		Chia-Wei Chou	-	-
		Shun-Wan Pan	-	-
		Fang-Ying Chen	-	-
		Chao-Hsiang Huang	-	-
	Supervisor	Hung Ching Development & Construction Co., Ltd.	65,000,000	100.00
		Representative: Hsiao-Wei Yao	-	-
	Chairman	Hung Ching Development & Construction Co., Ltd.	82,494,545	63.46
Hung Ching Co., Limited	Director	Representative: Chia-Pei Chou	-	-
		Hung Ching Development & Construction Co., Ltd.	82,494,545	63.46
	Director and General Manager	Representative: Wen-Hsiang Chien	-	-
		Ching-Hua Chen	-	-
	Supervisor	Fang-Ying Chen	-	-
Shanghai Youhong Engineering Technical Consulting Co., Ltd.	Director	Hung Ching Development & Construction Co., Ltd.	1,099,000	100.00
		Representative: Yuan-Yi Tseng	-	-
Shanghai Hong Rong Property Management Co., Ltd.	Executive Director	Hung Ching Co., Ltd.	-	100.00
	Supervisor	Representative: Yuan-Yi Tseng	-	-
		Representative: Chia-Pei Chou	-	-
ASE WeMall Management and Consulting Co., Ltd.	Executive Director	Shanghai Youhong Engineering Technical Consulting Co., Ltd.	-	100.00
	Supervisor	Representative: Yuan-Yi Tseng	-	-
		Representative: Chia-Pei Chou	-	-
	Chairman	Hung Ching Development & Construction Co., Ltd.	500,000	100.00
	Director	Representative: Chia-Pei Chou	-	-
		Hung Ching Development & Construction Co., Ltd.	500,000	100.00
		Representative: Fang-Ying Chen	-	-
		Ching-Chou Su	-	-
	Supervisor	Hung Ching Development & Construction Co., Ltd.	500,000	100.00
		Representative: Hsiao-Wei Yao	-	-

Name of Affiliate	Title	Name or Representative	Shareholding	
			Number of Shares (share)	Shareholding Percentage (%)
Superb First Co., Ltd.	Director	Hung Ching Development & Construction Co., Ltd. Representative: Chia-Pei Chou	600,000	100.00
Shanghai You Chang Property Management Co., Ltd.	Director	Superb First Co., Ltd. Representative: Chia-Pei Chou	-	100.00
	Supervisor	Representative: Ching-Chou Su	-	-
Luchu Development Corporation	Chairman	Hung Ching Development & Construction Co., Ltd. Representative: Chia-Pei Chou	208,853,490	96.54
	Director	Hung Ching Development & Construction Co., Ltd. Representative: Fang-Ying Chen Ching-Chou Su	208,853,490	96.54
			-	-
			-	-
	Director	Shu-Yen Lei	-	-
	Supervisor	Hsiu-Lien Kung	-	-
		Hsiao-Wei Yao	-	-
		Chao-Liang Huang	-	-

(II) Operation status of the affiliates:

2024.12.31

Unit: NT\$ thousand or thousands of dollars of foreign currency;
NT\$ or dollar of foreign currency for earnings per share

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Value	Operating revenue	Operating (Loss) Profit	Profit (Loss) (After Tax)	Earnings per Share (After Tax)
Hung Ching Development & Construction Co., Ltd.	2,703,060	27,037,167	13,562,008	13,475,159	7,137,640	982,658	1,272,344	4.86
Hung Ching New Co., Ltd.	463,000	379,199	843	378,356	12,933	9,315	9,886	0.21
Fuhua Engineering Co., Ltd.	650,000	1,760,076	745,124	1,014,952	2,449,100	209,035	168,795	2.60
Hung Ching Kwan Co., Ltd.	1,300,000	1,124,576	329,806	794,770	40,302	(53,895)	(56,370)	(0.43)
Hung Ching Co., Limited	HKD\$1,099	HKD\$17,857	-	HKD\$17,857	-	-	HKD(\$1,747)	-
Shanghai Youhong Engineering Technical Consulting Co., Ltd.	RMB\$2,052	RMB\$17,103	RMB\$267	RMB\$16,836	RMB\$1,641	RMB(\$2,587)	RMB(\$1,614)	-
Shanghai Hong Rong Property Management Co., Ltd.	RMB\$500	RMB\$9,344	RMB \$123	RMB\$9,221	RMB\$4,917	RMB \$923	RMB\$929	-
ASE WeMall Management and Consulting Co., Ltd.	5,000	7,579	4,197	3,382	23,429	(2,137)	(1,270)	(2.54)
Superb First Co., Ltd.	US\$600	US\$2,234	-	US\$2,234	-	-	US \$338	-
Shanghai You Chang Property Management Co., Ltd.	RMB\$4,118	RMB\$17,458	RMB\$1,102	RMB\$16,356	RMB\$17,344	RMB\$2,493	RMB\$2,434	-
Luchu Development Corporation	2,163,282	2,106,065	380	2,105,685	-	(1,605)	1,614	0.01

(III) Consolidated Financial Statements of Affiliates:

The entities of the Company that are required to be included in the consolidated financial statements of affiliates as of and for the year ended December 31, 2024 (from January 1 to December 31, 2024), under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10. In addition,

the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

(IV) Report on Affiliates: Not applicable

II Issuance of Privately-Placed Securities in the Most Recent Year and as of the Publication Date of Annual Report: None

III Other Necessary Supplementary Explanations: None

IV Items That Have Significant Influence on Shareholders' Equity or Security Price as Specified in Subparagraph 2 of Paragraph 3 of Article 36 of Securities and Exchange Act in the Most Recent Year as of the Date of Publication of Annual Report: None

Hung Ching Development & Construction Co., Ltd.

Person in Charge: Wen-Hsiang Chien

Published on April 30, 2025